DMA ADMINISTRATIVE LETTER NO. 06-04, Social Security and VA Cost-of-Living Adjustment (COLA)

DATE: **NOVEMBER 7, 2003**

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

Distribution: **County Directors of Social Services**
Medicaid Supervisors
Medicaid Eligibility Staff

I. SOCIAL SECURITY CHANGES DUE TO COLA ADJUSTMENT

A. RSDI/SSI

Recipients of RSDI and/or SSI will receive a 2.1% cost of living increase in the January 2004 payment.

B. SSI Federal Benefit Rates (FBR)

The FBR will increase to the following maximums effective 1/1/2004:

	Individual	Couple	Essential Person
Full FBR	$564.00	$846.00	$282.00
1/3 Reduced Income Limit	$376.00	$564.00	

C. Medicare - Deductibles, Coinsurance and Premiums effective 1/1/2004

1. Hospital Insurance - Part A

   a. Deductible - $876.00 per Benefit Period

   b. Coinsurance

      (1) 61st - 90th day - $219.00 per day

      (2) 91st-150th Lifetime reserve days - $438.00 per day

      (3) Skilled Nursing Facility - $109.50 per day for the 21st - 100th day per benefit period

c. Part A Premium - $343.00 per month (paid by individuals ineligible for "free" Medicare A)

2. Medical Insurance - Part B

a. Deductible - $100.00 per year

b. Monthly Premium - $66.60

II. VA CHANGES DUE TO COST OF LIVING INCREASE

A. Background

Recipients of Veteran's benefits receive a 2.1% cost of living increase effective December 1, 2003. This increase will be reflected in the check received in January 2004.

B. Implementation Instructions

To assist you in identifying the cases affected by the VA cost of living increase, a report entitled DHREJA COLA VA REPORT will be available on NCXPTR after November 24, 2003. This report lists the Medicaid cases in your county in which the VA indicator field is marked yes (Y). You should review these cases to determine if the recipient has notified you of a change in VA benefits. If not, contact VA to verify new amounts. All cases should be reviewed by January 27, 2004. (Pull deadline) Make necessary revisions to the case based on the amount of VA benefit change.

Note: Veterans who are already receiving $90 reduced improved pension will not receive an increase.

III. RECIPIENT NOTICE OF COLA

Insert to Medicaid ID Cards - TIMELY NOTICE

All non-SSI cases authorized for full Medicaid benefits as of the November 2003 regular run (November 13th) will be sent the following notice with the December 2003 Medicaid card. This insert serves as the timely notice for authorized cases:

NOTE: Due to system constraints, the insert will appear on the MIC, MRF, MSB and IAS cards. However, the COLA will not affect these cases. Refer to IV., in this letter.

NOTICE TO MEDICAID RECIPIENTS

If you receive a Social Security check or VA benefit, your check may go up in January 2004. This increase could affect your Medicaid by giving you a deductible, a patient monthly liability, or by increasing the deductible or patient monthly liability you now have. Medicaid regulations require that income from Social Security and VA benefits be counted when determining Medicaid eligibility (MA-2250 and MA-3300 in the Medicaid Eligibility Manuals).

Social Services in your county will notify you, by January 1, of the exact change, if any, this action will have on your Medicaid. Be on the lookout for your notice. You may appeal the way Social Services determined your deductible, patient monthly liability, or other change in your eligibility within 60 days from the date of the notice.

December 2003 Division of Medical Assistance

IV. CASES NOT AFFECTED BY THE RSDI COLA

The following cases are unaffected by the COLA and will not be updated.

A. MQB and MAABD Categorically Needy (PLA including CAP)

This group includes the following Categorically Needy cases:

1. MQB cases with Medicaid Classification B, E, or Q.

2. MAABD cases with Medicaid Classification C, G, N, or Q.

The COLA will not be applied to ongoing and pending MQB or MAABD PLA Categorically Needy cases until the spring of 2004. This is due to the federally mandated COLA passalong for Qualified Medicare Beneficiaries and categorically needy cases. The COLA will be applied in conjunction with the poverty income level increases. Instructions will be issued prior to the effective dates.

B. MAF-C/G and HSF-N/G

Because of continuous eligibility for children, the COLA will not apply to MAF-C/G and HSF-N/G cases when the only individual(s) active on the case are children. These cases are identified by the code in the family status field. When the family status code for all individuals on the case is “C”, the COLA does not apply.

