

**N. C. Division of Aging and Adult Services
Administrative Letter No. 14-02
Adult Services Section**

Date: February 28, 2014

Subject: Effect of 2014 Social Security Cost of Living Adjustment and New 2014 Federal Poverty Level on SA/IH Cases

Distribution: County Directors
Special Assistance Supervisors
Adult Services Supervisors

Effective Date: April 1, 2014

The 2014 Social Security RSDI/SSI Cost of Living Adjustment (COLA) received in January 2014 is counted as income for Special Assistance In-Home (SA/IH) applicants/beneficiaries (a/b) effective April 1, 2014. This is also the effective date for implementing the new federal poverty level (FPL) of \$973 as the total countable monthly income (TCMI) limit for categorically needy (CN) Aged, Blind and Disabled (ABD) Medicaid. SA/IH beneficiaries must first be eligible for ABD Medicaid as CN.

In the past, income maintenance caseworkers (IMCs) were required to assess each SA/IH beneficiary's TCMI to evaluate the maximum allowable payment and determine continued eligibility. This was a manual process.

This year, in an attempt to assist the counties, EIS will automatically calculate the April 2014 SA/IH payments for certain cases in EIS to reflect the 1.5% COLA increase in RSDI/SSI benefits. This letter will provide instructions on how the procedure will work and the reports that will be generated to assist the counties in the process.

I. BENEFICIARY NOTICE OF COLA

All SA/IH beneficiaries who are authorized as of the March regular run, February 27, 2014, will be sent a notice with the March 2014 SA checks notifying the SA/IH recipient that their SA/IH benefit may change. **This notice satisfies the notice requirements in SA-3330. Please see Attachment 1.**

II. ONGOING CASES AUTOMATICALLY UPDATED IN EIS

A. This change affects the SAA and SAD cases that contain an ambulation capacity code of 'H'.

- B. SA/IH cases in EIS with correct information will be updated on the night of February 27, 2014. The payment effective date will be April 1, 2014.

Note: EIS will **not** automatically calculate the April 2014 SA/IH payments to reflect the COLA increase in **VA benefits**. Income Maintenance Caseworkers will need to evaluate these cases to recalculate the SA/IH payment.

- C. The list of SA/IH cases updated will appear under the report name of **DHREJA SA CASES UPDATED-AUDIT RPT** and will be available in XPTR on February 28, 2014. This report will show the beneficiary's name, listed in alphabetical order by district number, the case ID number, the casehead payee, the county case number, the old and new SA/IH payment amounts, the old and new RSDI/SSI amounts, and the old and new Maintenance Amount. The \$20 general income exclusion will be included in the new payment calculation for these cases.
- D. Within 30 days of the update, verify the new RSDI amount through SOLQ1. If the amount is different from that on the **DHREJA SA CASES UPDATED-AUDIT RPT** dated 2/27/2014, revise the payment amount as soon as the action can be taken and the appropriate notice can be sent.

III. ONGOING CASES NOT AUTOMATICALLY UPDATED IN EIS

- A. The following reports identify cases that were not automatically updated by EIS. **Manually update all cases listed on these reports following instructions in IV. below. The date on these reports will be the run date of 2/27/14**, and will be available in NCXPTR on February 28, 2014.
- B. **DHREJA SA ERROR: CASES NOT UPDTE:** These cases could not be automatically updated by EIS due to errors in the case data in EIS. The error messages include:
1. **PAYMT NOT EQUAL DIFF** – The Maintenance Amount minus the TCMI minus the Grant Recoupment Amount does not equal the Monthly Payment Amount.
 2. **SSI AND RSDI = ZERO** – Cases that contain no entries for SSI and RSDI.
 3. **UNEARN INC = ZERO** – A zero amount is displayed in Net Unearned Income Amount field or TCMI amount field.
 4. **TOT MO INC NOT BAL** – The total of RSDI, SSI plus other unearned income and case level net earned income does not equal the TCMI amount plus \$20.
 5. **SSI NOT \$710**–The SSI amount displayed in EIS is not \$710 and no RSDI amount is present.

