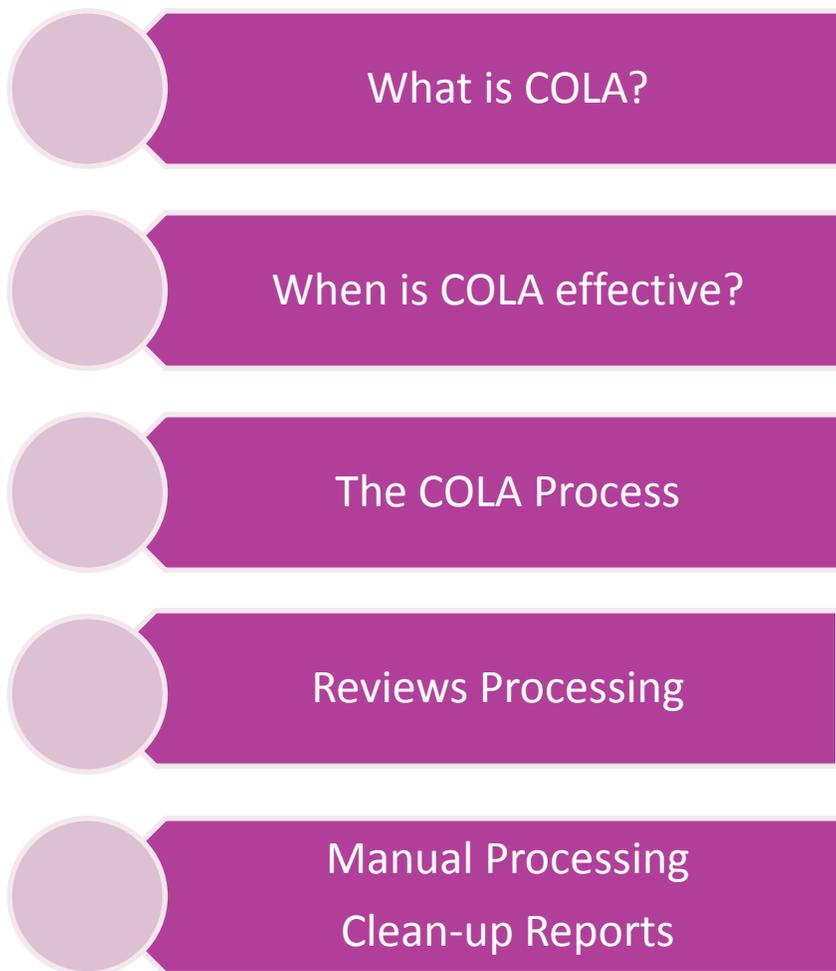


## COLA Mass Change Training – E&D

COLA Mass Change is a process that occurs every year when Social Security adjusts the benefit amounts based on the annual Cost of Living Adjustment (COLA). The KEES COLA process was run over the weekend of April 22-23, 2017.

This training is intended to explain the basics of COLA Mass Change.

For complete details about the policy, please refer to the Policy Memo 2017-04-02.



