



Date: January 4, 2019

DMS Operations Memo 19-01

Amended April 1, 2019

To: Income Maintenance Supervisors
Income Maintenance Lead Workers
Income Maintenance Staff

Affected Programs:

- | | |
|---|--|
| <input type="checkbox"/> BadgerCare Plus | <input type="checkbox"/> Caretaker Supplement |
| <input checked="" type="checkbox"/> FoodShare | <input type="checkbox"/> FoodShare Employment and Training |
| <input checked="" type="checkbox"/> Medicaid | |
| <input type="checkbox"/> SeniorCare | |

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Bureau of Enrollment Policy and Systems
Division of Medicaid Services

Air Conditioning Surcharges for FoodShare Utility Allowances

CROSS REFERENCE

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

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.

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, [Section 18.6.2 Community Spouse Income Allocation](#), and [Section 24.1 SSI-Related Medicaid Introduction](#)). They are allowed and not required to be verified unless questionable (Medicaid Eligibility Handbook, [Section 20.3.1 Mandatory Verification Items Introduction](#), and [Section 20.4 Questionable Items](#)).

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, [Section 1.2.4.7 Shelter and Utility Expense Verification](#)).

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.

- 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.

The screenshot shows the 'Utility Costs' page in the CWW system. The page is divided into several sections:

- Effective Period:** Begin Month: 10 / 2018, End Month: MM / YYYY, Last Updated: (empty), Delete Reason: (empty dropdown).
- Expense Information:** Payor: (empty dropdown), Sequence: 0, Utility Type: EL - ELECTRICITY (dropdown), Used for Heating?: No (dropdown), Billed for Expense?: Yes (dropdown), Obligation Amount: \$ 8 . 75.
- Verification:** NQ - NOT QUESTIONABLE (dropdown).

A red box highlights the Utility Type, Used for Heating?, Billed for Expense?, and Obligation Amount fields.

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

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