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**Division Of Medicaid Services**  
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To: CTS Handbook Users

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

Re: CTS Handbook Release 18-01

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<b>EFFECTIVE DATE</b>	The following policy additions or changes are <b>effective 09/28/2018</b> unless otherwise noted. <b>Underlined text denotes new text. Text with a strike through it denotes deleted text.</b>
<b>POLICY UPDATES</b>	
3.1.4 SSI Eligibility in Wisconsin	Added text
3.1.10 Joint Custody Arrangements	Added list
4.2.1 Backdating Eligibility for a Person Add	<i>Added new section</i>
4.3 Recoupment of Incorrect Benefits	Added text

## Table of Contents

3.1 Nonfinancial .....	3
3.1.1 Application.....	3
3.1.2 Standard Filing Unit (SFU) .....	4
3.1.3 Definition of CTS Eligibility .....	5
3.1.4 SSI Eligibility in Wisconsin .....	5
3.1.5 Citizens and Aliens.....	6
3.1.6 Wisconsin Residency .....	6
3.1.7 Living Arrangement .....	7
3.1.8 Temporary Absence .....	7
3.1.9 Household Relationship .....	7
3.1.10 Joint Custody Arrangements .....	7
3.1.11 18-Year Old Students.....	8
4.2 Backdating Eligibility.....	11
4.2.1 Backdating Eligibility for a Person Add.....	11
4.3 Recoupment of Incorrect Benefits .....	13

## 3.1 NONFINANCIAL

- 3.1.1 Application
- 3.1.2 Standard Filing Unit (SFU)
- 3.1.3 Definition of CTS Eligibility
- 3.1.4 SSI Eligibility in Wisconsin
- 3.1.5 Citizens and Aliens
- 3.1.6 Wisconsin Residency
- 3.1.7 Living Arrangement
- 3.1.8 Temporary Absence
- 3.1.9 Household Relationship
- 3.1.10 Joint Custody Arrangements
- 3.1.11 18-Year Old Students
- 3.1.12 SSN Requirement
- 3.1.13 Cooperation With Child Support (CS) Agency
- 3.1.14 Prohibition Against Concurrent Eligibility With W-2 or Kinship Care
- 3.1.15 Verification

### 3.1.1 Application

Application for **CTS** is made at county or tribal economic support agencies. These agencies are generally located within the county or tribal human services or social services department. Application for CTS may be made by phone, mail, or in person. Face-to-face contact between the applicant and agency personnel is not required. CTS application forms and instructions (~~DDE-2571A~~Caretaker Supplement (CTS) Instructions for Application, F-22571A and ~~DDE-2571~~Caretaker Supplement Application, F-22571) are available ~~on~~in the DHS Forms repository at <http://dhs.wisconsin.gov/forms/Library>.

Anyone may apply for ~~Caretaker Supplement~~. Once an individual has filed an application for CTS, the local agency has 30 days to process the application. The local agency may extend the application processing period when there are no longer ten days remaining in a month after the date on which an applicant was asked to provide verification of information.

Generally, an applicant for CTS is an SSI parent or the head of a family requesting assistance. Most often, application for CTS is processed simultaneously with applications for Medicaid, FoodShare, or Child Care assistance. The local agency will use the CARES system to enter the application and determine eligibility. The CARES system is programmed to test all cases for CTS, unless the applicant has specifically told the local agency worker that he or she is not applying for CTS.

Local agency workers can use the CARES system to determine eligibility for CTS back to January 1998, as long as the parent had requested public assistance and had an open assistance case in the CARES system for each month of CTS retroactivity. It is

also very important that CTS payments made to parents before CTS became a program of assistance in CARES are not duplicated.

### **3.1.2 Standard Filing Unit (SFU)**

When determining whether a possible CTS assistance group exists for any application, CARES configures a standard filing unit (SFU). This is a methodology for determining which members of a household must be taken into consideration when determining whether the non-financial and financial requirements of CTS are met. This methodology was first used when **AFDC** was available to residents of Wisconsin, and is used for CTS today, because CTS eligibility is built on the former requirements for the now defunct AFDC .

