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MEMORANDUM

To: EES Program Administrators & Staff
HealthWave Clearinghouse Staff

Date: November 9, 2006

From: Bobbi Mariani, EES Director
Andrew Allison, Acting Medicaid Director

RE: Mass Change Instructions on January
2007 OASDI/SSI Cost-of-Living
Adjustments (COLA)

The purpose of this memo is to provide implementation instructions for the January 2007 COLA mass change. As these instructions do not involve policy changes and are entirely procedural, we are releasing the instructions as a memorandum rather than through the normal policy development process. By using this format, we are able to provide more timely finalized procedures. Please make sure all appropriate staff receive this material.

Please make note of the following changes to the mass change process for 2007:

- **Medicare Part D Subsidy:** Instructions for processing Medicare Part D Subsidy cases have been included. The COLA SSA increase is exempt from January 1 until the new poverty levels are implemented, scheduled for May, 2007. Information is found in section 7(C).
- **Presumptive Medical Disability Cases:** The increase in the SSI benefit level impacts Level I PMD cases. PMD cases currently in spenddown status must be reviewed to determine if there is eligibility under the new SI income limit. Information is found in section 6(B).
- **Mass Change Reports:** A change in the report 'Cases That May Require Manual Processing For 01-2007' has been made. This report lists all cases with income sources likely to change, such as Veterans Administration payments and Railroad Retirement Annuities, cases with insurance information and cases currently allocating income to a community spouse or dependent family member. To support Medicare Part D Subsidy, cases with a Type code on SUDD are being identified on the report. Because of space issues, the MC-EX field has been removed from the report as it infrequently populated. Rebudgeting of food stamp cases based on the new Medicare Part B premium will continue to be part of the automated mass change process however.

One new report has also been added to support PMD cases. The report identifies persons with an active SD or SI PRDD type as explained in sections 6(B) and 15. The report produced for the 2006 mass change, 'Medicare Beneficiaries with Prescription Drug Coverage on MMIS TPL File' will not be produced this year as that report was primarily a tool for conversion to Medicare Part D.

1. **OASDI/SSI Cost-of-Living Adjustments** - A 3.3% increase in the OASDI/SSI benefit levels will take effect beginning with the January 2007 payment. SSI maximum benefits will increase \$20.00 for an individual, \$30.00 for a couple, and \$10.00 for an essential person. The Medicare B premium will increase to \$93.50/month. The standard Medicare Part A premium increases to \$410.00/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.

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| (1) Eligible individual in own home. (Includes individuals in a public community-based facility serving 16 or less individuals.) | \$623.00 |
| (2) Eligible individual with eligible spouse in own home. | \$934.00 |
| (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. | \$415.34 |
| (6) Eligible individual with eligible spouse (both in household of another). | \$622.67 |
| (7) Essential person increment (converted recipients only). | \$312.00 |

The new SSI benefit level for both an individual and an eligible couple exceeds 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 new OASDI benefit will be automatically calculated based on the SSA income amount reflected on the prospective or medical UNIN screen for the December benefit month. The January 2007 SSA income amount will be determined by increasing the December 2006 KAECSSES SSA amount by 3.3%. All calculated amounts will be truncated by dropping the cents. No automated updates of SSA income through BENDEX or TPQY will occur.

Unless the new OASDI benefit was based on an incorrect December benefit amount, the calculated amounts are to be regarded as correct even though the amount may be different from the actual OASDI amount due to truncation. Staff are not required to update the amounts that are calculated until the next scheduled review or Interim Report (whichever comes first) for affected food stamp cases. Staff are discouraged from correcting these calculated amounts from EATSS. Corrections should be handled at the next review or Interim Report, whichever comes first.

SPECIAL NOTE - Because SSA benefit amounts will be updated for January the evening of 11-20-06, local staff will be responsible for manually calculating, or verifying, and entering the increased SSA benefit amount for the benefit month of January on all new cash, medical, and food stamp approvals processed after 11-20-06. If other verification is not available, the new SSA amount should be calculated as described in the previous two paragraphs. The case should be copied into January and benefits for January authorized with 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 the evening of 11-20-06 which will incorporate a benefit adjustment for OASDI recipients. The MA, MS, MP, and CI programs will be affected. The amount of the OASDI benefit will be automatically calculated by increasing the amount currently reflected in KAECSES by 3.3%. 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 MS and CI programs for the January benefit month with rollover the night of 11-22-06. The spenddown and patient liability/obligation 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.