C. BCCM (MAF Classifications T, U, V, or W)

D. MIC, MPW, MRF, MSB, and IAS

E. NC Health Choice (MIC Classification J, K, L, A or S)

F. SSI Cases

V. CASES AFFECTED BY THE AUTOMATED RECALCULATION OF RSDI

The recalculation of RSDI will be automated for all counties. EIS will recalculate the RSDI amount on the night of November 21, 2003.

A. The following cases will have an automated RSDI recalculation:

1. MAA, MAB, and MAD (including CAP cases) with Medicaid classification B, M, or P.

2. MAF with Medicaid classification M, N, or P.

3. MAF-C and MAF-G with an individual coded in Family Status as P, I, S or O.

4. HSF with Medicaid classification M or P.

5. Long Term Care Cases (Non-SSI) with Medicaid classification B, G, M, N or Q where there is a code P

   All Long Term Care cases that are in balance (total countable monthly income minus the maintenance amount equals the PML) will have an automated recalculation, even those with incomes at or below 100% of poverty. Be sure to evaluate the a/r for passalong eligibility in step I. The passalong of the RSDI COLA for Categorically Needy cases is not applicable in step II budgeting.

B. The following cases are affected by the COLA but will not have an automated recalculation of RSDI.

1. Cases listed in 1-5 above with certification periods through dates of 12/31/03 or earlier.

2. LTC cases when the budget is out of balance.

   All Long Term Care cases that are out of balance will not have an automated recalculation. Total countable monthly income minus the maintenance amount does not equal the PML.

3. Cases that have an SSI amount greater than zero and an SSI indicator of N.

VI. AUTOMATED RECALCULATION

A. Computer generated profiles with the RSDI amount updated by the 2.1% increase will be mailed to counties no later than the first week in December. The profiles will also be available in NCXPTR. The report name is "DHREJA MEDICAID RSDI COLA PROFIL".

These profiles will display Form ID 1111111B, indicating that the change was made at the State Office.

1. RSDI Amount, Total Net Unearned Income, and Total Countable Monthly Income

   a. The RSDI amount on file will be multiplied by 2.1%; Before EIS calculates the new RSDI amount, any cents will be dropped, rounding the amount down to the nearest dollar.

   b. If an amount is present in the Total Net Unearned Income field and/or the Total Countable Monthly Income field of the case, it will be increased by the difference between the old RSDI amount and the new RSDI amount.

2. Patient Monthly Liability (PML)

   EIS will update the PML amount for LTC cases that are in balance. The system will also send the DMA-5016 and DSS-8110A.

B. After November 21, 2003, DO NOT KEY a change in income for any case which has RSDI until the new RSDI amount is verified.

Verify the new amount by using the "Monthly Benefit Credited" amount found on page 4 of the SOLQ. Drop any cents showing. If there are no cents showing, use the dollar amounts given by SOLQ.

For example: If the MBC field shows $582.70, the 70 cents should be dropped and $582.00 used. If the MBC field shows $583.00, use $583.00. Do not round down to $582.00.

C. Reports From Automated Updates

Each county will receive reports to assist with revising cases due to the RSDI COLA. The reports will be run by EIS on November 21, 2003. One copy of each report will be mailed no later than the first week of December.

These reports will also be available in NCXPTR beginning November 24, 2003. The report name as it is listed in NCXPTR is listed in parenthesis beside each report below.

1. SSA Mass Revision Audit Report (DHREJA COLA AUDIT RPT)

   a. This report is for authorized cases only and lists all cases in which RSDI has been automatically updated by EIS.

   b. The report will include the old and new RSDI amounts, old and new PML amounts and the new total countable monthly income.

2. Potential New Deductible Cases, Cases Eligible for Program Transfer, or Termination (DHREJA COLA POT PROG TRAN/TERM)

a. This report will show all authorized PLA cases in which income exceeds the maintenance amount. Review cases on this list first to determine if revisions are necessary.

b. The report will include the old and new RSDI amounts, old and new total countable income amounts, maintenance amount and Medicaid classification.

3. Cases Not Updated - Cases With CP "To Date" Less Than or Equal to 12-31-03 or Budget Out-of-Balance (DHREJA COLA CP<123103 OR UNBAL)

a. This report will list the following cases that were not updated:

(1) Cases with a certification period that expires 12-31-03. If completing a redetermination, verify the updated RSDI amount using the "Monthly Benefit Credited" amount found on page 4 of the SOLQ.