## **What is COLA?**

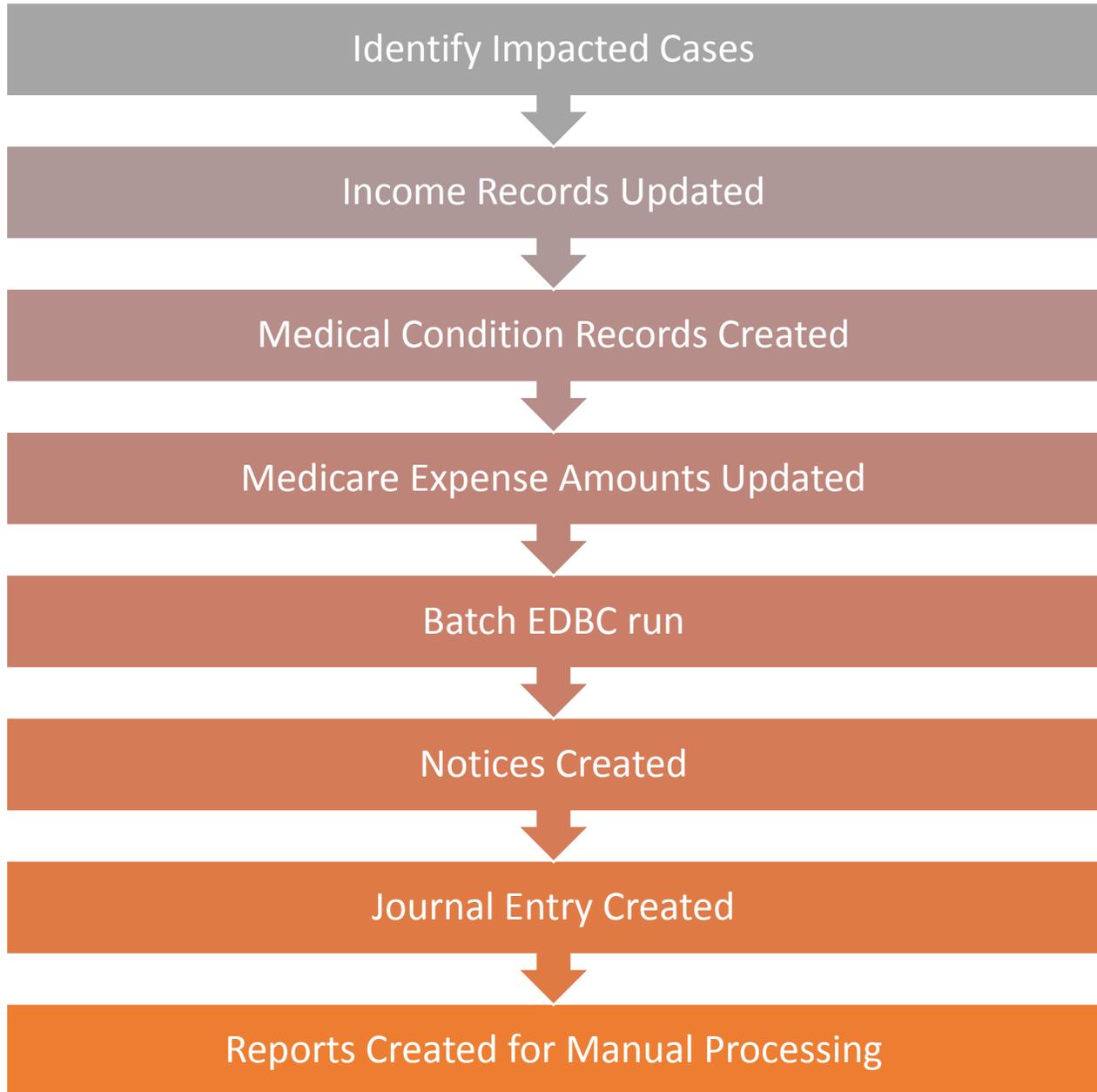
COLA stands for Cost of Living Adjustment. Each year, Social Security evaluates whether or not the cost of living needs to be adjusted and then makes adjustments to recipient benefits. Social Security announced that recipients of OASDI and SSI benefits will receive a .3% increase in benefit levels for 2017. CMS will be increasing the standard Medicare Part B premium at the same time.

As a result of the COLA, Medicaid eligibility must be redetermined for all recipients who receive these benefits. This change is expected to impact over 80,000 Medicaid recipients and household members who receive SSI or Social Security benefits.

## **When is COLA effective?**

Although the increase in Social Security and other COLA-related changes took effect January 1, 2017, the change will be implemented for Medical Assistance Programs effective May 1, 2017. Benefits for January-May, 2017 were determined using the 2016 amounts. The new 2017 amounts will begin being budgeted for cases starting in June 2017.

## COLA Process



## Identify Impacted Cases

Through the use of files and KEES processes, KEES will identify the cases that are impacted by COLA. All cases with a current, active program or program person will be automatically updated with the COLA mass change updates. In addition, individuals with SSI will be included, even if KEES doesn't currently have an SSI income record for the individual.

## Income Records Updated

### SSA Income

The process will automatically calculate the new Social Security benefit amount using the SSA income record that is active in the KEES system. The COLA amount will be increased by .3% and the resulting amount truncated. The new amount will be calculated for each active income record in KEES. Note the automated adjustment will not be updated for an individual who is not an active MEM or FRI on an active Program Block in KEES.

### Income Detail

\* - Indicates required fields.

