

**N. C. Division of Aging and Adult Services Administrative Letter No. 19-10
Adult Services Section**

Date: November 14, 2019

Subject: Social Security Cost-of-Living Adjustment (COLA 2020) and VA Cost-of- Living Adjustment (COLA 2020) for Special Assistance (SA) in a Facility.

Distribution: County Directors
Special Assistance Supervisors
Adult Services Supervisors

Effective Date: January 1, 2020

I. BACKGROUND:

The purpose of this letter is to outline the COLA automated process executed by NC FAST and provide procedures for handling COLA mass change updates.

Effective January 1, 2020, SA beneficiaries will receive a 1.6% cost-of-living increase in their RSDI/SSI/VA benefits. This letter explains how the increase will affect SA benefits for individuals in facilities and the procedures for counties to follow.

SA-IH cases are exempt from counting the COLA increase until April 2020, after the new Federal Poverty Levels are published. No action related to the COLA is needed for SA-IH cases until further notice.

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

A. RSDI/SSI

Effective January 1, 2020, recipients of RSDI and/or SSI will receive a 1.6% COLA increase in their monthly benefits.

B. SSI Federal Benefit Rate (FBR)

Effective January 1, 2020, the SSI federal benefit rate (FBR) for an individual will increase to \$783.00 per month

C. Veteran's Benefits (VA)

Effective January 1, 2020, most recipients of Veteran's benefits will receive a 1.6% COLA increase in their monthly benefit.

III. MASS CHANGE AUTOMATED OVERVIEW

- A. NC FAST creates new RSDI/SSI/VA evidence with the start date of December 31, 2019 and updates SA facility cases to reduce the SA payment effective January 1, 2020 and terminate cases that exceed the income limit effective December 31, 2019. NC FAST recalculates the SA payment by increasing the Social Security payment, SSI payment and/or VA payment amount by 1.6%. The cents are dropped from Social Security, SSI and VA payments.
- B. NC FAST will automatically accept the changed decision for all cases except cases in an "On Hold" status. These exception cases will require the caseworker to review and manually accept the changed decision. Timely notices will be system generated on all updated SA cases, including exception cases. Required COLA mass change reports will be provided to the counties.
- C. NC FAST will send a COLA communication to alert the counties that the mass change has been executed in the system.

IV. RECIPIENT NOTICE OF COLA

- A. NC FAST Generated Timely Notices
 - 1. NC FAST will generate and mail a DSS-8110, Timely Notice, to SA facility cases automatically updated by NC FAST with the new reduced payment amount effective January 1, 2020.
 - 2. NC FAST will generate and mail a DSS-8110, Timely Notice, to SA facility cases that exceed income limits and will terminate effective December 31, 2019.
 - 3. NC FAST will generate and mail a NCF 20031, SA COLA Mass Change Timely Notice, for exception cases. This notice meets the federal requirements for a mass change.
 - 4. The Income Support Case, Case Details Tab, Communication section will be updated to display the timely notice sent and the date sent.
- B. Adequate Notice Requirements for Exception Cases
 - 1. Exception case review and manual reassessment must be completed prior to the December 2019 processing deadline. After exception case review and accepting the changed decision, the county must send a manual DSS-8110, Adequate Notice, to notify the recipient of the new SA payment amount effective January 1, 2020 or termination effective December 31, 2019.
 - 2. The NCF 20031, SA COLA Mass Change Timely Notice, is sent by NC FAST when the mass change is executed and meets the timely notice requirements for exception cases. The DSS-8110, Adequate Notice, is sent to notify the recipient of the reduced payment amount effective January 1, 2020 or termination effective December 31, 2019. The county must review each exception case, accept the changed decision, and send the DSS-8110, Adequate Notice, by the December 2019 processing deadline.

V. SA APPLICATIONS AND REDETERMINATIONS

A. Applications

1. Any pending SA applications entered into NC FAST prior to NC FAST executing the COLA automated update, that is under an Income Support Case (ISC) **with** any active or pending closure product delivery case of any type, NC FAST will update the new 2020 RSDI/SSI/VA evidence.
2. For any application entered into NC FAST prior to the NC FAST executing the COLA automated update, that is under an Income Support Case (ISC) **without** any type of active case or pending closure case, the county will need to add RSDI/SSI/VA evidence for the period prior to January 2020 and new RSDI/SSI/VA evidence that is effective January 1, 2020.
3. Applications entered in NC FAST after the COLA automated update is executed by NC FAST, will require RSDI/SSI/VA evidence to be entered in NC FAST for month(s) prior to January 2020 **and** the new RSDI/SSI/VA evidence effective January 1, 2020.

B. Recertifications

1. NC FAST will also update RSDI/SSI/VA evidence for SA cases where the certification period is ending prior to January 1, 2020.
2. When the county completes a late SA recertification, the 2020 RSDI/SSI/VA evidence will be present. Note that a county responsible overpayment may be created on the case and recoupment of the overpayment is required.

VI. SA TERMINATED CASES AND PASSALONG EVALUATION

- A. Cases that exceed the income limit resulting from the COLA increase will be terminated and a DSS-8110, Timely Notice, will be system generated and sent to the beneficiary.
- B. Evaluation for Medicaid Passalong for SA facility cases terminating, as a result of the COLA increase, is included in the NC FAST automated process.

VII. ROUNDING CORECTIONS

- A. NC FAST drops cents for Social Security, SSI, and VA benefits when executing the automated COLA updates for the mass change. Should an amount be incorrect due to dropping cents for cases automatically updated by NC FAST, it is not necessary to manually correct the amounts immediately following the mass change. Take action to correct Social Security, SSI and VA payment amounts at the next recertification or change of circumstance, whichever occurs first, by entering the increased benefit amount on Benefit/Income evidence in NC FAST. The start date for the corrected evidence is January 1, 2020.

When corrections are needed at the next recertification or change of circumstance and the corrected benefit amount results in an SA payment decreases, send a new timely DSS-8110 indicating the new SA payment. Correcting the Benefit/Income Evidence to an increased Social Security, SSI, or VA benefit amount will create an overpayment in NC FAST. The overpayment created when adding the corrected Benefit/Income Evidence timely, (the first time the case is updated after the NC FAST COLA 2020 COLA mass change), is a state responsible overpayment and charged to the State.

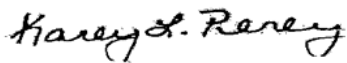
- B. SA cases not automatically updated by the NC FAST Mass Change (Exception Cases) and require county caseworker manual updating and review, should be completed prior to the December 2019 NC FAST processing deadline to avoid a county responsible overpayment(s) that require recoupment.

VIII. NC FAST COLA COMMUNICATIONS

NC FAST will provide notification, further guidance, and reports related to COLA automation. All communication guidance and instructions must be followed timely and accurately to ensure appropriate actions are taken to avoid potential overpayments.

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

Sincerely,



Karey Perez
Adult Services Section Chief

KP/LH/ap/cw