

# **CHANGE NOTICE FOR MANUAL NO. 01-21, CHANGES RELATED TO 2021 COST-OF-LIVING ADJUSTMENT (COLA)**

**DATE: JANUARY 6, 2021**

**Manual:** Aged, Blind, and Disabled Medicaid

**Change No:** 01-21

**To:** County Directors of Social Services

## **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 2019 through the third quarter of 2020, there will be a 1.3 percent increase in COLA for 2021.

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

Beneficiaries of RSDI and/or SSI will receive a 1.3 percent cost-of-living increase in the January 2021 payment.

### **B. SSI Federal Benefit Rates (FBR)**

	Individual	Couple	Essential Person
Full FBR	\$794.00	\$1,191.00	\$397.00
1/3 Reduced	\$529.00	\$ 794.00	

### **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 1.3 percent increase for 2021.

## **II. DURING THE PUBLIC HEALTH EMERGENCY (PHE) PANDEMIC THE COLA INCREASE WILL NOT AFFECT MEDICAID BENEFICIARIES' ONGOING BENEFITS.**

### **III. CASES NOT AFFECTED BY THE RSDI COLA**

The following cases are unaffected by the COLA and will not be updated until the Federal Poverty Level change effective April of each year:

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

The COLA will not be applied to ongoing and pending MQB or MAABD PLA Categorically Needy cases until the spring of 2021. This is due to the federally mandated COLA pass-along 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 (child under 19 only)**

Because of continuous eligibility for children, the COLA will not apply to MAF-C 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 and IAS**

#### **E. NC Health Choice (MIC Classification J and K)**

#### **F. SSI Cases**

#### **G. MFC (Former Foster Care Children)**

#### **H. MCV (COVID 19 Testing Group)**

### **IV. PENDING APPLICATIONS**

**Pending Income Support Applications were not updated by NC FAST. Caseworkers will need to manually update the evidence in these applications to reflect the new RSDI/SSI/VA benefit amount effective January 1, 2021 prior to processing the application.**

### **V. CONTENT OF CHANGE**

#### **A. MA-2110.II.F., Pass along examples and chart have updated.**

- B. MA-2231.II.B.2., Community Spouse Resource Protection, Spousal Resource Allowance is updated to reflect current amounts.**
- C. MA-2240.I, Transfer of Assets, home equity amount is updated to reflect current amount.**
- D. MA-2242, Home Equity Value & Eligibility for Institutional Services, home equity amount is updated to reflect current amount and procedures.**
- E. MA-2250.IX.D.3., Income, Student Income Exclusion amount is updated to reflect current amount.**
- F. MA-2260.III, Financial Eligibility Regulations-PLA is updated to include the Living Allowance for Ineligible Child/Spouse current amount.**
- G. MA-2270.XVII, Long Term Care Need and Budgeting, *Tables A, B, C and D* are updated with the minimum Medicaid reimbursement rates for ICF/MR, Hospice Care and the actual rates for hospital inappropriate level of care beds.**
- H. MA-2311.IX, Low-Income Subsidy (LIS) Processing and Case Maintenance, *Table 2 and 3* are updated with the LIS Eligibility and LIS Benefit Determination amounts.**
- I. MA-2360.V.B.4.c., Medicaid Deductible, Medicare Part A and Part B premium, deductible and co-insurance are updated to reflect the current amounts and related examples.**
- J. MA-2525.IV.E., Disability, *substantial gainful activity (SGA)* is hyper-linked to the Social Security Administration website.**

## **VI. EFFECTIVE DATE OF CHANGE AND IMPLEMENTATION**

All revised and updated policies are effective January 1, 2021.

If you have any questions regarding this information, please contact your [Medicaid Operational Support Team](#).

DocuSigned by:

*Dave Richard*

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Dave Richard  
Deputy Secretary, NC Medicaid