(2) LTC cases where total countable monthly income minus the maintenance amount does not equal the PML. Follow instructions in MA-2270, Long Term Care Need and Budgeting, to assure the PML is computed correctly. Use the increased RSDI amount when computing PML effective 1/1/2004. Refer to VII.C., in this letter.

b. The report will include the old and new RSDI amounts, old net unearned income amount, old total countable monthly income amount, maintenance amount and/or PML amount.

4. Deductible Cases Updated (DHREJA COLA DED CASES UPDATED)

a. This report will list ongoing deductible cases where the deductible will increase. Calculate the increased deductible per VII.B., in this letter.

b. The report will include old and new total countable income amounts, old and new RSDI amounts, and the maintenance amount.

5. Cases with an SSI Amount Greater Than Zero with SSI Indicator of "N" (DHREJA COLA SSI>ZERO & SSI=N)

a. This report lists cases that indicate the recipient receives SSI but is coded "N" as not being an SSI recipient. Check the SDX to verify SSI status and make necessary corrections to the EIS case.

b. The report will include the SSI amount. Contact EIS at (919) 857-4019 if you have difficulty resolving a case.

NOTE: These are not ex parte review cases. SSI cases that have been terminated show zero in the payment amount. An SSI

indicator "N" with an amount greater than zero indicates there is a problem in the case.

6. Long Term Care Cases with an SSI Indicator of "Y" (DHREJA COLA LTC & SSI=Y)

   a. This report lists cases that indicate the recipient is in LTC and receives SSI and also receives RSDI. Calculate the increased PML per VII.C., in this letter.

   b. The report will include old and new RSDI amounts and the old SSI amount.

7. 503 Leads (DHREJA COLA 503 LEADS)

   a. This report lists those individuals eligible for Passalong because they lost SSI due to the RSDI COLA. This list is not all inclusive.

   b. Review cases on this list to determine if they lost SSI due to COLA. They may still be eligible for MAF-N or MAABD. Flag the cases as passalong.

   c. Any individual whose Medicaid benefits are reduced or terminated due to the cost-of-living adjustment in RSDI income must be evaluated for the COLA Passalong prior to the reduction or termination of Medicaid. Refer to MA-2110, Passalong, to determine eligibility for passalong of COLA. Document whether or not the individual is passalong eligible. If the individual is eligible for the COLA Passalong, code the individual as "PC" in the Individual Special Use field on the individual level in EIS.

   NOTE: A Broadcast message will be issued when this report is available on NCXPTR.

8. COLA Notice Register Report (DHREJA COLA NOTICE REGISTER RPT)

   a. This report lists Long Term Care cases in which an automated 8110 notice was sent to the client at the facility, giving the new PML amount.

   b. These notices were generated by the automated COLA changes only.

VII. PROCESSING INSTRUCTIONS FOR ONGOING CASES IN THE AUTOMATED UPDATE

These instructions apply to all cases in which the RSDI COLA update was automated.

Upon receipt of profiles with the RSDI amount increased by 2.1%, void the last profile received prior to the RSDI update to prevent its use in error.

A. SOLQ

Bendex update sheets are not printed for the COLA.

Verify the new RSDI amount using the "Monthly Benefit Credited" amount found on page 4 of the SOLQ within 30 days of receipt of the case profile.

1. PLA Cases

   a. Compare the updated RSDI amount on the case profile with the amount on the SOLQ for each case.

   b. If there is a discrepancy that would result in an error of $5.00 or more in the deductible, correct the amounts in the RSDI field, Total Net Unearned Income field, and Total Countable Monthly Income field in EIS to agree with the "Monthly Benefit Credited" amount on page 4 of the SOLQ. Refer to VII.D. in this letter for notice requirements.

      (1) Sometimes the automated COLA amount will differ from the amount computed by the SSA. SSA will not compute an actual increase on all cases. Families who receive benefits, individuals who opted for early retirement, and individuals who receive Medicare are most likely to receive an amount different from that indicated on the case profile.

      (2) In addition, automated COLA computations often vary from the SOLQ by $1.00 because the amount displayed in EIS is the net monthly benefit amount AFTER rounding down by the SSA. However, when SSA applies the increase to the benefit, they use the amount BEFORE rounding.

      For example, if an individual's RSDI is $740.80 prior to January 1, 2004, SOLQ displays the monthly benefit credited as $740.00, (rounding down). However, when the 2.1% increase effective January 1, 2004, is applied, it is applied to $740.80 and the result is $756.36, which is rounded down to $756. EIS shows the RSDI amount as $740. We apply the 2.1% to $740.00 and our result is $755.54, which is rounded down to $755. Be sure to verify the amount through SOLQ when the case profile is received.

