

Kansas Department of Social and Rehabilitation Services

Rochelle Chronister, Secretary

Income Maintenance - Employment Preparation Services

Connie Hubbell, Commissioner
296-8198

Candy Shively, Deputy Commissioner
296-6750

*Community
Support Services
296-3349*

*Programs for Self Support
& Responsibility
296-4276/296-3349*

*Quality
Control
296-3666*

*Management
Systems
296-3349*

MEMORANDUM

TO: IM Chiefs
EPS Chiefs
Area Medicaid Managers

DATE: October 31, 1997

FROM: Dennis Priest

SUBJECT: Mass Change Instructions
on January 1998 OASDI/SSI
Cost-of-Living Adjustments
(COLA)

The purpose of this memo is to provide implementation instructions to staff concerning the January 1998 COLA mass change. As this information does not involve any change to policy and is entirely procedural in nature, we once again are releasing the instructions as a memorandum rather than a regular State Commissioner's Letter. In this way we can provide these finalized procedures in a timely fashion for staff. Please make sure all appropriate staff receive a copy of this material.

For ease of reference, I have lined sections in the memo which significantly differ from last year's instructions.

1. **OASDI/SSI Cost-of-Living Adjustments** - A 2.1% increase in the OASDI/SSI benefit levels will take effect beginning with the January 1998 payment. SSI maximum benefits will increase \$10 for an individual, \$13 for a couple, and \$5 for an essential person. In addition, the Medicare B premium will remain at \$43.80/month.

a. **SSI Information** - The new SSI benefits will be transmitted via the SDX interface for the month of January. The following is a listing of the new benefit amounts.

- | | |
|--|----------|
| (1) Eligible individual in own home. (Includes individuals in a public community-based facility serving 16 or less individuals.) | \$494.00 |
| (2) Eligible individual with eligible spouse in own home. | \$741.00 |
| (3) Eligible individual in Medicaid-approved institution. | \$ 30.00 |
| (4) Eligible individual with eligible spouse (both in Medicaid approved institution). | \$ 60.00 |
| (5) Eligible individual in household of another. | \$164.66 |
| (6) Eligible individual with eligible spouse (both in household of another). | \$494.00 |

- (7) Essential person increment (converted recipients only). \$247.00

The new SSI benefit level for both an individual and an eligible couple will exceed the PIL for a one and two-person plan. These SSI recipients will continue, however, to be eligible for automatic medical and will not be subject to a spenddown other than a special spenddown as long as they remain in independent living.

- b. OASDI Instructions - The OASDI benefit will be determined by calculating the amount of increase rather than using BENDEX information. This means that the state will be able to update all OASDI recipients (not just those who have been accreted to BENDEX) and be able to take timely action to affect the changes. The calculation will be based on the SSA amount reflected on the prospective UNIN screen for the January benefit month. If SSA income is only on the medical UNIN screen, the calculation will be based on that amount. For this reason, there should be no local computations or other updating of the SSA amount on these screens on cases opened prior to 11/20/97 until after the mass run unless that amount needs to be changed so that the COLA computation is correct. All amounts will be multiplied by 2.1% so the SSA amount reflected on UNIN should be the benefit the person was eligible for prior to January 1. All calculated amounts will be truncated by dropping the cents.

The calculations are to be regarded as correct even though the amount may be \$1.00 below the actual SSA amount due to the truncation. Individual BENDEX reports will be sent to the local offices when received from SSA. However, staff are not required to update the amounts that are calculated until the next scheduled review. Staff are discouraged from correcting these calculated amounts from the BENDEX report or TPQY's as this will slow response time and create an unnecessary workload burden. Corrections should be handled at the next review.

SPECIAL NOTE - Because of the schedule for mass change on 11/19/97, prior to rollover on 11/21/97, local staff will be responsible for manually calculating and entering the increased SSA benefit amount for the benefit month of January on all new cash, medical, and food stamp approvals processed on 11/20 and 11/21/97. The new SSA amount should be calculated as described in the previous two paragraphs. The case should be copied into January and the new SSA amount entered on the appropriate UNIN screen(s).