**Name:** \*

**Category:** Social Security

**Type:** \*

**Frequency:** \*

**Social Security Claim Number:**

**Description:**

**Income Amounts** \*

**Display Program:** \*  **From:**  **To:**

<input type="checkbox"/>	Program	Amount	Begin Date	End Date	<input type="button" value="Edit"/>
<input type="checkbox"/>	Family Medical	<u>803.00</u>	04/01/2012	12/31/2012	<input type="button" value="Edit"/>
<input type="checkbox"/>	Family Medical	<u>816.00</u>	01/01/2013	08/31/2013	<input type="button" value="Edit"/>
<input type="checkbox"/>	Family Medical	<u>817.00</u>	09/01/2013	12/31/2013	<input type="button" value="Edit"/>
<input type="checkbox"/>	Family Medical	<u>829.00</u>	01/01/2014	12/31/2014	<input type="button" value="Edit"/>
<input type="checkbox"/>	Family Medical	<b>Pre-COLA Amount</b> <u>843.00</u>	01/01/2015	05/31/2017 ←	<input type="button" value="Edit"/>
<input type="checkbox"/>	Family Medical	<b>Post-COLA Amount</b> <u>846.00</u> →	06/01/2017		<input type="button" value="Edit"/>

Example: The 2016 income amount was \$843. After multiplying that amount by .3%, the new 2017 record is \$846.

**SSI Income**

As part of the Mass Change process, SSI income records will be automatically updated with information from the SDX COLA file. This means that existing income records will be updated, or new income records created. Through this process we will be able to identify individuals who are now receiving SSI even when we don't already have an SSI income record for them in KEES.

Type	Previous Benefit	Benefit Eff 01-01-17
Eligible Individual in Own Home	\$733.00	\$735.00
Eligible individual with Spouse in Own Home	\$1,100.00	\$1,103.00
Eligible Individual in Medicaid-approved Institution	\$30.00	\$30.00
Eligible Individual with Eligible Spouse both in Medicaid –Approved Institution	\$60.00	\$60.00
Eligible Individual in Household of Another	\$488.67	\$490.00
Eligible Individual with Eligible Spouse both in Household of Another	\$733.34	\$735.33

## Medical Condition Records Created

A new medical condition of 'Active-SSI Disabled' will be created for persons without an active SSI Income Record in KEES, but the SDX file indicates they are receiving SSI income. This record will only be created for individuals age 64 and younger, as individuals age 65 and older are considered elderly and do not need a medical condition.

### Medical Condition List

Root Questions					
Search Results Summary					
			Display From: <input type="text"/>	To: <input type="text"/>	
Name	Category	Medical Condition Type	Begin Date	End Date	
<input type="checkbox"/> <a href="#">Tracy</a>	Active	SSI Disabled	06/01/2017		

## Medicare Expense Amounts Updated

The new Medicare Part B premiums will automatically be adjusted as part of the COLA update. The batch will replace any existing Medicare premiums with the base premium amount that is most consistent with the premium amount on the record – either \$109/month or \$134.00/month.

This is important to note because many individuals will pay an individually established premium based on the amount of their 2017 COLA. The premium increase cannot exceed the amount of the SSA COLA for the individual beneficiary. So, if the amount of the COLA increase did not cover the entire premium increase, the premium will be reduced.

Example: An individual with a premium of \$104.90 last year could have a standard premium of \$134/month in 2017. However, because she only received a \$2 COLA increase, the Medicare premium cannot increase more than \$2. She will have a Medicare Part B premium of \$106.90.

## Batch EDBC Run

The COLA Mass Change process will identify all Medical Program blocks impacted by the income and/or Medicare updates described above and process an automatic Batch EDBC. The Batch EDBC will run with a special EDBC run reason of 'COLA' for the month of June 2017. As a result of the Batch EDBC, changes in coverage, including aid codes, base periods, and cost sharing could result as follows:

### New Eligibility

- There could be a change in aid code or benefit plan.
- A report of cases that experience this will be reviewed.
- The batch should NEVER result in brand new eligibility for any individual.

### CE Periods

- Program blocks with expired CE periods were excluded from the batch, so new CE periods will not result from this EDBC run.
- For programs in an existing CE, the batch EDBC could cause a change in coverage, but this would be appropriate.

### Cost Sharing

- Cases could experience a change in spenddown amount, patient liability, client obligation, participant obligation, or premium.
- A report will be provided of cases with a large cost sharing change so they can be evaluated for accuracy.

### Discontinuance

- No person should be discontinued by the batch.
- Cases that involved a person who was going to be discontinued were excluded from the batch.
- A report will be provided so these can be manually updated and processed.

## Notices Created

As part of the EDBC Batch process, a notice will be generated for any identified change. These will include changes in aid code and benefit plan as well as new base periods and changes in cost sharing. Notices are to be generated for the recipient as well as any appropriate Administrative Role when a change has occurred as a result of the COLA.

### Delayed Mailing

- Notices will be in an 'ON HOLD' status.
- Allows for the notice to be reviewed, deleted if necessary, and a new notice generated.
- 'ON HOLD' notices should NOT be discussed with the consumer.
- Staff have through May 14th to delete any notice. After that date they will be released for mailing.