For MA and MP programs, a new SSA benefit amount will be calculated and entered on UNIN on current cases but no further processing associated with this change will occur. For MP programs, both Medicaid and HealthWave 21 eligibles will be impacted. This action may help prevent changes of coverage between Medicaid and HealthWave 21. Staff need to be cautioned the next time they access the PLID screen on these cases, income will be recalculated to incorporate the new SSA amount and a new poverty level percent will be determined. For MA programs, all program subtypes will be impacted. Because changes in income may impact eligibility for MA programs, all cases with changes in OASDI income must be rebudgeted to reflect any changes in eligibility.

To assist with this, a printout identifying all open MA programs with OASDI or SSI income currently listed for at least one individual coded IN or DI, will be produced. There are a minimal number of cases statewide, with the vast majority located at the Clearinghouse. Because of this, Clearinghouse staff are responsible for reviewing the list and referring any cases remaining in a local SRS office to the individual eligibility worker for any necessary case action. The report will not be distributed to local SRS offices. Once reviewed, the case must be processed for any resulting change in spenddown for children or pregnant women or adjusted eligibility for any MA CM programs. For spenddown cases, both MAID and SPEN must be accessed to correctly reflect the spenddown amount. The printout is sorted by area and reflects the location of case as of 11-03-06.

Cases copied past January will have the OASDI amount calculated and placed on UNIN for January but not February or later months. The case will not otherwise be processed or authorized and will not appear on the mass change report. Any changes must be made manually by the worker. These cases are identified by checking the current benefit month on the CR300, Active Listing-Case Level.

For MS and CI programs, an automated mass change notice will be sent to all affected clients informing them of changes in their eligibility and spenddown or 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 available on SAR following the mass run. The report lists all cases impacted by the change along with the old and new spenddown amounts, if appropriate.

For spenddown cases, the impact of the mass change is dependent upon the status of the spenddown. For all spenddown situations, the amount of remaining spenddown will be computed and communicated to the beneficiary. Any expenses listed on MEEEX will reduce the remaining spenddown amount. Unless action is taken to enter additional expenses onto MEEEX, the new remaining spenddown amount will be sent to the MMIS where the new spenddown amount will be used for the remainder of the base period. This is true whether the spenddown was met or not met.

The date in which the new spenddown amount is effective is determined by the status of the spenddown and the date the MMIS receives the new spenddown amount. For cases with a previously met spenddown, the case will return to unmet spenddown status beginning in January if the benefit month of January is reauthorized by 12-15-06 (MMIS met to unmet spenddown deadline). This is true whether the spenddown was met with MEEEX expenses or through the MMIS. If the case is not reauthorized, the case will remain in met spenddown status through January and the new amount will be applied beginning in February. Please make note that staff are NOT expected to reauthorize each spenddown case to ensure the new amount passes to the MMIS for January.

For cases with a previously unmet spenddown, the new spenddown amount will be applied upon receipt by the MMIS. Again, this is dependent upon action taken on the case. When the month of December is reauthorized, the new amount will be sent that evening with a daily file to MMIS. For cases which are not reauthorized, the new amount will be sent with the monthly file sent to EDS, the evening of 12-20-06. Again, staff are NOT expected to reauthorize benefits for the sole purpose of sending these new amounts to the fiscal agent.

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 KEESM 8144.2 and 8244.2 and the amount of any income allocation occurring under the provisions of KEESM 8143(4) and 8243(3). 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 12 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 KEESM Revision No. 30.

3. **Special Instructions for Long Term Care Cases (NF, SH, HCBS and PACE cases)** - The LOTC screen will be automatically updated to incorporate the new patient liability or monthly HCBS/PACE obligation amount and an 01-01-07 effective date. This update will occur the evening of 11-22-06 and will affect all cases in which there is an NF, SH, PC or HC living arrangement code, an LA/LOC Payment Effective Date that is prior to 01-01-07, and a patient liability or obligation reflected which is different than 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. If the LOTC screen is updated manually, a facility or case manager notice must be sent as well. Cases coded TC, Temporary Care, will not be updated by this process.

A. HCBS Cases, a special notice will be created with mass change to notify the case manager/independent living counselor of the obligation change. A notice will be produced for each HCBS individual whose obligation amount was updated, as described in item 11 below.

This notice will provide the client name, case number, old and new liability amounts with effective dates, the client's address, the worker number. Pen and ink changes may be made to the obligation amount on individual notices if necessary. This notice is to be sent to the HCBS Case Manager or IL Counselor and a new ES-3161 is not necessary for the COLA-related obligation change. A copy of the notice is retained in the case file for documentation. The individual notices will be mailed to one designated Service Center in each region on or about 11-27-06. A list of contact persons is included with this material. Notices are also available for viewing on SAR by entering report ID SWY03873-R17.