The SFU process will build a CTS case around a specific child, identifying the adults and other children who are also part of the CTS case and potentially able to garner CTS benefits that will be added to the parent's SSI payment.

To establish the SFU, determine whether the household contains at least one SSI parent caring for at least one minor child. Often, several children fit this criterion in a single household, so identify the "target child" around whom the CTS case will be built. Use either one of the following choices to determine which child in a household should be the target child:

1. First Choice for Target Child:  
The oldest minor child in common for parents in the household.
2. Second Choice for Target Child:  
The oldest child of the person identified by CARES as the Primary Person, when there are no dependent children in common or the only dependent children in common receive SSI, themselves.

Whenever the Primary Person in a case does not have any dependent children, or when all of the primary person's children receive SSI, it is not possible for a household to receive CTS.

The most typical family configuration seen among CTS applicants consists of a single parent with minor children or 18-year-old offspring who meet the AFDC criteria for dependence. The second most common CTS family configuration occurs when two recipients of SSI live in a household with their minor children, some or all of whom do not receive SSI, themselves. There are many family configurations that include CTS recipients, however. See 5.4 Illustrations for twelve examples.

After determining the target child, the SFU process requires that the natural or adoptive parents of the target child are included in the filing unit, along with any minor siblings or half-siblings of the target child. Parents of half-siblings are also included in the filing

unit. Finally, minor siblings who have been married, but whose ~~marriage was~~ marriages were annulled, are included in the filing unit.

Some members of a household are not included in the SFU. Currently married or divorced persons under the age of 18 are not considered minor children for CTS purposes and are not included in the SFU. Step-siblings, step-parents, any children of the target child, and all other relatives and non-relatives who live in the household are excluded from the SFU.

SSI parents are not permitted to voluntarily exclude any person from the SFU who would otherwise be automatically included. For instance, a parent may not opt to exclude a minor child who has income from wages from the SFU, when this income will cause the rest of the group to be income ineligible for CTS.

After determining which members of the household are in the SFU, ~~we must~~ determine which members are potentially eligible for CTS cash assistance. At this point, ~~we~~ begin to refer to the people who have become members of the SFU as the assistance group, or "AG."

### 3.1.3 Definition of CTS Eligibility

A CTS-eligible parent is a recipient of SSI who has met all financial and non-financial requirements for CTS. The CTS grant amount will include \$0 for the parent, however. A CTS eligible child is a minor child or dependent 18-year-old who has met all financial and non-financial eligibility requirements for CTS. The CTS grant amount will include cash benefits for each eligible child. Any parent who is pregnant cannot be eligible for CTS benefits for the fetus until the child is born.

### 3.1.4 SSI Eligibility in Wisconsin

The relationship between parents and children and eligibility for SSI cash benefits in Wisconsin is very important in any CTS case. Parents in a CTS assistance group must be current recipients of SSI state supplemental benefit payments in Wisconsin. If the entire SSI payment is being recouped, the parent does not qualify as a CTS parent. CTS parents may be eligible for both federal and Wisconsin State Supplemental SSI payments (SSP) or for SSP payments only, as a *grandfathered state-only SSI recipient*.

SSI or CTS benefits cannot be paid for any month to any federal SSI recipient whose state of jurisdiction is not Wisconsin. This means that the federal Social Security Administration (SSA) has classified the parent(s) SSI as within the jurisdiction of Wisconsin and has passed this status on to DHS via federal/state SSI data exchange. Local agency workers have access to EDSNET/ WSSI screens to verify whether Wisconsin has been assigned as the state of jurisdiction for a recipient of SSI.

Eligibility for federal SSDI benefits does not qualify a parent as a CTS parent. Neither does eligibility for Medicaid under s. **1619(b)** of the Social Security Act, which is a Medicaid benefit for former SSI recipients whose earnings from work cause them to be ineligible for SSI cash benefits. Either the federal SSA or Wisconsin DHS may designate an individual as eligible for Medicaid under s. 1619(b). However, a child who receives Medicaid under s. 1619(b) may be eligible for CTS, because he or she does not receive SSI cash benefits.

