

**N.C. Division of Aging and Adult Services, Administrative Letter No. 14-13
Adult Services Section**

Date: November 21, 2014

Subject: Social Security Cost-of-Living Adjustment (COLA 2015) and VA Cost-of-Living Adjustment (COLA 2015) for Special Assistance (SA) in a Facility.

Distribution: County Directors
Special Assistance Supervisors
Adult Services Supervisors

Effective Date: January 1, 2015

I. BACKGROUND:

Effective January 1, 2015, SA beneficiaries will receive a cost-of-living increase in their RSDI/SSI/VA benefits. This letter explains how the increase that will effect SA benefits and the procedures for counties to follow for SA cases in EIS and NCFAST. SA/In-home (SA/IH) cases are exempt from counting the COLA until April, 2015, after the new Federal Poverty Levels are published. No action related to the COLA needs to be taken on SA/IH cases until further notice.

As a remainder, beneficiaries who lose their SA benefits due to the COLA increase must be evaluated for Medicaid passalong. A person can continue to be eligible for Medicaid, but not eligible for a SA benefit, if they remain in a SA facility. Follow instructions in [MA-2110, Passalong](#).

II. SOCIAL SECURITY and VETERAN'S CHANGES DUE TO COLA ADJUSTMENT

A. RSDI/SSI

Effective January 1, 2015, recipients of RSDI and/or SSI will receive a 1.7% COLA increase in their monthly benefits.

B. SSI Federal Benefit Rate (FBR)

Effective January 1, 2015, the SSI federal benefit rate (FBR) for an individual will increase to \$733.00 per month.

C. Veteran's Benefits (VA)

Effective January 1, 2015, most recipients of Veteran's Benefits will receive a 1.7% COLA increase in their monthly benefits.

III. RECIPIENT NOTICE OF COLA

SA Cases Remaining in EIS as of Regular Run

All Special Assistance (SA) beneficiaries who are authorized in EIS as of the November regular run November 25, 2014 will be sent a notice with the December 2014 SA checks. This notice satisfies the notice requirements in SA-3330. Please see Attachment 1.

SA Facility Cases in NC FAST as of December 1, 2014

DAAS will mail the notice (Attachment 1) to beneficiaries that are active in NCFAST as of December 1, 2015 by December 13, 2014.

All SA beneficiaries approved in NCFAST after December 1, 2014 will require the county agency to include the amount of the January 2015 payment on the DSS-8108, Notice of Benefits or on the DSS-8110, Your Benefits are Changing, as appropriate.

NCFAST cases will be updated with the RSDI/SSI COLA.

IV. ONGOING SA CASES REMAINING IN EIS AND AUTOMATICALLY UPDATED IN EIS

With the scheduled conversion of all SA cases to NCFAST on December 13, 2014, all actions stated below must be completed by close of business on December 12, 2014.

EIS will automatically calculate the January 2015 SA payments to reflect the 1.7% COLA increase in RSDI/SSI benefits. SA cases in EIS with correct and complete information will be updated on the night of **November 25, 2014**. The payment effective date will be January 1, 2015. **EIS will not automatically calculate the January 2015 SA payments to reflect the COLA increase in VA benefits.** Income Maintenance Caseworkers must evaluate these cases to recalculate the SA payment. See section V. below for reasons why some cases could not be automatically updated.

To assist workers in identifying the cases affected by the VA COLA increase, a report entitled **DHREJA COLA VA REPORT** will be available on NCXPTR after November 25, 2014. This report lists the SA cases in each county in which the VA indicator field is marked yes (Y). Review these cases to determine if the beneficiary has notified the worker of a change in VA benefits. If not, use the COLA increase of 1.7% to update the current countable VA benefit. (Current countable VA benefit X 1.017=new January 2015 VA benefit, dropping the cents). Send to VA for verification of new benefit amount. All cases must be reviewed and corrected by **December 12, 2014**. Upon receipt of VA verification, adjust the benefit if necessary, following appropriate notice requirements.

A list of all updated cases will be available in XPTR on **November 26, 2013** under the name '**DHREJA SA CASE UPDATED-AUDIT RPT**'.

This report will show the recipient's name, listed in alphabetical order by district number, the county case number, the case ID number, the old and new SA payment amounts, the old and new RSDI/SSI amounts, and the adult care home rates. The \$20 general income exclusion will be included in the new payment calculation for these cases.

Case profiles for each updated case listed on the Audit Report will be generated and displayed in NCXPTR under the name '**DHREJA SA RSDI COLA PROFILES**'. No paper reports will be generated, but the report will be displayed in NCXPTR.

A. Cases Updated in EIS

After the November 25 changes are made and before close of business on December 12, 2014, verify the new RSDI amount through SOLQI. If the amount is different from that on the **DHREJA SA CASE UPDATED-AUDIT RPT**, revise the payment amount as soon as the action can be taken and the appropriate notice can be sent.