6. **SSI IND Y – NO SSI** – The SSI indicator is ‘Y’ with no SSI amount displayed.
 7. **RSDI & SSI AMOUNT INVALID** – The total of RSDI and SSI amounts is not \$730.
 8. **TOTAL UNEARN IS < RSDI & SSI** – The total Unearned Income Amount is less than RSDI and/or SSI.
 9. **CASE PENDING** – Cases that contain a pending DSS-8125.
 10. **VA PAYMNT STATUS = Y** – Cases that contain a ‘Y’ in the VA indicator field.
 11. **CASES WITH A LAST CHANGE DATE OF 2013330 OR GREATER** - Cases with a Julian date of 2013330 or greater may have already been updated with the new COLA amount. These cases must be evaluated.
 12. **CASES WITH MONTHLY PAYMENT AMOUNT < \$5.00**- Cases whose Monthly Payment Amount is \$1.00, \$2.00, \$3.00, or \$4.00 after re-computing the Monthly Payment Amount must be evaluated.
 13. **TCMI AMOUNT > FPL of \$973**- Total Countable Monthly Income is greater than the new Federal Poverty Level of \$973. These cases must be evaluated for Medicaid CN eligibility.
 14. **MAINT AMOUNT > \$1228**- The Maintenance Amount can never be more than \$1,228.
- C. **DHREJA SA POTENTIAL TERMINA CASE** : These cases could not be automatically updated by EIS if the Monthly Payment Amount was less than \$1.00 after recomputing the SA/IH payment with the 1.5% increase.
- D. **DHREJA SA CASES TCMI>FPL OF \$973**: These cases could not be automatically updated by EIS if the TCMI was more than the new Federal Poverty Level for CN Medicaid of \$973 after recomputing the SA/IH payment with the 1.5% increase.
- E. **DHREJA SA POTENTIAL ZERO PAY CAS**: These cases could not be automatically updated by EIS if the Monthly Payment Amount was \$1.00, \$2.00, \$3.00, or \$4.00 after recomputing the payment with the 1.5% increase.
- F. **DHREJA SA VA PAYMENT ERROR CASES**: This report contains cases that could not be updated because the case contains a ‘Y’ in the VA indicator field.

IV. IMPLEMENTATION INSTRUCTIONS FOR ONGOING CASES NOT AUTOMATICALLY UPDATED IN EIS

- A. Effective April 1, 2014, begin counting the full RSDI/SSI amount, including the 2014 COLA. Continue to disregard the COLA for January, February, and March 2014.
1. Treat the end of the COLA disregard as a change in income effective April 1, 2014.
 2. Verify the 2014 RSDI/SSI benefits using SOLQ1.
- B. Determine if the SA/IH a/b is eligible for ABD Medicaid as Categorically Needy (CN). SA/IH beneficiaries must first qualify for CN Medicaid.
1. Compute the a/b's TCMI. This is the amount of countable income after all allowable deductions and exclusions. See SA-3210 for instructions on calculating TCMI. Compare the changed income to the 2014 FPL (\$973) for beneficiaries who are not Medicaid passalong to see if they would still qualify for ABD Medicaid as CN.
 2. While most SA/IH beneficiary's income must be at or below the FPL in order to qualify for CN Medicaid, there are exceptions:
 - a. SA/IH a/bs eligible for Medicaid as passalong;
 - b. Beneficiaries who reside with a legal spouse and SSI counts the income of the couple.
- C. If eligible for CN Medicaid, calculate the new maximum SA/IH payment
1. Subtract the a/b's TCMI from the basic SA maintenance amount, \$1,228 (\$1,182 + \$46 personal needs allowance).
 2. Round to the nearest whole dollar \$.49 or less, round down; \$.50 or more, round up).
 3. The result is the maximum allowable SA/IH payment.
 4. The actual payment may be less than the maximum allowable payment, based on the needs assessment by the case manager. Allow enough time to coordinate with the SA/IH case manager for his/her decision of the appropriate SA/IH payment for each beneficiary.
 5. Send a DSS-8110, adequate notice to notify the beneficiary if the SA/IH payment decreases.
 6. Key a DSS-8125 to update income and the correct payment amount effective April 1, 2014.

D. Cases Ineligible Due to the End of the COLA Disregard

For SA/IH cases no longer eligible for CN Medicaid based on the FPL of \$973, send a manual timely notice to terminate the SA/IH benefit. Continue to assess the recipient for continued Medicaid under other aid/program categories.

V. **IMPLEMENTATION INSTRUCTIONS FOR SA/IH APPLICATIONS**

A. Pending SA/IH Applications Dated Prior to April 1, 2014:

1. For the months prior to April 2014, budget RSDI/SSI amounts prior to the 2014 COLA. For months effective April 2014 and later, budget current RSDI/SSI income to include the 2014 COLA.
2. Always verify whether the a/b is eligible for CN ABD Medicaid.

B. Applications Dated April 1, 2014 and later:

1. Beginning April 1, 2014, budget current RSDI/SSI when calculating TCMI.
2. Always verify whether the applicant is eligible for CN ABD Medicaid.

If you have any questions regarding this information, please contact your Special Assistance Program Representatives at SpecialAssistance@dhhs.nc.gov.

Sincerely,



Dennis W. Streets, Director

DWS/SPM/skc