DMA ADMINISTRATIVE LETTER NO: 02-18, 2018 FEDERAL POVERTY LEVEL CHANGES (FPL) AND COST OF LIVING ADJUSTMENT (COLA) DISREGARD

DATE: **March 22, 2018**

SUBJECT: **Federal Poverty Levels and COLA Disregard**

DISTRIBUTION: **County Departments of Social Services**
                             Medicaid Supervisors
                             Medicaid Eligibility Staff

I.   BACKGROUND

Federal law requires poverty levels to be adjusted annually on the basis of the Consumer Price Index (CPI). This letter issues the 2018 Federal Poverty Level (FPL) income limit effective April 1, 2018. This policy applies to MAGI and Non-MAGI cases.

When the COLA increase is greater than the Federal Poverty Level, some Medicaid beneficiaries may lose eligibility or move to deductible status. In this situation, the most recent COLA must be disregarded in determining continued eligibility. If the individual remains eligible when the Social Security Administration (SSA) COLA is disregarded, the disregard continues until the beneficiary loses Medicaid eligibility or becomes eligible without the disregard.
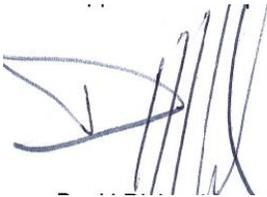
II.   CONTENT OF CHANGE

A. **Medicaid income/reserve limit charts are updated and posted in the [Integrated Eligibility Manual (IEM) section 4200.](#)**

B. **2018 Federal Poverty Income/Reserve Limits are programmed in NC FAST. The system will use appropriate income/reserve limits for all applications and recertifications, including retroactive applications months.**

C. **COLA disregard is programmed in NC FAST. The system will apply the disregard.**

D. **The [DMA-5179, MAABD Eligibility Overview Chart](#) is updated.**

E. **Basic Medicaid Eligibility Chart is updated and posted on the [DMA website](#).**

III.   EFFECTIVE DATE OF CHANGE AND IMPLEMENTATION

April 1, 2018

If you have questions regarding information in this letter, please contact your Operational Support Team Representative.

David Richard
Deputy Secretary for Medical Assistance