

**DSS ADMINISTRATIVE LETTER NO. ECONOMIC INDEPENDENCE 03-2002**

**(Food Stamps)**

**TO:** County Directors of Social Services

**ATTENTION:** Food Stamp Supervisors

**SUBJECT:** Food Stamp Mass Change for January 2002

**DATE:** December 10, 2001

**I. GENERAL INFORMATION**

The purpose of this letter is to outline the procedures for handling the food stamp mass change in:

**A. Social Security payments (2.6% increase);**

**B. Supplemental Security Income (SSI) payments (2.6% increase); and**

**C. Medicare Part B premiums (\$4.00 increase from \$50.00 to \$54.00).**

On the night of December 31, 2001, FSIS will automatically update food stamp benefits effective January 2002 to reflect these changes.

The Division will provide laser-printed notices to all food stamp recipients affected by this change. These notices meet the federal requirements for a mass change. A copy of the notice is attached. The food stamp unit (FSU) is entitled to a fair hearing only if benefits were improperly computed.

**II. MASS CHANGE FOR RECIPIENTS OF SOCIAL SECURITY PAYMENTS, SSI, OR A COMBINATION OF SSI AND SOCIAL SECURITY PAYMENTS**

FSIS recalculates the allotment by increasing the Social Security payment and/or SSI payment amount by 2.6%. The cents will be **dropped** from Social Security/

SSI payments. For example, a payment of \$159.65 is rounded to \$159.00. This does not change current policy procedures used for rounding income.

FSIS will round all calculated amounts downward for the mass change, but it is not necessary to manually correct the amounts immediately following the mass change. Take action to correct Social Security and SSI payment amounts at the next change in situation if needed. Keep in mind that all Social Security and SSI payment amounts should be verified at the next change in situation due to recent policy changes concerning recoupments and sanctions.

Beginning January 2, 2002, the Benefit Processing Section will mail Report SLER700-01 titled "SSI/SSA Mass Change January 2002" and DSS-8590's to each county. The report indicates the case identification number, the old and new food stamp allotments (without recoupment adjustments), and the old and new Social Security payment and/or SSI amounts. The report will also be available in X/PTR. Various messages appear on the report depending on the type action that occurred. Keep in mind that Report SLER700-01 and the DSS-8590 may show different Social Security and SSI amounts due to FSIS rounding the calculated amounts downward.

#### **A. Actions Taken Prior To January 1, 2002**

Enter the **old** Social Security and SSI payment amounts. **Do not enter increased payments into FSIS prior to January 1, 2002.** If this is done, FSIS calculates the increase again resulting in erroneous benefits.

**NOTE:** If an individual is approved for Social Security and/or SSI benefits effective December 2001 or later and you erroneously enter the new amount prior to January 1, 2002, issue a supplement to the client if applicable.

#### **B. Actions Taken On Or After January 1, 2002**

Complete a SLAW budget for December 2001 or earlier and use the old Social Security and SSI payment amounts. Issue prior months benefits via a DSS-8593.

Enter the new Social Security and SSI payment amounts for food stamp benefits effective January 2002 or later.

#### **C. Action On Eligible Cases**

1. You will receive a DSS-8590 with an updated client record number for each case that remains eligible. The message on the DSS-8590 will read "Mass Change Update." These cases are listed on the SLER700-01 Report with no message.

2. File the DSS-8590. No further action is necessary.

#### **D. Action On Ineligible Cases**

1. Cases that become ineligible are suspended and appear on the SLER700-01 Report with the message "SUSPENDED" and the reason code. You will receive a turnaround DSS-8590 with an updated client record number for each case suspended.

2. Use the DSS-8590 to review the case. If the case is correct, close it **unless it is categorically eligible (CE)**. If CE, go to **E.** below.

3. Use the DSS-8639 to notify each terminated FSU as soon as possible but no later than January 31, 2002. Indicate the case was terminated effective January 1, 2002.

4. If the case was suspended in error, determine the correct Social Security and/or SSI payment amount. Key the DSS-8590 authorizing benefits for January 2002.

#### **E. Action On Categorically Eligible Cases**

1. Categorically eligible cases that are suspended appear on the SLER700-01 Report with the message "SUSPENDED" and the reason code. You will receive a turnaround DSS-8590 with an updated client record number for each case suspended.

2. Use the DSS-8590 to review the case. If a case is correct, notify the FSU that the case has been suspended but **do not close the case**.

3. Use the DSS-8639 to notify each suspended FSU as soon as possible but no later than January 31, 2002. Indicate the case has been suspended effective January 1, 2002.

4. If the case was suspended in error, determine the correct Social Security and/or SSI payment amount. Key the DSS-8590 authorizing benefits for January 2002.

#### **F. Action On Automated Food Stamp (AFS) Cases**

**Automated Food Stamp (AFS) cases will be included in the mass change. FSIS** will update all Social Security and SSI payment amounts. Work First cases (EIS) will not be updated with new Social Security and/or SSI payment amounts until after January 1, 2002. This means that Food Stamp cases will include the new Social Security and/or SSI payment amounts, but EIS will continue to budget the old Social Security and SSI payment amounts for Work First benefits until the caseworker updates the amounts in EIS. Please note that it is critical that any changes made to AFS cases on or after January 1, 2002, must have the new Social Security and/or SSI payment amounts keyed in EIS. Failure to update Social Security and/or SSI payment amounts in EIS on or after January 1, 2002, will cause the old amounts to overlay the new amounts in FSIS.

**NOTE: Refer to DSS Administrative Letter No. Economic Independence 01-2002 for additional information concerning AFS cases.**

### **III. MASS CHANGE FOR RECIPIENTS WHO PAY THE MEDICARE PART B PREMIUM**

FSIS automatically updates cases with medical expenses greater than zero in Field 56 of the DSS-8590 if:

- A. A member in the case is coded 'B' in Field 80-D; **or**
- B. A member in the case is coded 'D' in Field 80-D; **and**
- C. There are no members in the case with a medical expense coded 'O' in Field 80-D.

FSIS adds \$4.00 for each member coded 'B' or 'D' to the total medical expense and recalculates the allotment. **Do not enter the increased premium into FSIS prior to January 1, 2002. If this is done, FSIS calculates the increase again resulting in erroneous benefits for January 2002.**

Review control listing entitled "Medicare Premium Mass Change January 2002," and make changes to cases as appropriate.

If you have any questions, please contact your Program Integrity Representative.

Sincerely,

Wilbert R. Morris, Chief

Economic Independence Section

RRM/bh

Attachment

### **NOTICE TO FOOD STAMP RECIPIENTS**

Effective January 2002, there will be a 2.6% increase in Social Security and Supplemental Security Income (SSI) payments. In addition, the Medicare Part B premium will increase to \$54.00. This may affect your food stamp benefits effective January 2002.

**YOU DO NOT HAVE TO REPORT THESE CHANGES TO YOUR CASEWORKER.**

These changes may cause a change in the amount of your food stamp benefits. If you have any questions about these changes, contact your local food stamp office.

You have the right to request a fair hearing if you do not believe your benefits were determined correctly when these changes were made.

### **HOW TO GET A HEARING**

You have the right to a fair hearing of your case if you do not agree with our decision. You can request a fair hearing by letting your local food stamp office or county department of social services know of your request. You may request the hearing in person, by telephone, or in writing. The hearing may be requested by any member of your FSU or by your representative, including an attorney obtained at your own expense. Free legal advice may be available. Contact your nearest Legal Services Office.

You have 90 calendar days from the date this notice was mailed to ask for a hearing. Unless you ask for a hearing by this date, you cannot have one.