- B. Nursing Facility, State Institution and PACE cases**, individual notices will not be produced. Instead, a report by caseload will be available on SAR. The report will list the client name and the new patient liability for January. The report is sorted by zip code, with page breaks at each new zip + 4. This sorting method will produce a separate page for each individual facility. For PACE cases in community living, each individual will generally appear on a single page (unless PACE participants share an address). For PACE cases in institutional living arrangements, the persons in the facility appear on a single list. Special case manager notices are not produced for PACE cases as they are in HCBS. The eligibility worker may choose to copy the applicable page from the report in order to notify the PACE entity of the new Participant Obligation. The report must be reviewed prior to distribution to each facility or PACE provider. Pen and ink modifications may be made directly to the report if changes are made in the liability amount due to changes in other income and/or insurance. A copy of the report must be retained for documentation. The report will be available on 11-27-06 by entering SAR report ID SWY03873-R30.

For control purposes, two separate reports are available on SAR. The first report, Exceptions to LOTC Updates, lists those cases which have LOTC data that was not updated either because a 01-01-07 effective date already exists or the patient liability/obligation was not changed. Staff are to briefly review these cases to ensure accuracy. This report will be available 11-27-06 by entering SAR report ID SWY03873-R25. The second report, HC Report, provides an alpha listing of HCBS clients, by caseload, of all hard copy HCBS case manager notices sent to the designated regional service center. Only clients with a January obligation change appear on this report. This report will be available on 11-27-06 by entering SAR report ID SWY03873-R35.

- C. SSI Recipients** - Some residents of state institutions or nursing facilities who receive SSI income may also have a patient liability if the individual's countable income exceeds \$50.00/month. Some individuals, especially those residents of NF MH facilities, will also receive an increase in their SSI benefit beginning in January. This increase must be considered when determining the patient liability in January. There is no automated determination available for this calculation, as these individuals are open on SI programs. A manual budget must be completed. To assist staff with identifying affected individuals, a list of current SI recipients with a patient liability is included with this material under the title 'Active SI Recipients With a Patient Liability'.
- D. Special Program Eligibles** - Persons eligible for Medicaid coverage through special, protected medical programs, such as the Adult Disabled Child, Pickle and Early Widows group are not subject to an HCBS obligation. However, if an obligation is computed in the automated process it will be applied to the LOTC screen and a case manager and client notice generated. Staff must take action to review these cases and adjust the obligation as well as delete any notice created. Individuals identified as eligible for these special groups are listed

on the 'Cases That May Require Manual Processing Report'

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 based on the calculation process described above.

The new calculated OASDI amount will be automatically incorporated and the cash benefit level recalculated for January. Mass change notices will be produced on TAF cases where January grant amounts decrease. For GA cases, a general change notice will be produced. However, if the SSA increase results in a \$0 grant amount, the case must be manually closed or suspended and a notice sent. The mass change detail report (MR 330) will list these cases as failed.

5. **Effect of the OASDI and SSI Benefit Increase on Food Stamps** -

- A. **OASDI** - At the time of the COLA mass run as described above, OASDI amounts will be automatically updated prospectively based on the calculation process as previously described. SSI amounts reflected on food stamp cases will also be automatically updated prospectively based on the January SDX COLA tape in a separate process the evening of 11-27-06 but will be handled in the same way as OASDI.

SSA benefits for January will then be processed for all FS cases as follows: 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 b.

If a case is not authorized for December as of rollover on the night of 11-22-06, the January OASDI amounts will be computed and stored but will not be processed until the case is copied and authorized for January. Cases copied past January 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.

- B. **SSI** - A separate mass change will be processed the evening of 11-27-06 using the January SDX COLA tape to update SSI amounts reflected on food stamp cases

It should be noted that the gross SSI benefit from the SDX COLA tape is used to compute January food stamp benefits. However, there are some SSI cases in which the benefit has been reduced due to an overpayment recovery. Per KEESM, if the 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.

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 KEESM 2512(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. 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.

- C. **Notices -Delay of FS Mass Change Notices -**, Again this year, all FS mass change notices created by rollover in November and also those created when SSI mass change runs the night of 11-27-06 will not print at the time of creation. This will help prevent two or more notices being sent to the client for a January 1 change (one or two for mass change purposes and another one reflecting other changes).

Following rollover, the notice history (NOHS) for each effected FS case will display the name of the notice produced but no mail date. **The name of the mass change notice is FS - Change in Benefits. It is important to note this applies to all FS mass change notices created by November's rollover, including those for cash grant income changes.**

After SSI mass change runs the night of 11-27-06, another FS mass change notice without a mail date will be displayed on NOHS for those effected FS/SSI households. It is very likely that FS households with both SSA and SSI income will have two (2) FS- Change in Benefits notices listed on NOHS without mail dates.