2. **Mass Change Instructions for the Medical Programs** - A mass change run will be performed on 11/19/97 which will incorporate a benefit adjustment for OASDI recipients and the increase in the HCBS protected income level. The MA, MS, MP, MK, MC, and CI programs will be affected. The amount of the OASDI benefit will be automatically calculated by multiplying the benefit currently reflected in KAECSES by the 2.1% increase. Benefits will be adjusted for all individuals in active status including those with a "DI" SEPA code. This new benefit will then be processed for the January benefit month with rollover on 11/21/97 and spenddown and patient liability amounts will be adjusted accordingly. SSA income records on cases which are not authorized for January at the time of the mass run will be updated but not processed and will require further action on the part of staff.

Cases copied past January will have the OASDI amount calculated and placed on UNIN for January but not for February or any later month. The case will not otherwise be processed or authorized and will not appear on the mass change report. Any changes would have to be done manually by the worker.

An automated mass change notice will be sent to all affected clients informing them of changes in their eligibility and/or spenddown/patient liability amounts. Mailing of MS notices will be delayed

as indicated in item 11 below. A mass change detail report (MR330) will also be provided to field staff on SAR following the mass run listing all cases impacted by the change along with the old and new spenddown amounts if appropriate.

For MP cases, benefit amounts will be adjusted and financial eligibility recomputed. Cases which fail financial eligibility because of the COLA increase will be automatically deauthorized for January and reflected as having "failed" on the detail summary report described above. For pregnant women and children up to age 1, eligibility is to be authorized based on the continuous eligibility provisions. For MK and MC children, the worker will need to manually authorize a closure on these cases. Continued eligibility under a spenddown program is to be considered prior to taking final action to close. An automated notice will be sent on MP cases deauthorized on the mass run which informs the client that medical eligibility will continue for pregnant women and some children in the MP case, but will end for some MK and MC children effective December 31 due to excess income.

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 provisions of KPAM 5754 and 5844 and the amount of any income allocation occurring under the provisions of KPAM 5753(4) and 5843(4). The adjustment could lower the amount being made available if the community spouse is also an OASDI recipient and the maximum permitted income allowance amount has not been reached. To assist in the review process, a report listing all cases with an AI or AI/DI code on EXNS will be provided. See item 13 below. These codes reflect all cases in which income is being allocated. This information is to also be used in reviewing spousal impoverishment allowances as described in KPAM Revision No. 4.

3. **Special Instructions for Long Term Care Cases (NF and HCBS)** - The LOTC screen will be automatically updated to incorporate the new patient liability or monthly HCBS obligation amount and the 1-1-98 effective date. This update will occur on 11/26/97 and will affect all adult care home and HCBS cases in which there is a facility number or HCBS living arrangement code, an effective date that is prior to 1-1-98, and a patient liability/HCBS obligation reflected different from the amount appearing on the SPEN screen for January. The LOTC screen must be updated manually if all three of these conditions are not met.

In addition to the update, staff will be provided with two copies of a notice for each individual whose liability/obligation amount was updated giving the client name, case number, old and new liability amounts with effective dates, the clients address, the worker number and for NF cases, the facility number. One copy of the notice is to be put in the case file for documentation purposes and one sent to the facility or HCBS case manager to inform them of the change. The individual notices will be mailed out to the area offices on or about 12/2/97. Notices are also available for viewing on SAR by entering report ID SWY03873-R17.

For control purposes, a separate report will also be provided on SAR listing those cases which had LOTC data that was not updated either because a 1-1-98 effective date had already been inserted or the patient liability/obligation had not changed. Staff are to briefly review these cases to make sure all changes have been reflected. This report titled Exceptions to LOTC Update will be available by entering SAR report ID SWY03873-R25 on 12/2/97.

4. **Effect of OASDI Benefit Increases on Cash Assistance** - At the time of the COLA mass run described above, OASDI amounts reflected on cash cases will also be automatically updated both prospectively and retrospectively based on the calculation process described above. In addition, prospective eligibility will be recomputed for January.