B. Cases Updated in EIS, but Changes Occur After November 25, 2014 that Affect the Payment

1. Recompute the SA payment amount. When computing the new payment, use the case profile information to determine the revised RSDI/SSI amounts. These cases will have the \$20 general income exclusion given automatically; do not give another \$20 exclusion.
2. Send an adequate notice if the recipient received a notice with his/her December SA check.
3. Key the DSS-8125 no later than **December 12, 2014** to reflect the correct payment amount effective January 1, 2015 or termination of benefits.
4. Verify the new benefits through SOLQI with those shown on the SA CASE UPDATED-AUDIT RPT. If the amounts are different, revise the payment amount as soon as the action can be taken and the appropriate notice can be sent.

IV. ONGOING CASES REMAINING IN EIS AND NOT UPDATED IN EIS

A. Reports of Cases Not Updated in EIS

The following reports identify cases that were not automatically updated by EIS. **Manually update all cases listed on these reports** following instructions in B. below.

These reports will be available in XPTR on **November 26, 2014**. No paper copies will be generated.

1. **SA Error Report – Cases Not Updated** – These cases could not be automatically updated by EIS due to errors in the case data in EIS. This is displayed in NCXPTR under the name '**DHREJA SA ERROR: CASES NOT UPDTE**'. The error messages include:
 - a. **MAINT NOT \$1,228 or \$1,561**: Cases with the Maintenance Amounts that are not equal to \$1,228.00 or \$1,561.00.
 - b. **PAYMT NOT EQUAL DIFF**: The Maintenance Amount minus the Total Countable Monthly Income minus the Grant Recoupment Amount does not equal the Monthly Payment Amount.
 - c. **SSI AND RSDI = ZERO**: There are no entries for SSI and RSDI in EIS.
 - d. **UNEARN INC = ZERO**: Either the Net Unearned Income amount or the Total Countable Monthly Income amount is zero.
 - e. **TOT MO INC NOT BAL**: The total of the RSDI, SSI plus other unearned income and case level net earned income does not equal the Total Countable Monthly Income amount plus \$20.
 - f. **SSI NOT \$721** The SSI amount, which is present in EIS, is not \$710.00, and there is no RSDI amount present.
 - g. **SSI IND Y – NO SSI**: The SSI indicator is Y and no SSI amount is entered.
 - h. **RSDI & SSI AMOUNT INVALID**: The total of the RSDI and SSI amounts is not \$741.00.
 - i. **TOT UNEARN IS < RSDI & SSI**: The total unearned income is less than RSDI and/or SSI.
 - j. **CASE PENDING**: These are cases that contained a pending DSS-8125 at the time of the mass change.
 - k. **VA PAYMENT STATUS = Y**: Cases that contain a "Y" in the VA indicator field.

2. **SA Potential Terminated Cases** – These are cases in which the Monthly Payment Amount is less than \$1.00 as a result of the increased RSDI/SSI. This is displayed in NCXPTR under the name '**DHREJA SA POTENTIAL TERMINA CASE**'. These recipients potentially have income that exceeds the allowable income limit based on their ambulation capacity, and the cases may require termination.

a. **Instructions for Assessing for Medicaid Passalong for Terminated Cases.**

Evaluate cases terminated due to the COLA increase for eligibility for continued Medicaid under passalong provisions. Refer to [MA-2110, Passalong](#) for instructions for determining if Medicaid passalong applies. If income minus the SSA COLA, is under the applicable SA maintenance amount, and if all other eligibility factors are met, approve for CN Medicaid under the passalong policy.

Please note: The current SA income limit referred to in the Medicaid Passalong policy is the current SA maintenance amount for that ambulation capacity code.

- 1) "B" ambulation capacity cases - Maintenance amount is \$1,228.00.
- 2) "C" ambulation capacity cases - Maintenance amount is \$1,561.00.

b. **Use [DMA-5150, Documentation of Passalong or Eligibility or Ineligibility](#) to document whether the recipient is eligible for Medicaid passalong. If the recipient is eligible for Medicaid passalong, take the following actions in EIS:**

- 1) Key a DSS-8125 to transfer the case to Medicaid. The classification is always "N".
- 2) Enter the code "PC" in the Individual Special Use field on the individual level in EIS.
- 3) An error message will appear. Put the form on hold and call an EIS consultant at 919-855-4000. EIS will contact DIRM to process the case.
- 4) If changes later occur in a passalong case, follow the same procedure. Key the DSS-8125, put it on hold and call EIS to process the case.

3. SA Potential Zero-Pay Cases

These are cases whose Monthly Payment Amount is \$1.00, \$2.00, \$3.00, or \$4.00 as a result of the increased RSDI/SSI increase. This is displayed in NCXPTR under the name '**DHREJA SA POTENTIAL ZERO PAY CAS**'.

It is important when manually updating these cases to record the actual Total Countable Monthly Income in the case record for future budgeting purposes. Enter the ACTUAL payment amount (\$1.00, \$2.00, \$3.00 or

\$4.00) in the Monthly Payment Amount field. Enter a payment effective date of 012015.