If the worker takes action to make other changes to the case for January's benefits after the mass runs (after 11-27-06), the worker should delete the system created FS mass change notice(s) on NOHS and send a notice which describes the Mass Change, i.e., COLA change, cash change and other related changes as well as the additional action taken. It is not possible to change the notices created by mass change because the effective dates and benefit amounts are system keywords and those fields cannot be changed through a notice update on NOHS. If changes are necessary, the original notice or notices created by mass change must be deleted and a new notice created. To assist staff, a worker generated mass change notice has been created. This notice includes wording about the OASDI and the SSI increase, the "generic wording" about cash assistance payments and a space for additional worker explanation. This notice is the **F745 - FS Mass Change/Benefit Change**.

If no further changes are made and/or the mass change notice is not deleted, the system generated notice will print and mailing begins 12/13/06. For those cases with two (2) FS mass change notices, prior to printing and mailing, KAECSES will delete the FS mass change notice created first and send only the last created FS mass change notice. This second system notice will reflect benefits calculated using both SSA and SSI COLA increases plus other system generated mass changes. The delay in mailing FS notices gives workers until the close of business on 12/12/06 to make necessary changes and/or delete the mass change notice(s). The above dates apply to only FS mass change notices.

6. **Impact on Pickle Eligibility and Presumptive Medical Disability Cases -**

- A. **Pickle Eligibility -** Medical assistance 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 KEESM 2681. A revision to the Pickle Worksheet (ES-3104.6)

which includes the new SSI benefit levels and COLA ratios has been included with the KEESM Revision.

- (1) 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. 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 or about 11/28/06 for all potentially affected individuals.

Medical eligibility for this group continues without a spenddown. The case must be transferred from the SI program to MS with the appropriate Pickle coding in order to prevent the spenddown amount being sent to MMIS. A new application may be requested if a current one is not already on file. A notice must be sent to the client addressing Pickle status and the future reporting requirements. 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.).

- (2) 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 12 below.

A worksheet is to be completed on each individual identified. For those who qualify, Pickle status will begin as of January 1 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 (EP) reflected. If denied due to excess income, the Pickle code "PP" is to be reflected.

- (3) Pickle Determinations on Medical Applications Processed After Mass Change - For all medical applications processed after mass change on the evening of 11/22/06, a Pickle determination will be required on both the old and new worksheet if the person meets all of the screening criteria. The appropriate previous version of the worksheet is to be used to determine eligibility for all months prior to January. The new worksheet is to be used for January forward. 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.

HealthWave Clearinghouse staff are responsible for identifying potential Pickle eligibility for cases currently under their management. The Clearinghouse will refer the case to the appropriate SRS service center for a final determination. Any information pertinent to the determination shall also be included with the referral. Coordination between offices will be necessary. Pickle eligible cases will be retained by the local SRS office

for case management. It may be necessary to obtain a new case number when this occurs. Cases screened for Pickle and found ineligible will be returned to the Clearinghouse if other Family Medical programs are open.

B. Presumptive Medical Disability (PMD) Cases - PMD cases may require manual repossessing. Persons eligible for Tier 1 Medicaid under the SI-related group with incomes over the applicable Protected Income Limit may be placed into spenddown status following the mass change. Persons in spenddown status must be reviewed for potential eligibility under the SI-related group. A special report identifying all cases where an active SI or SD PRDD type exists is included with this material. The report is titled 'Persons Coded IN For An Active MS with an SD or SI PRDD type and is sorted by section-unit-caseload. See item 15 for additional information on this report. PMD cases eligible under institutional, HCBS or Working Healthy program rules with proper KAECSES coding, will be mass changed according the rules of the particular assistance program.

Cases with a PRDD type of SI must be reviewed to determine if the case was placed in spenddown status following the mass change. If income remains below the new SI standard income limits, the case remains eligible under the SI-related group and any notice produced by mass change must be deleted. If income exceeds the new SI-related standards, the case must be changed to a spenddown case by changing the PRDD type code. The notice must be reviewed to determine if it accurately describes the change.

Cases with a PRDD type of SD must also be reviewed. Cases must initially be redetermined for SI-related coverage with the new income standards. If the case is newly eligible for this coverage, action must be taken to shorten the base to end 12-31-2006. The client must be notified of the new spenddown amount and base. A PRDD Type code of SI is then used for months beginning 01-2007. Any notice produced by the mass change must be deleted. For cases which remain eligible under the Medically Needy rules, the SD Type code shall continue to be used on PRDD but the notice produced by the mass change must be reviewed for accuracy.