Benefits for January will be processed for all cases. Mass change notices will be produced on prospectively budgeted cases whose January grant amounts decrease. However, if the SSA increase results in a \$0 grant amount or prospective ineligibility, the worker will need to manually close or suspend the program and send their own notice. The mass change detail report (MR 330) will be provided following the mass run which lists all cases.

If the client continues to be prospectively eligible, the new SSA benefit amount will automatically be incorporated in the retrospective screen for budgeting the grant amount for March. A mass change notice will be produced following rollover in January regarding any grant changes for March.

5. **Effect of the OASDI Benefit Increase on Food Stamps** - At the time of the mass run on 11/19/97, OASDI amounts will be automatically updated both prospectively and retrospectively based on the calculation process as previously described. SSI amounts reflected on food stamp cases will also be automatically updated both prospectively and retrospectively based on the January SDX Treasury tape in a separate process on 12/5/97, but will be handled in the same way as OASDI.

SSA benefits for January will then be processed for all FS cases depending on the budgeting process for the case as follows:

- a. January benefits determined prospectively - The mass change process in November will incorporate the new calculated OASDI amount and recalculate the food stamp benefit level for January. The mass change process will result in a mass change notice being sent to recipients. If the OASDI increase results in a \$0 benefit amount, the worker will need to manually close or suspend the case and send their own notice unless the household also receives SSI and is categorically eligible. See item number 6.
- b. January benefits determined retrospectively - For retrospectively budgeted cases, the increased OASDI amount will first be used to recompute prospective eligibility for January. If the case continues to be prospectively eligible, the new OASDI amount will be automatically incorporated in the retrospective screen for budgeting the issuance amount for March. Since January benefits are based on November's retrospective income and expenses, a mass change notice will not be produced. Then, in January, the monthly mass change with rollover will recompute March benefits based on the updated amounts. A mass change notice will then be produced regarding any benefit changes for March. The mass change detail report issued with rollover in January will also need to be carefully reviewed to determine if any cases that failed the mass change are categorically eligible as noted above.

For both types of budgeting processes, if a case is not authorized for January as of the date of the mass change, the OASDI amounts and will be updated but will not be processed until the case is authorized. Any case copied past January will not be mass changed. Cases copied past January 1998 will have the OASDI amount calculated and placed on UNIN for January but not for February or any later month. Staff should also review the mass change detail report for unexpected changes to food stamp benefit amounts which may signify cases needing correction.

6. **Effect of the SSI Benefit Increase on Food Stamps**

A separate mass change will be processed on 12/5/97 using the January SDX Treasury tape to update SSI amounts reflected on food stamp cases. SSI amounts will be updated, both prospectively and retrospectively.

It should be noted that the gross SSI benefit from the SDX Treasury tape is used to compute food stamp benefits in the mass change in December. However, it is recognized that there are some SSI cases in which the benefit has been reduced due to an overpayment recovery. Per KFSM 4203.1, if that overpayment is not a result of fraudulent activity, the recovery is to be taken into consideration and only the net benefit counted. As the SDX tape identifies benefits reduced due to overpayment recovery, a report will be provided listing all FS cases in which the gross SSI benefit has been reduced for this reason. The net benefit amount will also be provided. Staff must then review these cases to determine which recoveries result from nonfraudulent overpayments and adjust the food stamp calculation accordingly. See item 14 below.

The mass change detail report needs to be carefully reviewed to determine if any cases failed the mass change. If the household is categorically eligible, the procedures in KFSM 2111.2(2)(b) must be followed to insure that the household receives the correct amount of benefits to which it is entitled. In prior years, some categorically eligible cases had to be reprocessed to insure the continuation of the \$10 minimum benefit. These same cases should be affected again this year. It will therefore be necessary to carefully monitor the mass change detail report, reviewing all cases that fail the mass change for potential categorical eligibility.

7. **Impact on Pickle Eligibility** - Those medical recipients who may now qualify for Pickle status when the OASDI/SSI increases go into effect must be reviewed and have a determination completed in accordance with KPAM 5371. A revision to the Pickle Worksheet (IM-3104.6) which includes the new SSI benefit levels and COLA ratios has been included with KPAM Revision No. 4.