2. LTC Cases

   Only review SOLQ to verify RSDI for cases with budgets out of balance. RSDI for other LTC cases may be verified at the next redetermination or change in situation. However, if you choose to make changes to the PML now rather than at the next redetermination or change in situation, you must send a timely notice if there is an increase in the PML.

NOTE: Do not attempt to make retroactive adjustments to the PML.

B. Computation of Deductible

1. Evaluate the effect of the increase in RSDI income on each case to determine whether there is a new, additional, or increased deductible.

2. Use the following computation method when a single recipient or Medicaid couple must meet a deductible. See Figures 1 & 2 in this letter. (Follow procedures in MA-2260, Financial Eligibility Regulations-PLA, in the MAABD Manual for cases in which income is deemed from a parent or an ineligible spouse).

   a. Recompute the deductible for months in the certification period prior to January 2004 using the old RSDI amount.

   b. Use the new RSDI amount to compute the deductible for remaining months in the certification period beginning with January 2004.

   c. Add together the results of the two computations to obtain the revised deductible.

   d. If the case has not been authorized, the deductible will increase to the revised amount effective January 2004.

   e. If the case has been authorized, subtract the original deductible from the new deductible to obtain the amount of the increased deductible effective January 2004. Certify the case in deductible status effective January 1, 2004.

   NOTE: This procedure also applies to cases that were authorized based upon a hospital admission (DRG). Authorization because of DRG does not entitle the recipient to eligibility through the entire certification period without regard to increased income.

EXAMPLE: M-AD Medically Needy single individual with RSDI only

Certification Period: October – March

Original Budget: October – March

$ 774	RSDI	$ 774.00	Old RSDI
- 20	Exemption	x 1.021	COLA Increase
754		$ 790.00	New RSDI
- 242	Income Level for One		
512			
x 6	Months in c.p.		
$3,072	Deductible for 6 months c.p.		

Revised Budget:

October – December		January – March	
$ 774	RSDI	$ 790	New RSDI
- 20	Exemption	- 20	Exemption
754		770	
- 242	Income Level for One	- 242	Income Level
512		528	
x 3	Months in c.p.	x 3	Months
$1,536	Deductible for 3 months	$1,584	Deductible for 3 months

New deductible for the c.p. = $1,536 + $1,584 = $3,120

- If the case has already been authorized, an additional deductible of $48 ($3,120 - $3,072 = $48) will be effective January 1, 2004.

- If the case has not been authorized, the previous deductible of $3,072 will increase to $3,120 effective January 1, 2004.

C. Computation for Long-Term Care Cases (Non-SSI)

EIS will calculate the RSDI amounts and recalculate the PML for all non-SSI LTC cases if the budget balances. (See V.A.5., in this letter) EIS will then automatically issue the DMA-5016 and the DSS-8110A to notify the recipient of the change.

The IMC must manually update the PML for other cases.

1. PML May Require Adjustment

   EIS cannot identify certain types of situations, such as cases with income protected for the community spouse or dependent family members and cases with couples in the same room. This means the updated PML may be incorrect and must be adjusted. If an adjustment is necessary, complete the adjustment at the next redetermination, change in situation or when updating the spousal income allowance. If you change it now, a timely notice is required.

   NOTE: Complete a SOLQ to verify the Social Security increase for the community spouse/dependent family member. When verification is received, recompute the community spouse/dependent family member allowance following procedures in MA-2270, Long Term Care Need and Budgeting.

2. LTC Cases with RSDI and SSI Indicator of "Y" or Budget Out of Balance

   The PML must be manually computed for cases with RSDI and SSI indicator of "Y" and for cases with budgets out of balance (EIS will not update the PML). These cases will appear on the "Cases With CP "To Date" Less Than or Equal to 12-31-03 or Budget Out-of-Balance" report and the "Long Term Care Cases with RSDI and a SSI Indicator of Y" report referenced in VI.C.

   a. Follow procedures in MA-2270, Long Term Care Need and Budgeting, for determining PML.

   b. Enter this amount into EIS no later than December 23, 2003. If it cannot be entered by that date and it is a reduction in the PML, contact the Claims Analysis Unit at DMA (919) 857-4018. If it cannot be entered by that date and it is an increase in the PML, the change cannot be made until February 2004.