### Facility Notices

- Facility notices are not generated by the batch.
- Each facility will receive a special report that will notify them of changes for their residents.
- It is critical that the LTC provider is accurate on the LTC Data Details Page.

## Journal Entry Created

As part of the COLA batch process, an automated journal entry will be written to the case. The journal entry reads:

'As part of the COLA Batch process, updates were made to the COLA specific Data Collection records and a Batch EBDC was ran, accepted and saved'.

Staff should create journal entries for any additional action taken that may be related to COLA.

## Reports Created for Manual Processing

There are some types of cases which will require manual processing after the COLA Mass Change is completed. Reports with instructions for processing will be provided to staff assigned to this project. The primary reports will include the following types of cases:

- Income Allocation
- Income over 300% (MN3)
- Overridden EBDC
- Medically Needy Skipped Cases
- Protected Medical Groups
- SSI – Losing SSI
- Cases that have a new share of cost or a large change in their share of cost

## **Other Income Changes**

Income from other sources may also change. These changes must be effected and budgeted according to the date of report and the effective date of the change. This includes changes to Civil Service Retirement benefits, pensions, Veterans Administration benefits, Railroad Retirement benefits and other unearned income.

**Railroad Retirement**

- The Railroad Retirement Board (RRB) has provided KDHE with updated information for consumers receiving this income.
- Income records have already been updated and benefit letters imaged to the case.

**Veterans Income**

- KDHE has also requested verification of new Veterans benefit levels. However, the VA has not yet provided the information.
- If the information becomes available, it will be provided to staff along with instructions for processing.

## **Spousal Impoverishment/Income Allocation**

The cost-of-living adjustments may have an impact on the amount of income being made available to a community spouse through the spousal impoverishment/income allocation provisions. If the community spouse is also an OASDI recipient, the increase could impact the amount being made available if the maximum permitted income allowance amount has not been reached.

The new spousal impoverishment standards have been adjusted as follows:

Maximum Community Spouse Income Allowance	\$ 3,023
Excess Shelter Deduction	\$ 237

KEES will re-compute the amount of the allocation automatically. However, the SSA income of the spouse may not be adjusted. A report of all cases with an Income Allocation has been provided and these cases must be reviewed.

The following resource levels have also been updated in KEES. Any new determination will utilize the new amounts.

Maximum Community Spouse Resource Allowance:	\$120,900
Minimum Community Spouse Resource Allowance:	\$ 24,180

## General COLA Processing Instructions

When accessing a case that has been impacted by COLA, it is important that staff evaluate the updates made by COLA as well as the resulting eligibility. Action may be necessary to ensure eligibility is correct. The following general steps are applicable to cases subject to manual processing where a specific Job Aid is not available as well as other situations where action is taken on a case updated by COLA.

1. Evaluate changes in eligibility, specifically changes to the aid code(s) the client is eligible for, as well as any change in coverage. Determine if the change is logical and is supported by the action. This information can be obtained from the Case Summary page.
2. Medical Condition Page – This page should be reviewed as it may have been updated by COLA if the individual was identified as an SSI recipient.
3. Income Page
  - a. Determine if new or updated SSI records were created. Because the SSI income was generated in December, it may be out of date. If more recent information is available from EATSS or is in the case file, it is likely the SSI income record is incorrect and must be updated.
  - b. Determine if the SSA income amount is correct. If the 2017 amount was entered on the income page prior to COLA, the amount of SSA income budgeted is likely incorrect and it must be updated. It is also possible the original SSA amount was incorrect and would still be incorrect following COLA. Any changes made to SSA income will be dated 06-01-2017.
4. Expense Page – Staff must review this page to ensure all expenses are captured correctly. If any expenses are listed on the Medical Expense page, staff should refer to the Medical Expenses Job Aid.
5. Medicare Expense Page - COLA is updating the Medicare expense records for cases that have one of the two standard Part B premiums. These records are set with a payer of 'State'. This means the Medicare premium will not be allowed as an

expense in the medical budget. If the worker is expecting the Medicare premium to be allowed, the payer must be adjusted.

6. Ensure all Post-Conversion Clean-Up has been completed on the case. Refer to the KEES User Manual for instructions. Pay special attention to LTC Data and the PMG questions on the Income page.
7. Check EDBC. Pay close attention to the resulting eligibility, but also any base period updates, and obligation/liability/spenddown amount changes. If updates are made following COLA, EDBC must run to effect any changes.
8. **Always check the Notice of Action.** Remember, COLA notices are in an 'On Hold' status through May 14<sup>th</sup>. If the notice is incorrect, it must be deleted and a new, correct notice issued.
9. Journal any actions – especially any changes that were made as part of the review. The COLA process created a general notice, but staff must continue to journal specific information.

