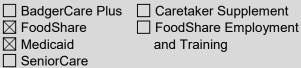


Telephone: 608-266-8922 Fax: 608-266-1096

Date: January 4, 2019

To: Income Maintenance Supervisors Income Maintenance Lead Workers Income Maintenance Staff DMS Operations Memo 19-01 Amended April 1, 2019

#### Affected Programs:



From: Rebecca McAtee, Bureau Director Bureau of Enrollment Policy and Systems Division of Medicaid Services

## Air Conditioning Surcharges for FoodShare Utility Allowances

#### **CROSS REFERENCE**

- Operations Memo <u>17-17</u>
- FoodShare Wisconsin Handbook, <u>Section 1.2.4.7 Shelter and Utility Expense Verification</u>, <u>Section</u> 7.4.1 Benefit Underpayment
- Medicaid Eligibility Handbook, <u>Section 18.6.2 Community Spouse Income Allocation</u>, <u>Section 24.1</u> <u>SSI-Related Medicaid Introduction</u>, <u>Section 20.3.1 Mandatory Verification Items Introduction</u>, and <u>Section 20.4 Questionable Items</u>
- Process Help, <u>Section 31.1 Supplements</u>

## **EFFECTIVE DATE**

November 1, 2018

## PURPOSE

This operations memo announces a policy change concerning the inclusion of air conditioning surcharges or other cooling costs in FoodShare utility allowances, either the Electric Utility Allowance (EUA) or the Limited Utility Allowance (LUA).

### BACKGROUND

The Wisconsin Department of Health Services (DHS) received clarification from the U.S. Department of Agriculture Food and Nutrition Service (FNS) that air conditioning surcharges can be included in the Electric Utility Allowance (EUA) or Limited Utility Allowance (LUA). FoodShare policy previously did not consider air conditioning surcharges to be an allowable utility cost. Effective November 1, 2018, these surcharges are allowable utility costs.

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### POLICY

Air conditioning surcharges (a utility cost related to air conditioning) are now allowable for FoodShare as an electric expense. FNS clarified the air conditioning surcharge is an allowable utility expense for all households, including those billed to residents of public housing. Since air conditioning surcharges are minimal in Wisconsin, DHS allows these costs to be billed as an electric expense. The relevant Shelter Utility Allowance (SUA) would be the EUA or LUA. Until applications and ACCESS can be updated, workers should ask during the interview if the household is paying an air conditioning surcharge. Note that the LUA would apply if there were two or more different, allowable, non-heat utility costs for the food unit.

FoodShare policy regarding the billing of the expense remains the same: If the air conditioning surcharge is included in the rent (or other shelter cost) each month, air conditioning surcharges would not be allowable.

Health care policy regarding counting air conditioning surcharges for the spousal impoverishment income allocation or for SSI-related Medicaid remains the same (Medicaid Eligibility Handbook, <u>Section 18.6.2 Community Spouse Income Allocation</u>, and <u>Section 24.1 SSI-Related Medicaid</u> <u>Introduction</u>). They are allowed and not required to be verified unless questionable (Medicaid Eligibility Handbook, <u>Section 20.3.1 Mandatory Verification Items Introduction</u>, and <u>Section 20.4 Questionable Items</u>).

The policy for verifying shelter and utility expenses remains the same: Shelter and utility expenses would only be verified for FoodShare if questionable (FoodShare Wisconsin Handbook, <u>Section 1.2.4.7</u> <u>Shelter and Utility Expense Verification</u>).

### SUPPLEMENTAL BENEFIT ISSUANCE

Most food units that report an air conditioning surcharge can receive supplemental benefits for **up to 12 prior months** from the month in which the expense was reported by the food unit or otherwise became known to the agency. Calculate supplemental benefits for months when both of the following conditions were met:

- The food unit was open for FoodShare.
- Inclusion of the surcharge would have increased the FoodShare allotment.

To qualify for supplemental benefits, the food unit must report the expense, unless the expense is already known to the agency because it was previously reported to the agency or it was the reason for a fair hearing request. If the expense is already known to the agency, the food unit does not have to report the expense and the agency must check whether supplemental benefits should be issued. Note that, for purposes of determining potential supplement eligibility, it is not relevant if the food unit attended the fair hearing or whether the hearing was dismissed or remanded.

Based on guidance from FNS, food units that reside in housing developments at the following addresses and pay an air conditioning surcharge are potentially eligible to receive supplemental benefits back through September 2017. The 12-month limit does not apply to these households. All other criteria listed above in the Policy section must be met. DMS Operations Memo 19-01 January 4, 2019 Page 3 of 4

- Arlington Court 1633 N. Arlington Pl., Milwaukee, WI 53202
- Becher Court 1802 W. Becher St., Milwaukee, WI 53215
- College Court 3334 W. Highland Blvd., Milwaukee, WI 53208
- Hillside Terrace 1545 N. 7th St., Milwaukee, WI 53205
- Holton Terrace 2825 N. Holton St., Milwaukee, WI 53202
- Lincoln Court 2325 S. Howell Ave., Milwaukee, WI 53207
- Locust Court 1350 E. Locust St., Milwaukee, WI 53212
- Merrill Park 222 N. 33rd St., Milwaukee, WI 53208
- Mitchell Court 2600 W. National Ave., Milwaukee, WI 53204
- Riverview 1300 E. Kane Pl., Milwaukee, WI 53212

See Process Help Section 31.1 Supplements for information on issuing supplemental benefits.

### CARES

The functionality in CARES has not yet been updated to standardize the entry of cooling expenses for EUA or LUA. Until CARES can be updated, income maintenance workers must do the following:

- 1. Go to the Utility Costs page in CWW.
- 2. Select **Electricity** from the drop-down menu in the Utility Type field.
- 3. Select No from the drop-down menu in the Used for Heating? field.
- 4. Select Yes from the drop-down menu in the Billed for Expense? field.
- 5. Enter the reported amount in the Obligation Amount field.
- 6. Select NQ Not Questionable from the drop-down menu in the Verification field.

**Note:** If workers select Yes for the Used for Heating field in step 3, the household will not receive the correct amount as a utility allowance.

If a food unit is paying both an electric bill and an additional or separate air conditioning surcharge, workers are required to enter both the electric bill expense and the air conditioning expense (as an electric expense) into CWW. Both sequences are required for correct determinations of Medicaid eligibility when utility expenses are relevant.

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Figure 1 Utility Costs Page With the Air Conditioning Surcharge Expense Entered

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After running eligibility, workers must check the FoodShare Budget page to ensure the household is receiving the correct utility allowance:

- If there are no other utility expenses entered, the food unit will receive the EUA. When more than one electric expense is entered, the food unit would only qualify for a single EUA deduction.
- If there is at least one other allowable utility expense that is not entered into CWW as an electric utility type, the food unit will receive the LUA.

# CONTACTS

BEPS CARES Information and Problem Resolution Center

DHS/DMS/BEPS/CH