3. LTC - Step 3 Budgeting

   LTC cases budgeted Step 3 with a deductible will show up on the "Cases With CP 'To Date ' Less Than or Equal to 12-31-03 or Budget Out-of-Balance" referenced in VI.C., in this letter.

D. Notices for Changes in Deductible or Non-Automated Changes in PML

1. Cases Authorized as of November 14, 2003 (Received Timely Notice of Change insert)

   a. If there will be a change in the deductible, send an adequate notice to notify the recipient of the specific change no later than December 23, 2003. Use change code 53 if using an automated notice.

b. If the IMC must enter a new PML, the new amount must be entered in EIS no later than December 23, 2003, to generate the DMA-5016. Send an adequate notice to notify recipient. Use change code 54.

NOTE: Failure to enter the new PML in EIS timely may result in an overpayment to the facility. The county will be charged back for an overpayment resulting from failure to timely and correctly update EIS and send a notice to the facility.

2. Cases authorized after November 14, 2003 (Did Not Receive Timely Notice of Change Insert)

   Send a timely notice to notify the recipient of the specific change in the deductible or PML amount. Use change code 02 (notice text required) or 40 (manual notice required - enter "Y" in the Notice Override field on the DSS-8125). Send the notice in time for the timely notice to expire by pull cut-off.

3. Cases in deductible status as of November 14, 2003, that remain in deductible Status (Did Not Receive Timely Notice of Change Insert)

   Send a timely notice to notify the recipient of the increased deductible amount. Send a manual notice or use change code 02 (notice text required) for an automated timely notice. Send the notice in time for the timely notice to expire by pull cut-off in December.

E. Instructions Specific to MAABD-B (Dually Eligible) Cases

If the COLA increase causes an individual who is dually eligible (MAABD with Medicaid classification B) to have a deductible, he must be transferred to MQB-B. Refer to procedures in MA-2355, MAABD/MQB Program Transfers.

F. Instructions Specific to Cases with an Individual Receiving Benefits from More than One Claim Number (Dually Entitled To RSDI Benefits)

The SOLQ does not always correctly report all RSDI amounts received by an individual if the individual is entitled to benefits from more than one SSA claim. Verify dual entitlement by completing a SOLQ using the claim number and beneficiary identification code (BIC) specified in the "Dual Entitlement No and BIC" fields of the SOLQ. Add the benefit amounts together to determine the total monthly RSDI benefit amount.

G. MAF-C cases that have individuals with a family status code of P, S, O, or I. Caretakers do not get continuous eligibility.

Determine eligibility using the new RSDI amount. If the new RSDI amount causes excess income:

1. Delete the caretaker from the MAF-C case. Send an adequate notice to the recipient.

2. Complete an administrative DSS-8124 to establish a MAF-M application for the caretaker.

   a. Hold the MAF-M application until the end of the original 6-month certification period.

   b. If the deductible is not met by the end of the original 6-month certification period, send a timely notice to propose termination.

3. Continue Medicaid coverage for the child(ren) in the MAF-C case through the end of the 12-month continuous period.

H. SSI Terminations

When the RSDI COLA results in termination of an individual's SSI benefits (and automatic entitlement to Medicaid), complete an ex parte redetermination.

1. Refer to instructions in MA-1000 VII., SSI Medicaid-Automated Process and MA-1100 V., SSI Medicaid-County DSS Responsibility, in the Aged, Blind and Disabled Medicaid Manual, and MA-3120 V., SSI Medicaid, in the Family and Children's Medicaid Manual, regarding the ex parte redetermination of eligibility.

2. Complete a SOLQ to verify the increased amount of RSDI. Use this amount to determine eligibility.

3. Passalong

   Individuals terminated from SSI because of the COLA must be evaluated under all passalong groups prior to the termination. They may remain eligible for Medicaid due to passalong provisions. Check the 503 Leads report for individuals eligible for passalong. Evaluate for Medicaid eligibility under all passalong groups and flag the case. Refer to MA-2110, Passalong.

VIII. PENDING APPLICATIONS

The following instructions are for applications still pending as of November 14, 2003, (the last keying date based on the automated RSDI COLA update).

NOTE: **If the application is approved on or before November 14, 2003, the RSDI amount will be updated if the case meets the criteria above for an automated update.**

When processing an application, apply the RSDI COLA (if applicable per instructions below) and use the Medicare B premium of $66.60 for the deductible/PML effective January 1, 2004.