7. **QMB, LMB and Medicare Subsidy D Processing -**

A. Qualified Medicare Beneficiary (QMB) - Cases processed in the SSA COLA mass run will also be processed for QMB. 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 notice to those clients who become newly eligible informing them of the QMB benefits. These cases will be identified by a worker alert, "Eligible for QMB."

Some current QMB recipients who lose QMB eligibility during the mass run if the countable income exceeds the poverty level standard. As reflected in KEESM 2671.3, 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 is required.

If the individual is QMB eligible only because of the COLA disregard, it is not possible to authorize QMB coverage through the MSID screen. Instead, QMB must be authorized by using one of the following codes on the PICK screen in KAECSES.

QO: used when the individual is seeking only QMB and no other coverage

QS: used when the individual has an active medically needy/spenddown case (regardless of met or unmet status of the spenddown)

QM: used when the individual is also eligible for full Medicaid coverage, such as a person also receiving HCBS services.

WQ: used for those also eligible for Working Healthy.

In order for QMB coverage to continue, the code must be entered and the case reauthorized. These codes are to be removed if the client is ineligible for QMB when the new QMB income levels are implemented, currently scheduled for May.

B. Low Income Medicare Beneficiary (LMB) - No mass change processing will occur for either LMB level - regular or Expanded LMB (E-LMB). These cases will need to be manually reviewed for eligibility based on the COLA increase. As with QMB, the COLA amount is to be disregarded until the 2007 poverty level standards are implemented, currently scheduled for May.

C. Medicare Part D Subsidy - As with QMB and LMB, the 2007 SSA COLA increase is disregarded beginning 01-01-2007 until the new poverty level amounts are implemented (currently scheduled for May). This is based upon SSA's decision to disregard the COLA increase for this same time frame. If a change in non-SSA income is reported, the increase is budgeted and subsidy eligibility is redetermined. Any changes in the subsidy benefit level are authorized on SUDD. A new SUDD type to indicate the new level must be entered and authorized.

Because the number of cases where both regular Medicaid and Subsidy D benefits have been established, all cases with current Subsidy eligibility are to be reviewed for accuracy. Cases with a Type Code on SUDD have been identified on the report 'Cases That May Require Manual Processing for 01-2007'. Staff shall review each of these cases to determine if eligibility has been properly recorded in KAECSES. Persons who are eligible for other types of Medicaid do not need to have an active SUDD type, as they are deemed eligible for subsidy. The SUDD type code must be terminated on cases where other coverage exists that is providing deemed subsidy eligibility. The SUDD denial/closure reason of DM (deemed) is used in these situations. For Medically Needy cases, the SUDD code may need to remain in place depending on the status of the spenddown. SUDD eligibility is generally preserved for Medically Needy cases, as changes in the MMIS can cause a change in deemed status without the immediate knowledge of the worker.

D. Notices - Notices will not be produced for QMB and LMB only eligibles, identified by a program subtype of QO or LO. A separate notice must be produced and mailed for those persons losing eligibility for these programs. Change notices regarding subsidy eligibility will not be produced as part of the mass change. A notice will not be produced for a case authorized for subsidy only. However, unlike QMB and LMB case with a QO or LO code, notices will not be suppressed for these cases either. Other changes may result in the production of a notice, especially those that are deemed eligible. All notices produced on these cases must be manually reviewed to ensure the beneficiary is receiving an accurate notice.

8. **Impact on Working Healthy Cases** - A new OASDI amount will be determined and reflected on UNIN for Working Healthy cases with the mass change process. Both basic Working Healthy and the Medically Improved group are included. However, as with QMB and LMB cases, no additional mass change processing will be completed for MS cases with a medical program subtype of **WH**. **PMD cases with a WH program subtype are also excluded**. The new OASDI amount will remain on the system and will rebudget the next time MSID is accessed. Notices will not be produced for these cases.

Although the increased income can potentially change WH eligibility, there are currently no open cases where income is at such a level that an individual would become ineligible only because of the OASDI increase. Because of this, action to adjust eligibility as a result of the new OASDI amount can be delayed until the next time a change is processed on the case, given timely and adequate notice criteria based on the date the other change is processed. In addition, such increases in income do not impact the premium level until the next appropriate review. Please note that because the new OASDI amount is computed, the income on the system could actually put the individual over the premium threshold. Because the WH program incorporates a 100% FPL income test for premium payment, if the case is accessed before the 6 month review point and the income is newly above the 100% FPL level, the case cannot be authorized until a premium amount is entered or the income is adjusted. For these situations, the amount of countable income is to be adjusted by coding the COLA portion of the Social Security benefit 'XM' on KAECSES until the premiums level is redetermined.