Children for whom SSI parents receive CTS may not be receiving SSI themselves. However, any child who formerly received SSI and has appealed the termination of SSI (without continuation of cash benefits pending the outcome of the appeal) may be eligible for CTS, even though his or her Medicaid under SSI has continued. When both parents of any CTS eligible child are in the home, both must be receiving SSI in Wisconsin as a condition of CTS eligibility.

### **3.1.5 Citizens and Aliens**

| Any person who is not a U.S. citizen must meet one of the following criteria ~~in order~~ to be potentially eligible for CTS:

1. Be lawfully admitted to the U.S. for permanent residence
2. Be lawfully present in the U.S. pursuant to 8USC 1153, 1157, 1158, 1160 and 1182
3. Be granted lawful temporary resident status under 8 USC 1161 or 1255a and be:
  - a. A Cuban or Haitian applicant [PL 96-422, 501(e), (1) or (2) (A) effective 4/1/83], or
  - b. Not a Cuban or Haitian applicant, but adjusted to lawful temporary resident status more than 5 years before the CTS application date
4. Be otherwise permanently residing in the U.S. under the color of law (PRUCOL), with evidence of approved PRUCOL status. Lawfully admitted aliens who are not eligible for CTS because they are here temporarily include tourists, visitors, students and diplomats.

### **3.1.6 Wisconsin Residency**

Recipients of CTS, both parents and children, must currently reside in Wisconsin and intend to remain in Wisconsin.

### 3.1.7 Living Arrangement

Recipients of CTS, both parents and children, must reside in a qualified living arrangement. The following are CTS qualified arrangements:

1. Independent home, apartment or mobile home
2. Shelter for battered woman/ domestic abuse
3. Homeless
4. Hospital, short term
5. Section 202/236 housing

### 3.1.8 Temporary Absence

Unlike some other programs of public assistance, CTS does not allow eligibility in cases where parents or children are temporarily absent from the home.

### 3.1.9 Household Relationship

Household relationships are a key component of CTS eligibility. SSI parents must be caring for their own children, by birth or adoption, ~~in order~~ to qualify for CTS. This means that the parent resides with the child and provides the majority of physical care and financial support and functions in the parental role. When two SSI parents live with their children in common, only one of these parents may be identified as the parent who is caring for their children. When ~~a~~an SSI recipient is a minor parent who resides with his or her child and there are adults in the household, the minor parent must be the person caring for the child; ~~not~~ the adults in the household.

### 3.1.10 Joint Custody Arrangements

When custody of a child is shared between parents, the parent with whom the child resides the majority of the time is identified as caring for the child for CTS purposes.

When the natural or adoptive parents of a child do not live together, and have joint custody (through a mutually agreed upon arrangement or court order) and you cannot determine who the child is living with the majority of the time, act on the CTS case as follows:

1. Determine if the agreement or court order awarding joint custody designates a ~~+~~+ "primary caretaker." A parent designated as the primary caretaker is the primary person.
2. If one parent is not designated, ask the parents to decide which one is the ~~+~~+ "primary caretaker." If they decide within the 30-day processing, act on the application as based on what they decided.

3. If no decision is made within the 30 days of the application date, review the parents' activities and responsibilities to determine which parent is the primary caretaker. Use the following list ~~below~~:
  - a. If the parents reside in different school districts, where does the child attend school? Who selected the school?
  - b. Who assists the child with homework or school-related tasks?
  - c. Are there tuition costs for the child's education? If so, who pays those costs?
  - d. If the child is enrolled in day care, who arranges for and pays these costs?
  - e. Who is responsible for taking the child to and from school and/or day care?
  - f. Which parent is listed as the contact for emergencies at the child's school or ~~day-care~~daycare provider?
  - g. Who arranges medical and dental care for the child? Who selects the physician and dentist? Who maintains the child's medical records?
  - h. Who initiates decisions regarding the child's future?
  - i. Who responds to medical or law enforcement emergencies involving the child?
  - j. Who spends money on food or clothing for the child when the child visits the absent parent?
  - k. Who disciplines the child?
  - l. Who plays with the child and arranges for entertainment?
  - m. Are more of the child's toys, clothing, etc., kept at one parent's home more than the other's?

