DMA ADMINISTRATIVE LETTER NO: 01-18, SOCIAL SECURITY AND VA COST-OF-LIVING ADJUSTMENT

DATE: **January 1, 2018**

SUBJECT: **Social Security Cost-of-Living Adjustment (COLA) and VA Cost-Of-Living Increase**

DISTRIBUTION: **County Directors of Social Services**

Medicaid Eligibility Staff

I. SOCIAL SECURITY COST-OF-LIVING ADJUSTMENT (COLA)

The Social Security Act provides for an automatic increase when there is an increase in inflation as measured by the Consumer Price Index (CPI). Based on the increase in the CPI from the third quarter of 2016 through the third quarter of 2017, there will be a 2.0 percent increase in COLA for 2018.

A. Retirement Survivor Disability Insurance (RSDI) / Supplemental Security Income (SSI)

Beneficiaries of RSDI and/or SSI will receive a 2.0 percent cost-of-living increase in the January 2018 payment.

B. SSI Federal Benefit Rates (FBR)

	Individual	Couple	Essential Person
Full FBR	$750.00	$1,125.00	$376.00
1/3 Reduced	$500.00	$750.00	

C. Veterans Administration (VA) Benefits

Under federal law, the cost-of-living adjustments to VA's compensation and pension rates are the same percentage as for Social Security benefits. Beneficiaries of Veterans Benefits will receive a 2.0 percent increase for 2018.

D. COLA Reports

The COLA reports are available on FAST Help under: Reports > Economic Services > Mass Change > RSDI/SSI/VA COLA Reports.

1. MA Exceptions Report identifies Medicaid cases that have potentially been impacted by COLA. Caseworkers will need to use this report to review the 'On Hold' changed decisions and take appropriate action. NCF-20030 notices were mailed for these cases.

2. MA Deductible Report identifies any Medicaid cases with a deductible that have been impacted by COLA. Caseworkers use this report to verify the changed deductible and follow up with the client to determine if the new deductible can be met. NCF-20030 notices were mailed for these cases.

3. MA Ineligible Report identifies any Medicaid cases that are potentially terminating due to the COLA increase. DSS-8110 notices were mailed for these cases. Caseworkers will need to complete a review to determine ongoing eligibility in another coverage category.

4. MA Processed Report identifies the Medicaid cases where COLA was the only change. These cases had a system accepted changed decision. DSS-8110 notices and DMA-5016 notices (if facility information was available) were mailed for these cases. Caseworkers will need to use this report to identify cases with a PML change that did not have a DMA-5016 generated due to missing facility information. Send a DSS-8110 to these identified cases.

E. Pending Application

1. Pending Insurance Affordability Applications and Income Support Applications that are not associated with an Income Support case with an active PDC were NOT updated by NC FAST. Caseworkers need to manually update the evidence in these applications to reflect the new RSDI/SSI/VA benefit amount effective January 1, 2018 prior to processing the application.

2. Aged, Blind and Disabled (MAABD) and Qualified Medicare Beneficiary (MQB) applications will continue using 2017 federal poverty level (fpl) until April 1, 2018 fpl change.

F. Student Earned Income Exclusion

Blind or disabled children, who are students regularly attending school, college, or university, or a course of vocational or technical training, can have limited earnings that are not counted. For 2018, the exclusion amount increased to $1,820.00 monthly with an annual limit of $7,350.00.

G. Living Allowance for Ineligible Child / Ineligible Spouse

$376 minus the gross income of the child / spouse.

H. Spousal Impoverishment

1. Maximum Monthly Maintenance Needs Allowance: $3,090
2. Community Spouse Resources:
   a. Minimum standard: $ 24,720.00
   b. Maximum standard: $123,600.00
3. Home Equity Limits:
   a. Minimum: $572,000.00
   b. Maximum: $858,000.00

I. Medicare – Deductibles, Co-Insurance and Premiums

Changed as listed below.

1. Hospital Insurance - Part A
   a. Deductible - $1,340 per Benefit Period.
   b. Coinsurance
      (1) 61st - 90th day - $335.00 per day.
      (2) 91st - 150th Lifetime reserve days - $670.00 per day.
      (3) Skilled Nursing Facility - $167.50 per day for the 21st - 100th day per benefit period.
      (4) Most individuals do not pay a Part A premium because they paid Medicare taxes while working. If not entitled to free Part A, the base premium is $422 each month.
2. Medical Insurance - Part B
   a. Deductible - $183.00 per year.
   b. The standard Part B premium amount in 2018 will be $134 (or higher depending on income). However, some people who get Social Security benefits pay less than this amount ($130 on average). This is because the Part B premium increased more than the cost-of-living.

J. Substantial Gainful Activity (SGA)

To be eligible for disability benefits, a person must be unable to engage in substantial gainful activity (SGA).