9. **Changes in Other Benefits and Expenses** - **Other changes are also anticipated to take effect January 1**. Following are instructions on making these changes:

- A. **Other Government Payments** - For changes in other cash benefits, primarily VA, Railroad Retirement, and Civil Service Retirement, take action to effect benefits no later than the benefit month of February, 2007. 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 12 below.

For medically needy cases, if an increase in the spenddown results, the new spenddown amount will be sent to the MMIS and applied beginning **02-01-07** if the month of January has been reauthorized. If the month of January has not been reauthorized, the new spenddown amount will be sent to the MMIS with first medical card cutoff, and will not be applied until March because of 10 day adverse action deadline .

- B. **Medicare Premiums** - The Medicare Part B premium increase will impact food stamp benefits for some households. Medicare expenses will be automatically updated with the new standard Part B premium amount for the month of January. On the night of **11-20-06** all ME MC expenses listed on EXNS which are greater than 0 will be updated with the new premium amount. Medicare premiums listed on MEEEX are not included and must be manually reviewed and updated.
- C. **BC/BS Premium Changes** - Premiums for Blue Cross/Blue Shield Plan 65, Disability and Step plans also increase for January 1 and can impact the spenddown or patient

liability/client obligation for medical purposes as well as the amount of food stamp benefits for certain households. BCBS of Kansas will notify **KHPA of the** new rates. The rates will be sent to eligibility staff when available. This information is considered reliable. **Do not contact BCBS to verify individual premium amounts.** If the new premium amount is questionable, it is to be verified by the client.

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 files as indicated in item 12 below.

- D. Medicare Part D and Medicare Advantage Expenses:** Premiums for both Medicare Advantage plans (a.k.a. Part C or Medicare Managed Care) may change in 2007. These changes could impact some food stamp and some medical cases. No automated processing will occur for these changes as the premiums and levels of coverage vary significantly based on the carrier, plan, level of coverage, etc. However, persons may report changes in premiums which must be considered. The client is responsible for providing verification of any changes.

All changes listed in this section are to be reflected 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 accordingly. If such change is not reported, staff should attempt to obtain the information from the client 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.

- 10. Delay of MS Mass Change Notices** - Printing of the notices created as a result of mass change will be delayed. The delay will provide additional time to incorporate other changes that may impact the January obligation or spenddown prior to notifying the consumer.

Following mass change, the notice history on each 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 Medically Needy Plan
MS Mass Change/Change in Patient Liability/HCBS Obligation

If other changes are made that result in changes to the information in the notice originally produced by the mass run, the eligibility worker must delete the mass notice on the KAECSES NOHS screen. A new notice must then be sent describing both the COLA mass change and any other changes. The notice update function can not be used on the notices created by mass change. Because the effective dates and spenddown/patient liability amounts are driven by notice keywords, these fields cannot be changed through a notice update on NOHS. If changes are necessary, the original notice created by mass change must be deleted and a new notice generated. The following mass change notices are available for staff to send:

N753 - MS Mass Change - Change In Spenddown Amount. This notice is sent to medically needy participants who have not met the spenddown on KAECSES.

N754- MS Mass Change - Change Met Spenddown: This notice is sent to medically needy participants who have met the spenddown on KAECSSES.

N756 - MS Mass Change - Liability/Obligation Changes: This notice is sent to LTC participants - institutional, HCBS and PACE - who have a change in cost of care responsibility.

N971 - MS Facility- Mass Change: This notice may be sent to the facility to notify of a new liability amount. However, pen and ink changes to the system-generated facility reports described in section 3(B) are preferable to generating a new notice.

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 12-16-06. This mailing delay gives the worker up till the close of business on 12-15-06 to make any necessary changes and/or delete the MS mass change notice. .

The delay also allows staff to delete inappropriate or unnecessary 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. Except for cases with medical program subtypes of QO, LO and WH, 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. BC, DW, EW, DC, etc.) on the PICK screen will be provided as noted in item 12 below.

11. Note Concerning Mass Change Reports - There will be two sets of mass change reports produced in November, one for SSA and rollover and one for SSI. 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.
Report Available: 11-24-06
SAR Report ID: SWM03828-B59
- B. MR330 - Mass Change - Detail (FS Only)** Lists all cases with SSI income processed in December mass run.
Report Available: 11-28-06
SAR Report ID: SWY0382P-R22
- C. CR350 - NF Facility Report** Mass Change Detail report that sorts by facility within a caseload and provides an alpha list of all NF individuals in that facility which have a January 1 obligation change and lists the new amount. NF sort is done using zip +4 criterion. This report also includes PACE clients.