This list is not exclusive, and there may be situations where you find additional criteria to apply.

There are cases in which these questions may be answered positively for both parents. However, in reviewing parental responsibilities and roles, usually you will find one parent more often identified. Identify this parent as the primary person for determining eligibility.

Document your decision in the case record.

### 3.1.11 18-Year Old Students

State statute defines CTS eligible children as minors or dependent 18-year-olds.

Dependent 18-year-~~olds~~are olds are young adults who reside with at least one parent and who have not yet reached their 19th birthday. Furthermore, dependent 18-year-olds must be enrolled in school and expected to graduate prior to attaining age 19. It is very important that both SSI parents and local agency workers anticipate the change in status when CTS-eligible children attain the age of 18 years, ~~in order~~ to prevent unnecessary CTS payment termination. When dependent 18-year-olds are home-schooled, the parent must provide written documentation of expected graduation date



from the home-schooling association or agency. It is irrelevant to CTS eligibility whether minor children are enrolled in school.

### **3.1.12 SSN Requirement**

Each member of any CTS household must provide his or her Social Security Number (SSN) as a condition of eligibility. When an infant is added to the household, either by birth or adoption, the SSN of the infant must be provided to the local agency prior to the date the infant reaches 6 months of age.

### **3.1.13 Cooperation With Child Support (CS) Agency**

Whenever a potentially eligible child in a CTS household has an absent parent, the parent that is caring for the child must cooperate with the conditions of the local child support agency. If the parent does not cooperate or discontinues cooperation, CTS application or eligibility will be ended. When a CTS eligible parent has children who have different absent parents, the CTS-eligible parent must cooperate with the child support agency in regard to each child's absent parent.

### **3.1.14 Prohibition Against Concurrent Eligibility With W-2 or Kinship Care**

CTS benefits may not be paid to ~~a~~an SSI parent for the same month for which the parent participated in W-2 and received W-2 cash benefits. Receipt of W-2 benefits is defined as the month in which the parent is participating in, and eligible for, W-2 services, regardless of when the parent will receive the payment for that month. Similarly, CTS benefits may not be paid to ~~a~~an SSI parent for a month in which a grandparent or other non-legally responsible relative received Kinship Care benefits for caring for a potential CTS eligible child.

### **3.1.15 Verification**

CTS applicants and recipients must provide verification of required information in order for a local agency to process an application or review of eligibility for CTS. The verification requirement applies to both non-financial and financial information. Failure to provide required verification will result in termination of CTS benefits. The following information must be satisfactorily verified when CTS eligibility is being determined:

- Social Security Number
- Citizenship or alien status
- School enrollment for 18-year-olds
- Income earned from employer
- Income earned from self employment (IRS tax forms must be signed by the member.)

- Unearned income (i.e., Social Security)
- Child support (received or paid)
- Pregnancy of minor child
- Property (land, stocks, etc., transferred in past 36 months)

## 4.2 BACKDATING ELIGIBILITY

In limited circumstances, local agency workers may use CARES to determine eligibility and electronically interface **CTS** benefits for previous time periods.

The most common instance of backdating occurs when, even after a grace month, the parent has not complied with review requirements and the CTS assistance in a CARES case has closed. The worker may reopen the CTS assistance in this case if the parent requests CTS and complies with requirements within the first month the CTS assistance is closed in CARES.

Another common instance of backdating occurs when a parent with an open CARES case is unexpectedly awarded **Supplemental Security Income (SSI)** eligibility to a month earlier than the present month. In this case, the local agency worker may adjust dates in CARES to allow the initial CTS eligibility begin with the first month of SSI eligibility (assuming all CTS criteria were also met by the assistance group). However, backdating to the SSI start date is allowed only when the assistance group has been an open assistance case in CARES for the entire period of backdating. In this case, the month of “application for assistance” is considered to be the application date of the most recent continuously open case in CARES.

Under no circumstances may CTS benefits be paid for a month during which the assistance group was not an open case in the CARES system.

In cases not involving retroactive SSI eligibility, such as when someone already receiving SSI opens a FoodShare or Health Care case in CARES, CTS eligibility may not start any earlier than the month of the earliest application/request for CTS.