4. VA Error Report

These are all SAA and SAD cases that contain a VA indicator of 'Y'. Manually update these cases. The report is displayed in NCXPTR under the name: '**DHREJA SA VA PAYMENT ERROR CASES.**'

5. Ambulation Codes M and H Report

Cases with an ambulation capacity code of H or M will not be updated in the Mass Revision. The report is displayed in NCXPTR under '**DHREJA SA AMBULATION CODES M and H CASES.**'

a. SA Cases with Ambulation Capacity Code "M"

These cases have variable maintenance amounts and cannot be updated in the mass change. The IMC will need to manually update these cases and key them before **December 12, 2014** for the new SA payment to be effective January 1, 2015. Please refer to [SA-3220](#) for budgeting instructions. Evaluate cases terminated due to the COLA increase for eligibility for continued Medicaid under passalong provisions. Refer to [MA-2110, Passalong](#) for instructions for determining if Medicaid passalong applies. The cases need to be evaluated for Medicaid passalong if their income is over the SA "M" rate. These cases have a variable maintenance amount. The maintenance amount can be greater than \$1,228.00.

Refer to the completed DAAS 8190s/8190ns – Attachment A completed prior to 2015 COLA to determine if case is no longer eligible based on COLA and complete Passalong evaluation. <http://info.dhhs.state.nc.us/olm/forms/doa/DAAS-8190s.pdf>

c. SA In-Home Program Recipients (Ambulation Capacity Code "H")

SA/IH cases are exempt from counting the COLA until the new Federal Poverty Levels are effective in April, 2015. No action needs to be taken on these cases until further notice.

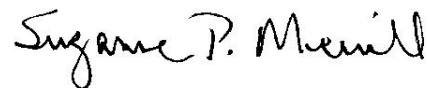
B. Procedures for Manually Updating Ongoing Cases Not Updated By EIS

1. After **November 25, 2014** do not key a change in income for any case with RSDI or SSI until the new RSDI/SSI amount is verified.
2. Verify the new benefits from SOLQ.

3. Send a notice to notify the recipient of the change. An adequate notice is sufficient if the recipient was authorized in November and received the notice with the December check.
4. Key a DSS-8125 no later than **December 12, 2014** to reflect the correct payment amount effective January 1, 2015 or termination.

If you have any questions regarding this information, please contact the Special Assistance listserv at specialassistance@dhhs.nc.gov .

Sincerely,

A handwritten signature in black ink that reads "Suzanne P. Merrill". The signature is written in a cursive style with a large initial 'S'.

Suzanne P. Merrill, Director

SPM/cu

Attachment

ATTACHMENT 1

IMPORTANT NOTICE TO RECIPIENTS OF SPECIAL ASSISTANCE (SA) LIVING IN RESIDENTIAL FACILITIES December 1, 2014

If you receive a Social Security benefit and/or Supplemental Security Income (SSI) benefit, or Veterans Administration (VA) benefit, your Social Security/SSI benefit and/ or VA benefit will increase effective January 1, 2015 due to the federal Cost of Living Adjustment. This increase in your Social Security/SSI/VA benefit will have an effect on your SA benefit because Social Security, SSI, and VA benefits are counted in determining the amount of your SA benefit. If you reside in a residential facility and your Social Security, SSI, or VA check increases, your SA benefit will decrease effective January 1, 2015.

If you receive a benefit for Special Assistance In-Home, your benefit will be adjusted if the federal poverty level changes in April 2015. You will be notified of this change in advance.

Hearing Rights: If you disagree with this decision, you have a right to ask for a hearing. To ask for a hearing, call or write your caseworker within sixty (60) days, which is by January 30, 2016. If you do not ask for a hearing by that date, you cannot have a hearing. A local hearing will be held within 5 days of your request unless you ask for it to be postponed for good reason for an additional 10 days. The hearing will establish whether this action was correct. Then, if you think the decision in the local hearing was wrong, you must call or write your caseworker within 15 days of the local hearing to ask for a second hearing before a state hearing officer.

You may have someone speak for you at your hearing, such as a relative or an attorney obtained at your expense. Free legal services may be available in your community. Contact your caseworker for information on free legal services.

If you ask, your caseworker will show you and the person speaking for you your eligibility record before your hearing. You may ask to see other information used at the hearing.

IMPORTANT NOTICE TO ALL RECIPIENTS OF SPECIAL ASSISTANCE

Beginning **January 2015**, Special Assistance (SA), benefits **are scheduled** to change from paper checks to electronic payments. Benefits will be issued as a Direct Deposit to a personal bank account or your facilities collective account with your information. If you have not completed a Direct Deposit Authorization Form, please contact your local department of social services to complete the form or if you have questions regarding this procedure.

If you receive SA, including SA In-Home, and cannot get a personal bank account, or do not provide the information for direct deposit to the local department of social services, your payment will be issued on an Electronic Benefits Transfer (EBT) card.