

DHB ADMINISTRATIVE LETTER NO:01-21, SOCIAL SECURITY AND VA COST-OF-LIVING ADJUSTMENT (Amended)

DATE: January 22, 2021

SUBJECT: Social Security Cost-of-Living Adjustment (COLA) and Veterans Affairs Cost-Of-Living Increase (Amended)

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 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) THE COLA INCREASE WILL NOT AFFECT MEDICAID BENEFICIARIES' ONGOING BENEFITS.

III. COLA REPORTS

As part of the COLA update, impacted cases were system reassessed. This reassessment generated a changed decision. Changed decisions were automatically accepted by NC FAST for cases without an “exception” (as defined below). Changed decisions for cases with an “exception” remain in “On Hold” status.

Exceptions are defined as:

- Decisions that were already in “On Hold” status prior to COLA updates
- Decisions identified with a change caused by something other than COLA (MA– other evidence updates on the case contributed to the change)
- Spend Down products resulting in a change in deductible
- Individuals determined potentially ineligible
- Individuals determined to have a potential change in coverage category
- Individuals determined to have potential change in PML (LTC, PACE), but will remain the same due to COVID regulations

Reports related to these exceptions are listed later in this message.

Notices:

The following notices have not been generated by NC FAST and will not be sent for mailing by Central Print. Notices will not be viewable from the **Communications** folder on the PDC.

DSS-8110, DMA-5016, NCF-20030 notices will not be sent due to the Public Health Emergency (PHE)

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.

“Last Year’s RSDI” field on the Benefit evidence is used for the medical programs that do not acknowledge the COLA until April 1. When the “Last Year’s RSDI” field is blank or 0 is posted, NC FAST will use the income posted in the “Amount” field to run eligibility rules.

Reports:

COLA reports are available on FAST Help under: Reports > Mass Change > RSDI/SSI/VA COLA Reports – December 2020. Please use the applicable columns to filter cases associated with your county and by worker. The reports are attached and accessible using the standard NC FAST reports password.

- A. MA Ineligible Report: Report identifies any Medicaid cases that are potentially terminating due to the COLA increase and a DSS-8110 was generated. However, these cases will not terminate due to the PHE. See [DHB Administrative Letter No: 09-20, Medicaid/NC Health Choice Recertification Procedures For COVID-19](#)**

These cases are cases that were still in Active status, with ineligibility prior to COLA that required caseworker action as benefits should have terminated or client was receiving on Traditional PDC.

- B. MA Exceptions Report: Report identifies the exception Medicaid cases that have potentially been impacted by COLA. Caseworkers will need to use this report to review the ‘On Hold’ changed decisions. Caseworkers will refer to the instructions in the [DHB Administrative Letter No: 09-20, Medicaid/NC Health Choice Recertification Procedures For COVID-19](#) to complete the appropriate action.**

NC FAST provided a Red Communication: MA 2021 COLA with additional instructions.

- C. MA COVID Continue Evidence Report: Report identifies the Medicaid cases that are potentially terminating due to the COLA increase. Caseworkers will refer to the instructions in the [DHB Administrative Letter No: 09-20, Medicaid/Nc Health Choice Recertification Procedures For COVID-19](#) to complete the appropriate action. No caseworker action needed until the end of the PHE.**

NC FAST will continue to use the PML amount from December 31, 2020 during the Public Health Emergency (PHE). The COLA increase will not affect the beneficiaries ongoing benefits.

IV. 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)

V. 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.

VI. EFFECTIVE DATE OF CHANGE AND IMPLEMENTATION

This administrative letter is effective January 1, 2021.

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

DocuSigned by:

Dave Richard

Dave Richard

Deputy Secretary, NC Medicaid