### 4.2.1 Backdating Eligibility for a Person Add

When the primary person reports a dependent child has moved into the home by the 10th of the month following the month in which the child moved in, the effective date of the person add should be the date the child moved into the home. If the move was not reported by the 10th of the following month, the effective date of the move is the date the move was reported. If the child is determined eligible for CTS, the IM agency must request supplemental CTS benefits for the entire month for the effective date that the child was in the home, and any subsequent months.

#### Example 1

Ann has a CTS case with her son Jimmy and receives \$250 a month in CTS benefits. She reports on November 2 that her 14-year-old daughter, Brooke, moved back into the home in October.

The worker adds Brooke to the case and determines she is eligible for CTS in December. As a result, the December benefit will increase to \$400. Since Ann reported her daughter was in the home before the 10th of the following month, the worker also determines CTS eligibility for Brooke for the months of October and November and finds that Brooke was eligible for CTS for both months. The worker requests CTS supplements of \$150 each for both October and November.

### **Example 2**

Same as Example 1, but Ann doesn't report Brooke moved back into the home until November 11. Since Ann failed to report the change by November 10, the effective date is November 11—the date Ann reported the change. Brooke should not be added to the case until November 11. After determining eligibility, the worker should request a CTS supplement of only \$150 for November.

## 4.3 RECOUPMENT OF INCORRECT BENEFITS

Occasionally **CTS** benefits are overpaid. This most often occurs when, in retrospect, it is determined that **an** SSI parent was ineligible for CTS because his or her child(ren) was out of the home, the child received SSI for the month in question, the parent's SSI eligibility was retroactively denied by the Social Security Administration, or the parent provided fraudulent information that lead to CTS eligibility. Both client and agency caused errors are subject to recovery as long as they meet the requirements provided below.

Since CTS benefits are paid as part of the parent's SSI benefit payment, the SSI program must be the entity that recoups overpaid benefits. The CARES system is not used to track benefit recovery. However, the local agency worker must determine when an overpayment has occurred and complete and fax DDES form 2565, Authorization for Recoupment of Caretaker Supplement (CTS) to the SSI program.

The SSI program will establish a recoupment account on the parent's SSI file and send notice of the overpayment to the SSI parent. This notice will include the following information:

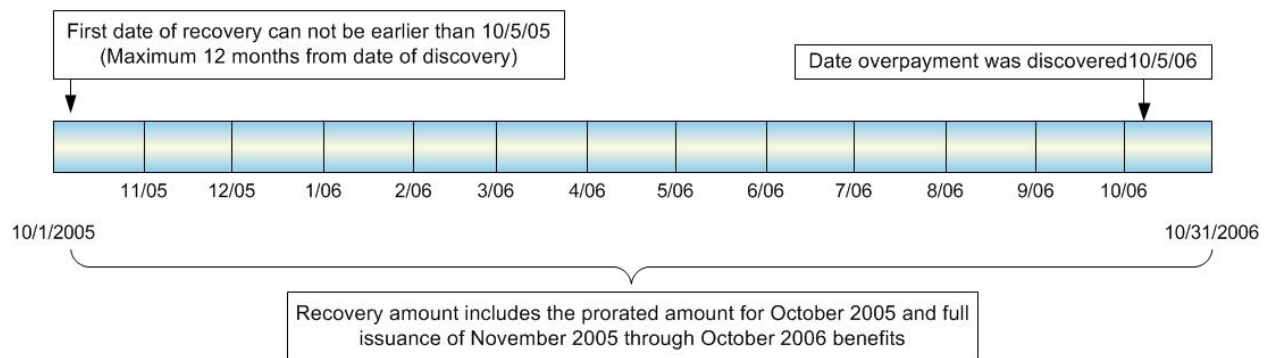
1. Amount by month overpaid
2. Recoupment schedule
3. Appeal rights and procedures

State statute permits the SSI program to collect 10 percent of each future SSI payment (which may include CTS benefits) until an overpayment is repaid. SSI parents may repay the entire amount owed in a single payment, or negotiate with the SSI program for a payment schedule that is higher than 10 percent per month.