Report Available 11-24-06

SAR Report ID: SWY03873-R30

D. CR351 - HC Report

Mass change detailed reported which provides an alpha listing of all HCBS clients in a caseload with an HCBS obligation change

Report Available: 11-24-06

SAR Report ID: SWY03873-R35

**E. Exceptions to LOTC Update
(Medical Only) -**

Lists all NF and HCBS cases in which LOTC was not updated

Report Available: 11-24-06

SAR Report ID: SWY03873-R25

A listing of all reports connected with mass change is attached for ease of reference with instructions on how to process reports on SAR.

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

- January may be the second month for postpartum status. The worker must review the case.
- The MS household size reflected more than two DI participation codes. The worker can process the case correctly on line.
- The case may have more than one SSA amount reflected. The worker must review the case and update the amounts.

12. Cases That May Require Manual Processing - 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 Part D Subsidy type. 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.
- If there is an SMI, consider if action needs to be taken to delete any client obligation created.
- Whether there is BC/BS Plan 65 or Plan D coverage.
- HCBS clients with a patient obligation.
- Medicare Part D Subsidy type

This report is being e-mailed to the EES Program Administrators and HealthWave Clearinghouse Manager with this memo.

13. **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.
14. **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 reported and documented by running screen prints of appropriate items before making corrections.
15. **Persons Coded IN for an active MS with an SD or SI PRDD type** - This report lists all clients who are coded IN on SEPA for an active MS program if there is an SD or SI PRDD type on the PRDD screen. The report also lists the GA program subtype for any active GA program on the same case number. This report will be distributed to the EES Program Administrator with this memo. The report should be used to determine if the SD or SI PRDD type remains appropriate and whether a GA program has or should be added to the case.

For system problems or concerns, contact SRSTSC through GroupWise. Please contact the appropriate program manager or Jeanine Schieferecke at (785) 296-8866 for other questions or concerns.

JS:jmm

Attachments

Mail Instructions for SWRUN873 - HCBS Case Manager Notices

BC/BS OF KANSAS PLAN 65 STEP RATES 2007

LISTING OF REPORTS CONNECTED WITH MASS CHANGE

REPORT NAME	REPORT DATE	SAR ID	MAIL DATE
MR330 (PA/FS and Medical)	SAR 11/24/06	SWM03828-B59	NA
<p>Lists cases affected by standard monthly processing as well as all cases with SSA income processed for January. Cash and FS cases for all will be listed first with medical cases at the end of the report. Review each case where message indicates mass change was not completed. When reviewing cases which failed mass change:</p> <ol style="list-style-type: none"> 1. Determine if QMB continues with COLA exempted and if so, reauthorize QMB status. 2. Manually close cash cases with excess income and send notice. 3. Review \$0 benefit FS cases for categorical eligibility. If categorically eligible, reprocess to provide \$10 benefit. If not categorically eligible, manually close case and send notice. 			
HCBS Notices	SAR 11/24/06	SWY03873-R17	11/27/06
<p>One copy for each HC case where liability/obligation was updated on LOTC. One to go to the HCBS case manager/independent living counselor and the other for the case file. If changes in BC/BS rates or other income changes, make pen and ink changes on notice before sending to case manager or filing. Mass change notice must be deleted and new notice sent.</p>			
CR350 - NF Facility Report	SAR 11/24/06	SWY03873-R30	NA
<p>Available for print on SAR. No hard copied mailed out centrally. Sort by caseload and NF provider using zip +4 criterion. Lists the client and the new client obligation amount. Workers should make pen and ink corrections to the obligation amounts and send amended report to appropriate facility. The consumer's system generated MS mass change notice should be deleted and a new notice sent.</p>			
CR351 - HC Report	SAR 11/24/06	SWY03873-R35	NA
<p>Alpha listing by caseload of all HCBS clients with an obligation change. This report captures all HCBS clients with a January obligation change and are the same cases in which a hard copy case manager notice was printed and mailed to regional offices for distribution.</p>			
Exceptions to LOTC Updates	SAR 11/24/06	SWY03873-R25	NA
<p>Lists NF and HCBS cases where LOTC was not updated because a 01-01-07 effective date already existed or patient liability did not change. Also lists cases which have two individuals in NF which must be processed manually. Staff need to review these cases and take appropriate action.</p>			

MR 330 (FS Only)

SAR 11/28/06

SWY0382P-R22

NA

List cases with SSI income processed for January. Review "Failed" FS cases for categorical eligibility. If categorically eligible, reprocess to provide \$10 benefit. If not categorically eligible, manually close case and send notice.