### Program Specific Instructions

Protected Medical Groups			
KEES was updated with new multipliers for PMG for 2017.	If the case is correctly coded in KEES, it should be redetermined as part of Mass Change.	A case may be newly approved for PMG as part of mass change; in this situation, any existing medically needy base period will end.	KEES does not automatically shorten the base period. <b>A report will be provided.</b>

# Medicare Savings Programs

For all MSP, the amount of the COLA increase is not included in any determination for the 1st quarter of the year.

KEES accomodates this policy and will apply a disregard for any MSP budget determined through an online or batch EDBC.

The new FPL will change the income levels for MSP cases. This could result in a consumer changing coverage or losing eligibility for an MSP completely.

# Working Healthy

Except at desk review or annual review, increases in income do not impact a Working Healthy case.

However, the FPL increases and COLA increases could cause a decrease in premiums.

These cases will require a manual adjustment to prevent the premium from increasing outside of the review period. **A report will be provided.**

# Medically Needy

<p>Cases that do not have a current Medically Needy base are excluded from batch EDBC. This is done to avoid establishing a new base period.</p>	<p>Any case with an active Medically Needy program and a base period that expires on or before 5/31/17 will appear on the 'Medically Needy Exclusion' report and must be reviewed.</p>	<p>The special process outlined in KDHE Policy Memo 2017-02-01 for Medically Needy cases processed after the end of a base period must be used to process cases with base periods that expire prior to 5/31/17.</p>
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# Long Term Care

When the COLA processes a long term case, the EDBC process will recalculate both eligibility and the Patient Liability/Client Obligation/Participant Obligation.

<p><b>Income Under 300%:</b></p> <p>Most individuals are eligible under a 300 aid code and will have a new obligation established with the COLA updates.</p>	<p><b>Income Over 300% (MN3):</b></p> <p>Cases with income in excess of the 300% limit will recalculate and if the cost of care listed on the LTC Data Details page exceeds the resulting liability, the case will continue eligibility with only a liability update. However, if after the mass change run, the liability is now greater than the cost of care, the case will undergo a change in coverage and will most likely convert to a straight medically needy program.</p>	<p><b>Income Over 300% (MN3):</b></p> <p>Cases newly determined eligible for MN3 coverage are considered accurate if the cost of care on the LTC Data Details page is correct. Staff must review each of these cases to ensure the action and coverage is correct.</p>
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## Coordination with Reviews

May Reviews (where coverage expires May 31, 2017) were processed on April 17, 2017. The new poverty levels were implemented in KEES prior to the execution of the reviews. This means all new April benefits for the review batch included the poverty levels.

However, the review batch ran BEFORE COLA mass change. This means reviews for April benefits are being processed using the old income amounts – prior to the income update.

<p>Passive Reviews</p>	<ul style="list-style-type: none"> <li>• Passive reviews were processed using the 2016 SSA income amounts.</li> <li>• Could see an increase in PR Responses with consumers reporting the change in their SSA amount.</li> <li>• If only reporting SSA COLA, no action is required. Mass Change has already updated these cases and sent a notice.</li> <li>• If other changes are also reported, create a PR Response task. All PR Response changes shall be processed in 6/2017 to be consistent with the COLA change.</li> <li>• Exception: If a positive change is reported in April, it must be processed in May.</li> </ul>
<p>Pre-Pop Reviews</p>	<ul style="list-style-type: none"> <li>• Pre-Populated review will display the 2016 income amount.</li> <li>• Should expect to see consumer reporting changes to their SSA income when they return their review.</li> <li>• List of cases will be provided to prioritize the processing of May reviews that have been affected by COLA.</li> <li>• If the review is processed by May 14th, then the changes will be incorporated into the review processing and the COLA notice can be deleted.</li> <li>• If the COLA notice is sent prior to the processing of the review, and there is a change that impacts eligibility, the consumer will be notified of the change in the Review notice. If necessary, an explanation can be appended to the Review notice.</li> </ul>
<p>Review not Returned</p>	<ul style="list-style-type: none"> <li>• Pre-Populated reviews that have not been returned will be processed for discontinuance, to avoid confusion with a benefit change notice being sent when coverage should actually end.</li> <li>• During the week of May 8 - 12, staff will be provided with a report of cases to process.</li> <li>• These programs will be discontinued effective 5/31/17 for failure to return the review, and the COLA notice deleted.</li> </ul>