A. MQB and MAABD Categorically Needy Applications (PLA including CAP)

1. Determine eligibility using the RSDI income prior to the COLA increase. The RSDI COLA will be applied to these applications when the poverty level increases in the spring of 2004.

2. If there is a change in income other than RSDI, follow procedures in MA-2250, Income, for treating changes in income during the application process.

B. MIC-N or G and HSF-N or G Applications

Use base period income to determine eligibility. Do not react to changes in income that occur on or after the date of application.

C. MAF-C Applications

Follow policy in MA-3300, Income.

D. MAABD-M or B (PLA), MAF-M, P, or N, HSF-M or P Applications

1. If there is no RSDI income, no additional implementation action is necessary.

2. If there is RSDI income, apply the RSDI COLA. Compute the new amount of RSDI by multiplying RSDI by 1.021 and drop any cents, rounding the amount down to the nearest dollar, unless verification from SSA is available. Use the verified amount if available.

   a. Complete a SOLQ to verify the COLA as soon as possible.

   b. Treat as a change in situation if the manually computed RSDI amount and the verified amount result in a difference of $5.00 or more in the deductible/PML. If it will result in a difference of less than $5.00, apply the increase at the next review or change in situation.

3. If the deductible has been met and the application is approved prior to 1/1/2004, authorize for the certification period based on income prior to applying the COLA effective 1/1/2004.

   a. Determine the new deductible based on the COLA increase.

b. If the new deductible can be met with the old bill balance remaining after meeting the original deductible, document the amount of the additional deductible and the old bill balance to show that the additional deductible is met. Authorize on the day the original deductible was met. A timely notice is not needed.

c. Send a timely notice to notify the recipient of the increased deductible.

EXAMPLE: Medically Needy application, certification period is October - March. Applicant provides documentation on December 7 that his deductible was met November 24. Authorize 11-24 through 3-31. The pull/check date is 12/23/03. Send a timely notice of the additional deductible effective 1/1/2004. If the timely notice period expires after the pull check date, the new deductible cannot be effective until 2/1/2004.

NOTE: The last day to send timely notice may vary according to county holiday schedule.

4. If the deductible has not been met, compute the additional deductible. Send a revised DMA-5099/5099S to notify the applicant of the increased deductible.

5. If the application is not completed until after 1/1/2004 and the applicant would have met the original deductible prior to 1/1/2004:

a. Authorize for the entire certification period based upon income prior to the COLA.

b. Compute the amount of additional deductible for January through the end of the certification period.

c. Send a DSS-8110 giving timely notice of the additional deductible. The deductible is effective the first day of the month following the timely notice period.

E. Long Term Care Applications

1. Apply the RSDI COLA to a PML that is effective 1/1/2004. Compute the new RSDI by multiplying RSDI by 1.021 and drop any cents, rounding the amount down to the nearest dollar, unless verification from SSA is available. (Use verified amount if available.)

2. Compute the PML according to instructions in MA-2270, Long Term Care Need and Budgeting. Use the RSDI income and Medicare B premium amounts in effect prior to the COLA for all months prior to 1/1/2004. Use the new RSDI and Medicare B premium amounts to compute the PML effective 1/1/2004.

3. Complete a SOLQ to verify the COLA as soon as possible.

4. Treat as a change-in-situation if the manually computed RSDI amount and the verified amount would result in a difference of $5.00 or more in the PML. If it will result in a difference of less than $5.00, apply increase at the next redetermination or change in situation.

EXAMPLE: LTC applicant has RSDI gross amount of $818. Certification period is December through May. There is no other income or unmet medical needs. The case is evaluated as Medically Needy. SSA increases to $835 on 1/1/2004 based on the 2.1% increase. The Medicare Part B premium has also changed to $66.60.

December PML	January PML	February PML
$818.00	$835.00	$835.00
- 30.00 pers. needs	- 30.00 pers. needs	- 30.00 pers.needs
788.00	805.00	805.00
- 58.70 Part B	- 66.60 Part B	
729.30	738.40	
$729.00 PML	$738.00 PML	$805.00 PML

This Administrative Letter obsoletes DMA Administrative Letter 15-03 dated November 13, 2002, and DMA Administrative Letter 17-03 dated December 23, 2002.

If you have any questions regarding this information, please contact your Medicaid Program Representative.

Gary Fuquay
Acting Director

(This material was researched and written by Susan Ryan, Policy Consultant, Medicaid Eligibility Unit.)