

DMA ADMINISTRATIVE LETTER NO: 07-16, SOCIAL SECURITY AND VA COST-OF-LIVING ADJUSTMENT

DATE: December 8, 2016

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

DISTRIBUTION: County Directors of Social Services
Medicaid Eligibility Staff

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 third quarter of 2014 through the third quarter of 2016, there will be a 0.3 percent increase in COLA for 2017.

A. RSDI/SSI

Beneficiaries of RSDI and/or SSI will receive a 0.3 percent cost-of-living increase in the January 2017 payment.

B. SSI Federal Benefit Rates (FBR)

	Individual	Couple	Essential Person
Full FBR	\$735.00	\$1,103.00	\$368.00
1/3 Reduced	\$490.00	\$735.00	

C. Veterans Administration 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. Veterans Benefits will receive a 0.3 percent increase for 2017.

D. Student Earned Income Exclusion

Blind or disabled children, who are students regularly attending school, college, or university, or a course of vocational or technical training can have limited earnings that are not counted. For 2017, the exclusion amount increased to \$1,790.00 with an annual limit of \$7,200.00.

E. Medicare – Deductibles, Co-Insurance and Premiums

Changed as listed below.

1. Hospital Insurance - Part A

a. Deductible - \$1,316.00 per Benefit Period.

b. Coinsurance

(1) 61st - 90th day - \$329.00 per day.

(2) 91st - 150th Lifetime reserve days - \$658.00 per day.

(3) Skilled Nursing Facility - \$164.50 per day for the 21st - 100th day per benefit period.

c. Most individuals do not pay a Part A premium because they paid Medicare taxes while working. If not entitled to free Part A, the base premium is \$413 each month.

2. Medical Insurance - Part B

a. Deductible - \$183.00 per year.

b. Monthly Premium is based on the year of the enrollment:

- Enrolled prior 2016 \$104.90
- Enrolled in 2016 \$121.80
- Enrolled in 2017 \$134.00

F. Spousal Impoverishment

1. Maximum Monthly Maintenance Needs Allowance: \$3,022.50

2. Community Spouse Resources:

a. Minimum standard: \$ 24,180.00

b. Maximum standard: \$120,900.00

3. Home Equity Limits:

a. Minimum: \$560,000.00

b. Maximum: \$840,000.00

II. OTHER IMPORTANT INFORMATION FOR 2017

A. Low Income Subsidy (LIS)

INCOME LIMITS

Remain the same; the Federal Poverty Level is not subject to change until April 2017.

Family Size	0 thru 135% FPL Full Subsidy	136 thru 140% FPL 75% Subsidy	141 thru 145% FPL 50% Subsidy	146 thru 149% FPL 25% Subsidy
1	0 - 1337	1337.01-1386	1386.01-1436	1436.01-1485
2	0 - 1803	1803.01-1869	1869.01-1936	1936.01-2003
3	0 - 2268	2268.01-2352	2352.01-2436	2436.01-2520
4	0 - 2734	2734.01-2835	2835.01-2937	2937.01-3038
5	0 - 3200	3200.01-3318	3318.01-3437	3437.01-3555
6	0 - 3666	3666.01-3801	3801.01-3937	3937.01-4073
7	0 - 4133	4133.01-4286	4286.01-4439	4439.01-4592
8	0 - 4601	4301.01-4771	4771.01-4941	4941.01-5112

RESOURCE LIMITS

Remain the same; the Federal Poverty Level is not subject to change for contract year 2017.

Subsidy Calculation for One Person

Countable Resources in \$	≤135%FPL	136% thru 140% FPL	141% thru 145% FPL	146% thru 149% FPL	≥150%
< 8,780	A	C	D	E	F
> 8,780 to 13,640	B	C	D	E	F
> \$13,640	F	F	F	F	F

Subsidy Calculation for a Couple

Countable Resources	≤ 135% FPL	136% thru 140% FPL	141% thru 145% FPL	146% thru 149%	≥ 150%
≤ 13,930	A	C	D	E	F
>\$13,930 to ≤ 27,250	B	C	D	E	F
> \$27,250	F	F	F	F	F

DEDUCTIBLE and CO-PAY

Change as listed below.

Subsidy	Subsidized Monthly Premium	Yearly Deductible	Pre-Catastrophic Co-pay per Prescription	Coverage Gap? Y/N	Catastrophic Co-pay per Prescription
A	100%	\$0	\$3.30/\$8.25	N	\$0
B	100%	\$82	15%	N	\$3.30/\$8.25
C	75%	\$82	15%	N	\$3.30/\$8.25
D	50%	\$82	15%	N	\$3.30/\$8.25
E	25%	\$82	15%	N	\$3.30/\$8.25
F (No subsidy)	0%	\$400	25%	Y	@5%

B. Substantial Gainful Activity

Changed as listed below.

To be eligible for disability benefits, a person must be unable to engage in substantial gainful activity (SGA).

Non-Blind	\$1,170.00
Blind	\$1,950.00

C. LTC RATES to be budgeted using LTC procedures:

*Hospice Care in a NF (SNF) rate is changed. All other rates remain the same.