Incorrectly paid CTS benefits cannot be recovered for more than 12 months prior to the date of discovery of the incorrect payment. Agencies administering CTS shall ensure that recovery of incorrectly paid CTS benefits extends no more than 12 months back from the date of discovery.

Date of discovery means the actual date, not the month of discovery. Unless the discovery is made on the first of the month, the overpayment amount for the first month will need to be prorated. To prorate the overpayment amount, divide the monthly payment amount by the number of days in that month and round down to the nearest dollar. Then multiply the result by the number of days subject to recovery in that month.

**Example 1:** A worker discovers on October 5, 2006 that an overpayment of CTS benefit exists because the child, for whom the benefit was being paid, was not living in the home since August 1, 2005. CTS closes effective November 1, 2006. Recovery can only extend back 12 months from date of discovery. In this case only the benefits paid from October 5, 2005 to October 31, 2006 can be recovered.



If the CTS payment was \$250, the overpayment amount is calculated as follows:

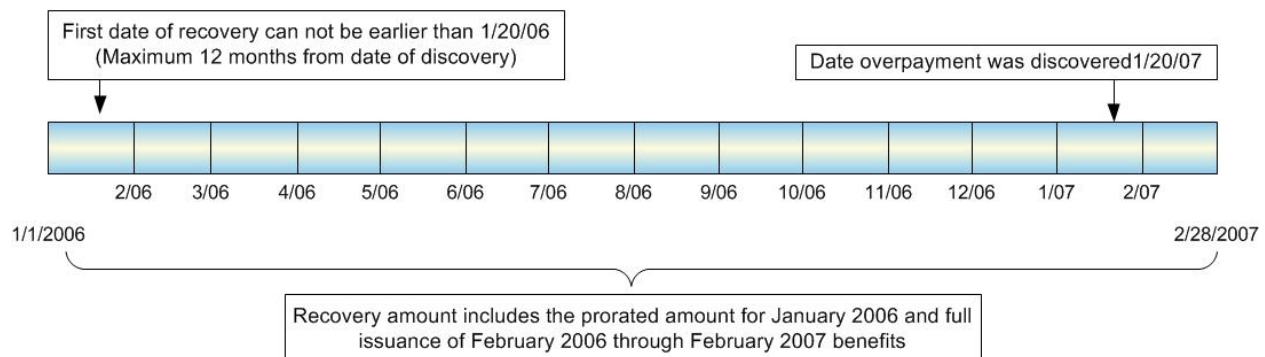
October 2005 prorated amount is \$217 ( $\$250 \div 31 \text{ days} \times 27 \text{ days} = \$217$ ) because the error was discovered on the 5th of the month.

November 2005 – October 2006 = \$3,000 ( $\$250 \times 12 \text{ months}$ )

Total Overpayment is \$3,217 ( $\$217 + \$3,000$ ).

**Example 2:** The worker discovers on January 20, 2007 that the recipient's assets exceeded program limits as of January 1, 2005 (CTS closes effective February 28, 2007 following adverse action notice).

Since the discovery date is 1/20/07, the overpayment can only extend back to 1/20/06 (twelve months from the discovery date).



If the CTS payment was \$250, the overpayment is calculated as follows:

January 2006 prorated amount is \$96 ( $\$250 \div 31 \text{ days} \times 12 \text{ days} = \$96$ ) because the error was discovered on the 20th of the month.

February 2006 – February 2007 ( $\$250 \times 13 \text{ months} = \$3,250$ )

Total overpayment \$3,346 ( $\$96 + \$3,250$ ).

CTS overpayments that occur because the worker cannot give proper (timely) notice and close the case by the end of the current month are also recoverable.

**Example 3:** On December 21, 2006, the worker learns that a child moved out of the home on December 19, 2006 and the case is no longer eligible for CTS. The worker enters the new information into CARES but the CTS eligibility does not end until January 31, 2007.

The benefits paid in January are subject to recovery since the parent was not eligible for them, but they continued until adverse action notice could be provided.

Voluntary repayments of CTS overpayments may be addressed to DHS, State SSI Program, P.O. Box 6680, Madison, WI 53716-0680.