

3200. CHANGES DUE TO WELFARE REFORM

The Personal Responsibility and Work Opportunity Act of 1996 (P.L. 104-193) eliminated the AFDC program and replaced it with a block grant program for temporary assistance for needy families (TANF). States may begin their TANF programs between August 22, 1996 and July 1, 1997. After the TANF program is in effect in your State, all references to AFDC (or title IV-A) in this chapter are references to AFDC under the AFDC State plan in effect on July 16, 1996. In addition, this legislation provided a new authority to use more liberal income and resource methodologies than were used under the AFDC program on that date. (See §1931(b)(2)(B) of the Act and §3301.) After the AFDC program has been terminated, all instructions in §3240 in this chapter will pertain only to more liberal income and resource methods chosen under the authority of §1902(r)(2) of the Act.

3207. CHANGES IN SSI DEFINITION OF DISABILITY DUE TO WELFARE REFORM

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193) contains provisions that affect Medicaid's categorical disability requirement through its link to SSI.

A. Definition of Disability.--Under the new law, the definition of childhood disability is no longer linked to the definition of disability for adults. The reference to "comparable severity" in the old law was deleted. The new definition specifies that (1) an individual under the age of 18 shall be considered to be disabled under SSI if that child has a medically determinable physical or mental disability, which results in marked and severe functional limitation, and which can be expected to result in death or which has lasted or can be expected to last for a continuous period of at least twelve months, and (2) no individual under the age of 18 who engages in substantial gainful activity may be considered disabled.

In addition to the new definition of disability for children, the law mandates two changes to current evaluation criteria in SSA's regulations. SSA must (1) discontinue the individualized functional assessment (IFA) for children and (2) eliminate maladaptive behavior in the domain of personal/behavior function in determining whether a child is disabled.

The new definition applies to all applications filed on or after August 22, 1996 and to applicants whose claims were not finally adjudicated as of that date. SSA must redetermine the medical evaluation of a child under age 18 who is currently eligible for SSI as of August 22, 1996 and who may be affected by the changes in the evaluation criteria; i.e., whose claim was allowed because of IFA, or consideration of maladaptive behavior in the domain of personal/behavioral function. These disability redeterminations must be performed within one year (by August 22, 1997).

1. Medicaid Application.--The definition of childhood disability applies to §1634 States and other States that use the SSI definition of disability to determine disability. Make determinations following regulations, guidelines, and instructions issued by the Social Security Administration.

Section 209 (b) States may use a more restrictive definition of childhood disability than the SSI definition, provided that it is no more restrictive than the definition contained in the State's plan in effect on January 1, 1972.

B. Redetermination of Disability by SSA During Transitional Period.--By August 22, 1997, SSA must redetermine the eligibility of any individual under 18 who was eligible for SSI (as of August 22, 1996) on the basis of disability and is effected by the childhood disability definition. SSI benefits are guaranteed until July 1, 1997, or until SSI eligibility is redetermined, whichever is later.

C. Continued Medicaid Benefits During Transition Period.--For States which provide Medicaid to SSI recipients, continue Medicaid benefits during the SSI redetermination and any subsequent timely appeal by the child or the child's representative payee. If there is a timely SSI appeal, continue Medicaid benefits through the hearing. If the SSI denial is upheld on appeal, redetermine Medicaid as provided in subsection D.

D. Medicaid Redeterminations.--For those States which provide Medicaid to SSI recipients, or those §209 (b) States that use the SSI definition of childhood disability, or in SSI criteria States, if SSI notifies you after a redetermination that is not appealed, or after an appeal, that the child is no longer eligible for SSI benefits, redetermine the child's Medicaid eligibility to see if the child is eligible as a poverty level child or under some other eligibility group under the State's approved State plan. You must consider all other bases of eligibility for an individual before terminating benefits.

Complete the redetermination within the time frame specified by HCFA in 42 CFR 435.1003. Continue Medicaid benefits during the redetermination process. FFP is available for services provided during this period