Non-Blind	$1,180.00
Blind	$1,970.00

K. Long Term Care (LTC) RATES to be budgeted using LTC procedures:

1. Hospice Care in a Nursing Facility (NF) Skilled Nursing Facility (SNF) rate is changed. All other rates remain the same.

   a. The applicant/beneficiary (a/b) must be institutionalized,

   b. Have an approved Long-Term Care FL-2 form and

   c. Must be in need.

2. Each facility has an assigned Medicaid reimbursement daily rate (MRR) based on the medical needs of the facility's population. To find that rate go to the DMA website at: https://dma.ncdhhs.gov/nursing-facility-rates or contact the Division of Medical Assistance, Medicaid Eligibility Unit, 919-813-5340. Note: Rates are adjusted quarterly.

   The following is the MRR for 31 days for the facilities as listed:

Intermediate Care Facilities for Individuals with Mental Retardation (ICF/MR)	$9,006
Hospice Care in a NF (SNF)	$5,379
Hospice Inpatient Care (Acute hospital)	$20,099

3. The facility's unique Medicaid reimbursement rate for 31 days.

   a. Nursing Facility

   Verify the unique Medicaid per diem rate with the facility's business office for the approved level of nursing services.

   b. Hospital Inappropriate Level of Care Bed

   All hospitals have these beds available. These rates apply to all general hospitals.

	Per Diem	for 31 Days
Skilled	$129.15	$ 4,003.65
Ventilator	$425.69	$13,196.39

4. Hospital Swing Beds

   A swing bed is certified as a swing bed by Medicare. Not all hospitals have swing beds. Swing bed rates are the same as Hospital Inappropriate Level of Care beds.

5. Hospice Care in A Nursing Facility

   The business office of the Hospice agency can verify the actual rate for room and board and other services provided to the specific individual **or** contact the Budget Management Section of the Division of Medical Assistance at 919/855-4200. Be prepared to state the patient's level of care and the name and address of the nursing facility.

L. Standard Utility Allowance

Household Size	Standard Allowance
1	$400
2	$440
3	$484
4	$528
5 or more	$576

M. Reduction Factors for Calculating Medicaid Eligibility under the Pickle Amendment During 2018

If the last month a person received SSI while, or immediately prior to, receiving Social Security [Old Age, Survivors or Disability Insurance (OASDI)] was in any of the periods below, multiply the present amount of their Social Security by the corresponding factor.

If SSI was terminated during this period:	Multiply 2018 OASDI income by:	If SSI was terminated during this period:	Multiply 2018 OASDI income by:
May – June 1977	.240	Jan. 1996 – Dec. 1996	.627
July 1977 – June 1978	.254	Jan. 1997 – Dec. 1997	.645
July 1978 – June 1979	.270	Jan. 1998 – Dec. 1998	.659
July 1979 – June 1980	.297	Jan. 1999 – Dec. 1999	.667
July 1980 – June 1981	.339	Jan. 2000 – Dec. 2000	.684
July 1981 – June 1982	.377	Jan. 2001 – Dec. 2001	.708
July 1982 – Dec. 1983	.405	Jan. 2002 – Dec. 2002	.726
Jan. 1984 – Dec. 1984	.420	Jan. 2003 – Dec. 2003	.736
Jan. 1985 – Dec. 1985	.434	Jan. 2004 – Dec. 2004	.752
Jan. 1986 – Dec. 1986	.448	Jan. 2005 – Dec. 2005	.772
Jan. 1987 – Dec. 1987	.454	Jan. 2006 – Dec. 2006	.804
Jan. 1988 – Dec. 1988	.473	Jan. 2007 – Dec. 2007	.830
Jan. 1989 – Dec. 1989	.492	Jan. 2008 – Dec. 2008	.849
Jan. 1990 – Dec. 1990	.515	Jan. 2009 – Dec. 2011	.899
Jan. 1991 – Dec. 1991	.542	Jan. 2012 – Dec. 2012	.931
Jan. 1992 – Dec. 1992	.562	Jan. 2013 - Dec. 2013	.947
Jan. 1993 – Dec. 1993	.579	Jan. 2014 – Dec. 2014	.961
Jan. 1994 – Dec. 1994	.594	Jan. 2015 – Dec. 2016	.977
Jan. 1995 – Dec. 1995	.611	Jan. 2017 - Dec. 2017	.980

II. OTHER IMPORTANT INFORMATION FOR 2018

The following policies have been updated due to 2018 COLA.

1. MA-2231.II.B Community Spouse Resource Allowance(CSRA)
2. MA-2311.IX Low Income Subsidy (LIS)
   a. Income Limits
   b. Countable Resources
   c. Benefit Determination

III. EFFECTIVE DATE OF CHANGE AND IMPLEMNTATION

Social Security Cost-Of-Living Adjustment (COLA) is effective January 1, 2018.

If you have questions regarding information in this letter, please contact your Operational Support Team Representative.

Dave Richard

Sandy Jones for Dave Richard

Deputy Secretary for Medical Assistance