- a. Persons Who Lose SSI Eligibility Solely Because of the OASDI Increase - This group will qualify for Pickle status without a formal determination. Information to help identify these individuals will be available on the SSI Interface in December. Based on the prospective budgeting methodology used by Social Security, individuals will become ineligible for SSI as of January 1, 1998. This information is projected by SSA and will be made available through the Interface. The "SDX (Client SSN) SSI Begin/End" alert will appear on 12-8-97 for all potentially affected individuals.

Medical eligibility for this group will continue without a spenddown. The case must be transferred from the SI program to MS with the appropriate Pickle coding. It may be necessary to request the completion of an IM-3100 if a current one is not already on file. Notices will also need to be sent by staff informing the client of his or her Pickle status and the need to report any changes in circumstances. Pickle eligibility will be retained in the future for this group barring any financial changes (i.e. increases in income other than OASDI, increased resources, etc.).

- b. Persons With Excess Income - Persons who failed to qualify for Pickle status during the year because of excess income but who retain eligibility for medical must be redetermined for Pickle eligibility as a result of the COLA. To aid in implementation, a report will be provided of all individuals with a "PP" code on the PICK screen. See item 13 below.

A worksheet is to be completed on each individual identified. For those who qualify, Pickle status will begin as of January 1, 1998 and notice of approval is to be sent by staff. Pickle coding will also need to be revised accordingly. No notice is required for persons who continue to have excess income.

If approved, the case is to be retained on the MS program with the applicable Pickle code reflected. If denied due to excess income, the Pickle code "PP" is to be reflected.

- c. Pickle Determinations on Medical Applications Processed After Mass Change - For all medical applications processed after mass change on 11/19/97, Pickle determination will be required on both the old and new worksheet if the person meets all of the screening criteria. The 1-97 worksheet is to be used for all months eligibility is being determined prior to January 1998. The 1-98 worksheet is to be used for all months eligibility is being determined from January 1998 on. The reason for doing so is that the individual may have excess income prior to the January COLA but be eligible thereafter.

As noted in item 10 below, current Pickle eligibles will end up getting a mass change spenddown notice unless the worker takes action to delete the notice. A case with no other changes should not receive a notice and the worker should take action to delete the notice as referenced in item 11.

8. **Mass Change for HCBS Protected Income Level Increase** - As noted in KPAM Revision No. 4, the protected income level for all HCBS cases will be increased to \$658/month effective January 1. This increase will also be processed on 11/19/97 for HCBS cases only.
9. **QMB/LMB Issues** - MS cases which are processed in the SSA COLA mass run will also be processed for QMB eligibility. Those persons who meet the QMB criteria will automatically be authorized for QMB status effective January 1 as part of the mass change. The worker will need to send a follow-up notice to those clients who become eligible informing them of the QMB benefits. These cases will be identified by a worker alert, "Eligible for QMB."

In addition, there may be some current QMB recipients who lose QMB eligibility during the mass run if the COLA amount takes them over the poverty level standard. As reflected in KPAM 5361.3, the amount of the SSA COLA must be disregarded in determining QMB eligibility. Those cases which fail due to the COLA will be identified on the mass change detail report (MR330) as having "failed mass change." However, the fail message is not specific to these QMB cases as indicated in item 12 and a case by case review will likely be required.

If the individual is otherwise QMB eligible except for the COLA increase, field staff will be required to reauthorize QMB status on the case. The client's full income should still be reflected on the system. The QMB determination would then need to be overridden by using a QE or QS code on the Pickle screen. These codes were previously used for QMB eligibility and are still functional. The QE code would be used where there is no spenddown or where spenddown has been met (including long term care cases) and the QS code used if a spenddown is still in place or if the client is receiving QMB-only benefits. These codes would need to be removed if the client is ineligible for QMB with the SSA COLA budgeted when the new QMB poverty levels are implemented in April.