- * The A/R must be institutionalized,
- * Have an approved FL-2, and
- * Must be in need.

Each facility has an assigned Medicaid reimbursement daily rate based on the medical needs of the facility’s population. To find that rate go to the DMA website at: www.ncdhhs.gov/dma/, click on “provider Link,” scroll down to “Fee Schedules,” click on “Nursing Facility Rates.” You may also access the website at: <http://www.ncdhhs.gov/dma/fee/index.htm>.

Or contact the Division of Medical Assistance, Medicaid Eligibility Unit, 919-855-4000. Note: Rates are adjusted quarterly.

The following is the MRR for 31 days for the facilities as listed:

ICF/MR	\$8,970
*Hospice Care in a NF (SNF)	\$5,282
Hospice Inpatient Care (Acute hospital)	\$19,866

ACTUAL RATES

The particular facility's unique Medicaid reimbursement rate for 31 days.

1. NURSING FACILITY

Verify the unique Medicaid per diem rate with the facility's business office for the approved level of nursing services.

2. HOSPITAL INAPPROPRIATE LEVEL OF CARE BED

All hospitals have these beds available. These rates apply to all general hospitals.

	Per Diem	for 31 Days
Skilled	\$129.15	\$ 4,003.65
Ventilator	\$425.69	\$13,196.39

3. HOSPITAL SWING BEDS

A swing bed is certified as a swing bed by Medicare. Not all hospitals have swing beds. Swing bed rates are the same as Hospital Inappropriate Level of Care beds.

4. HOSPICE CARE IN A NURSING FACILITY

The business office of the Hospice agency can verify the actual rate for room and board and other services provided to the specific individual **Or** contact the Budget Management Section of the Division of Medical Assistance at 919/855-4200. Be prepared to state the patient's level of care and the name and address of the nursing facility.

D. STANDARD UTILITY ALLOWANCE

Changed as listed below.

Household Size	Standard Allowance
1	\$374
2	\$411
3	\$452
4	\$493
5 or more	\$537

E. Reduction Factors for Calculating Medicaid Eligibility under the Pickle Amendment During 2017

If the last month in which a person received SSI while, or immediately prior to, receiving Social Security was in any of the periods in the chart below, multiply the present amount of his Social Security by the corresponding factor to obtain the current countable COLA Pass-along income:

If SSI terminated during

Multiply Year 2017 Social Security income by:

Period	Index for 2017		Period	Index for 2017
May –June 1977	<u>.244</u>		Jan. 1995 – Dec. 1995	<u>.623</u>
July 1977 – June 1978	<u>.259</u>		Jan. 1996 – Dec. 1996	<u>.639</u>
July 1978 – June 1979	<u>.276</u>		Jan. 1997 – Dec. 1997	<u>.658</u>
July 1979 – June 1980	<u>.303</u>		Jan. 1998 – Dec. 1998	<u>.672</u>
July 1980 – June 1981	<u>.346</u>		Jan. 1999 – Dec. 1999	<u>.681</u>
July 1981 – June 1982	<u>.385</u>		Jan. 2000 – Dec. 2000	<u>.698</u>
July 1982 – Dec. 1983	<u>.414</u>		Jan. 2001 – Dec. 2001	<u>.722</u>
Jan. 1984 – Dec. 1984	<u>.428</u>		Jan. 2002 – Dec. 2002	<u>.741</u>
Jan. 1985 – Dec. 1985	<u>.443</u>		Jan. 2003 – Dec. 2003	<u>.751</u>
Jan. 1986 – Dec. 1986	<u>.457</u>		Jan. 2004 – Dec. 2004	<u>.767</u>
Jan. 1987 – Dec. 1987	<u>.463</u>		Jan. 2005 – Dec. 2005	<u>.788</u>
Jan. 1988 – Dec. 1988	<u>.482</u>		Jan. 2006 – Dec. 2006	<u>.820</u>
Jan. 1989 – Dec. 1989	<u>.501</u>		Jan. 2007 – Dec. 2007	<u>.847</u>
Jan. 1990 – Dec. 1990	<u>.525</u>		Jan. 2008 – Dec. 2008	<u>.866</u>
Jan. 1991 – Dec. 1991	<u>.553</u>		Jan. 2009 – Dec. 2011	<u>.917</u>
Jan. 1992 – Dec. 1992	<u>.574</u>		Jan. 2012 – Dec. 2012	<u>.950</u>
Jan. 1993 – Dec. 1993	<u>.591</u>		Jan. 2013 - Dec. 2013	<u>.966</u>
Jan. 1994 – Dec. 1994	<u>.606</u>		Jan. 2014 – Dec. 2014	<u>.980</u>
			Jan. 2015 – Dec. 2016	<u>.997</u>

If you have any questions regarding this information, please contact the Operational Support Team at ost.policy.questions@dhhs.nc.gov .

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(This material was written and researched by Deirdre Lisman, Medicaid Eligibility Unit)