No mass change processing will occur in regard to LMB status. These cases will need to be manually reviewed for eligibility based on the COLA increase. As noted in KPAM Revision No. 4, the poverty level standard for the program is increasing to 135% of poverty so it is doubtful any LMB case will end up ineligible due to the COLA. As with QMB, the COLA amount is to be disregarded for the first quarter of 1998 so it will be more likely that individuals will retain eligibility and additional individuals qualify based on the poverty standard increase. For current recipients, a determination of eligibility under the higher standards is to be completed as affected cases are identified, but no later than the next scheduled review. This would only include those persons in spenddown status whose Part B premium has not been bought in.

QMB and LMB only eligibles will get a mass change spenddown notice as the mass run does not recognize this status. Those persons not attempting to meet spenddown should not receive a notice and the worker should take action to delete the notice as referenced in item 11 below.

10. **Changes in Other Benefits and Expenses** - It is recognized that changes in other benefits, primarily VA, Railroad Retirement, and Civil Service Retirement, may also take effect January 1. These changes can further affect eligibility and benefit amounts in all programs. Staff should take action to reflect the income increases no later than the benefit month of February 1998. If the client reports the change in time to affect benefits for the month of January, staff must act on the change when it is reported. If such a change is not reported, staff must obtain the information during the month of January so that the new amount can be reflected no later than the benefit month of February. Any assistance provided in January because of these guidelines would not be regarded as an overpayment. A report will be provided listing all cases with VA, Railroad Retirement, or Civil Service retirement income as noted in item 13 below.

It is also recognized that premium amounts for Blue Cross/Blue Shield Plan 65 and Plan D coverage may also increase January 1 and this can impact the amount of spenddown for medical purposes as well as the amount of food stamp benefits for certain households. For medical and prospectively budgeted food stamp cases, once again staff should take action to reflect any changes no later than the benefit month of February. If the client reports the increase in time to affect benefits for the month of January, staff must act on the change when it is reported. If such change is not reported, staff must obtain the information during the month of January so that the amount can be reflected no later than the benefit month of February.

For medical purposes, if the increase was not budgeted in time for January, the amount of the increase for that month is to be reflected in computing the February patient obligation for long term care cases or reflected in the remainder of the 6 month base period for independent living cases.

To help identify cases with Blue Cross coverage, a report will be provided identifying persons who have Blue Cross listed on the EXNS screen in KAECSES, or the MMIS Third Party Liability screen and those matched by SSN with Blue Cross/Blue Shield Plan 65 and Disability Plan files as indicated in item 13 below.

11. **Delay of MS Mass Change Notices** - Because of the possibility that other benefit changes besides Social Security as well as increases in Blue Cross rates will affect a number of MS and FS cases, MS notices created as a result of the SSA COLA and PIL mass change will not be printed after the mass run. This will help prevent two or more notices being sent to the client during the month of December (one for mass change purposes and one for reflecting other changes).

Following the mass runs, notice history on each MS case will have the name of the notice produced but no mail date. One of the following notices will appear:

- MS Mass Change/Change in Unmet Spenddown
- MS Mass Change/Change in Met Spenddown
- MS Mass Change/Results in Spenddown
- MS Mass Change/Change in Patient Liability/HCBS Obligation

If the worker takes action to make other changes to the case following the mass runs which will also take effect January 1, the worker would then delete the mass change notice on the system and send a notice which describes the COLA and other related changes as well as the additional action being taken. The wording of this notice should mirror the statement made in the mass change notice. A copy of one of the mass change notices is attached for reference.

If no further changes are made and/or the mass change notice is not deleted, the system generated notice will be printed and mailed beginning 12/16/97. This mailing delay gives the worker up till the close of business on 12/15/97 to make any necessary changes and/or delete the mass change notice.

It will only be applicable to MS cases, as these cases are the ones most likely affected by other benefit or insurance changes.

The delay also allows staff to delete inappropriate notices. As indicated earlier, Pickle, QMB-only, and LMB-only eligibles should not receive the spenddown notice produced by the mass change. Also, other clients receiving special medical benefits such as Disabled Widow/Widowers or Adult Disabled Children should also not receive a mass change notice. Spenddown-related notices will be produced for all of these cases and sent unless the worker deletes the notice. To aid in identifying these individuals, a report of cases with special medical indicators (e.g. DW, EW, DC, etc.) on the PICK screen will be provided as noted in item 13 below.

12. Note Concerning Mass Change Reports - There will be two sets of mass change reports, one for SSA and rollover in November and one for SSI in December. A description of these reports, the programs affected, and dates of each are as follows:

- a. MR330 - Mass Change Detail (AF/FS/Medical) - Regular monthly mass change with rollover lists all cases. Changes listed will be a result of standard monthly processing based on child support or income changes, as well as SSA COLA increases. PA and FS cases for the entire state will be listed first, followed by medical cases for the state.
Date of report: 11/19/97
SAR Report ID: SWM03828-159

- b. MR330 - Mass Change Detail (FS Only) - Lists all cases with SSI income processed in December mass run.
Date of report: 12/5/97
SAR Report ID: SWY0382P-R22

- c. Exceptions to LOTC Update(Medical Only) - List all nursing facility and HCBS cases in which LOTC screen was not updated.
Date of report: 12/1/97
SAR Report ID: SWY03873-R25

A listing of all reports connected with mass change is attached for ease of reference. These reports will be available on SAR the first work day after the dates listed above.

Listed below are the messages which may appear on the mass change reports and what they indicated in the last mass change.

- 1. FAILED (DEAUTHORIZED)
 - The COLA increase caused the case to have excess income for the indicated program. Worker action is needed and categorically eligible FS needs to be determined.

- 2. NO SELECT, NOT AUTHED
 - The cases were not authorized at the time of the mass change.

 - The override spenddown field on SPEN was set to "Y" for independent living cases. The override is valid only for certain LTC situations.

3. UNABLE TO PROCESS

- The age of a child in December may result in ineligibility. The worker must review the case connected with the birth date of the child or unborn.
- January may be the second month for postpartum status. The worker must review the case.
- The MS household size reflected more than two participation codes including DI, LN, and LA participations. The worker can process the case correctly on line. LN and LA participation codes are to be removed.
- The TransMed start month was missing on SEPA. The worker must insert the correct start month and process the case on line.
- The case may have more than one SSA amount reflected. The worker must review the case and update the amounts.

13. Cases That May Require Manual Processing for 1998 - As mentioned in several items above, a report will be provided identifying several pieces of case information including special medical indicators, income types, Blue Cross/Blue Shield coverage, and Medicare expense on EXNS. One report will be provided incorporating all this information. Separate columns will identify:

- Any "PP" indicator as well as other special medical indicators for deleting notices.
- If there is any VA, VC, RR, or CR income.
- Whether there is BC/BS Plan 65 or Plan D coverage.
- Medicare expense on EXNS.

This report is being mailed to the area offices with this memo.

14. FS Cases Where an SSI Overpayment Recovery Is Occurring/Review for Proper Use of Net or Gross SSI Amount on UNIN - This report lists all clients with an FS participation code other than CO, CN, or OU where an SSI overpayment recovery is occurring determined by the presence of an amount in the SDX overpayment recovery field on the SDX file. This report is being produced to help staff identify cases in which countable income needs to be adjusted to reflect a net SSI benefit amount.

15. Errors or Problems Identified - Any errors found or other problems identified with the COLA mass change process are to be reported to Help Desk. It is also important that the problems be documented by running screen prints of appropriate items before making corrections.

This covers all of the pertinent mass change issues for January 1. Please let me know if you have any questions.

DFP:jmm

cc:	Area Directors	Kandy Shortle	IM Trainers	Linda Kramer
	Connie Hubbell	Kathy Valentine	Truman Brown	Mike Sweeney
	Candace Shively	Phyllis Lewin	Karen Hawk	Roger Lewis
	Ann Koci	Pam Jacob	Cheryl Woods	Dale Barnes
	Dona Booe	Jerry Nelson	Harold Bearce	Vickie Radford
	Chris Swartz	Diane Dykstra	Deb Wiley	Jeanine Schieferecke
		John Schneider	Kim Radell	Jody Kurtenbach