FS CASES WHERE AN SSI OVERPAYMENT RECOVERY IS OCCURRING

Electronic Copy-Not on SAR ON OR AROUND 12/10/06

This report lists all clients with an "IN" participation code for FS when an SSI overpayment recovery is occurring based on an amount in the SDX overpayment recover field on the SDX file. The amount shown in the **NET-SSI** column reflects the **GROSS** benefit amount minus the **RECOUP** (recoupment) amount.

Report Format:

CASE: Case Number

CASE NAME: Case Name

CLIENT: Client Name

GROSS: Gross SDX SSI Amount

RECOUP: SDX SSI Recoupment Amount

NET: Gross SDX SSI Amount Minus the SDX SSI Recoupment Amount

MA Cases with OASDI/SSI Income

Not on SAR

Electronic Copy sent only to the Clearinghouse. Clearinghouse staff will contact individual workers if any of the effected cases are outside the Clearinghouse.

Lists all cases with open MA programs and at least one person coded IN or DI on the MA program has OASDI or SSI income on UNIN.

For MA spenddown cases, rebudget by accessing MAID and SPEN. Send appropriate NOA.

For MA CM cases, rebudget through the MA CM worksheet and adjust eligibility if necessary.

Active SI Recipients with a Patient Liability

Electronic

Not on SAR

Lists all recipients coded IN for an active SI program who also have a patient liability amount on LOTC.

Report Format:

CASE: Case Number

CLIENT: Client Name

PL: Patient Liability Amount

PROGRAM: Program

**Cases That May Require
Manual Processing For 01-2007**

Electronic

Not on SAR

Attached

Lists all cases with special medical indicators on the PICK screen, VA, VC, RR, or CR coded on the UNIN screen, Blue Cross/Blue Shield coverage, and Medicare coded on the EXNS screen.

Column Titles and Definitions:

NAME: Case Name.

CASE: Case Number.

CLIENT: Client Name.

MED: Medical program for which the person has an "IN" participation code.

SUB: Program subtype. This in conjunction with the SMI code of DC can help identify those HCBS individuals who should not have an obligation, but mass change may have created one. Workers need to check LOTC, change obligation to zero and contact the case manager as appropriate.

FS: FS if the person has an "IN" participation code for the FS program.

SMI: Any special medical indicator on the PICK screen or QMB/LMB indicators. Cases should be reviewed to see if PICKLE eligibility is met or to delete mass change notices.

AI: Cases with AI or AI/DI codes on EXNS. To help staff identify cases where income allocation may need to be adjusted.

VA-VC: VA or VC income appears on UNIN. To help staff identify cases where benefit levels may need to be adjusted due to annual increases.

RR: RR income appears on UNIN. To help staff identify cases where benefit levels may need to be adjusted due to annual increases.

CR: CR income appears on UNIN. To help staff identify cases where benefit levels may need to be adjusted due to annual increases.

BC-EX: BCBS insurance coverage is listed on EXNS. To help staff identify cases in which premium amounts may need to be adjusted due to annual increases.

MC-SUP: This column displays a Y if there is an active Medicare Supp policy on the MMIS TPL file. To help staff identify cases in which premium amounts may need to be adjusted due to annual increases.

BC-PC: The BCBS plan code per BCBS files, identified by matching KAECSES clients by SSN with BCBS Plan 65 and disability plan files. Codes reflect the plan type. 01-01-07 premium information will be received and distributed as soon as it becomes available.

SUDD: The Type code on the SUDD screen, if one exists.

INSTRUCTIONS FOR ACCESSING REPORTS ON SAR

1. Log on to SAR as follows:
 - a. From Welcome screen enter "SAR1."
 - b. On User Definition Panel screen, enter Top Secret User ID and password.
 - c. On Primary Selection screen, enter SAR report ID.
 - d. On Report Selection List, enter an "S" in the SEL field to the left of the report.
 - e. On the View Selection screen, enter an "S" in the SEL field to selected the Native Browse Description. Areas may also choose their own customized view if one is listed.
 - f. Pressing enter on View Selection will result in SAR PAGE 1 of the selected report being displayed.

2. Locate your section, unit or caseload of the report as follows:
 - a. In the COMMAND field in the top left corner of your screen, type F 'SECTION: 271' substituting your section number and press enter. When using the find (F) command, you must type the string of characters you want to find exactly as it appears on the report.
 - b. When the report for your section is displayed, the scroll keys (PF8=down, PF7=up, PF11=right, and PF10=left) or the find (F) command can be used to locate the report for your unit or caseload.

SPECIAL NOTE: When accessing the MR330 Mass Change Detail Report for cash, FS and medical programs, cash and FS cases will be listed first for all Areas in the State followed by medical programs which were mass changed for all Areas in the State. Because all cash/FS cases are listed first, it is necessary to use the find (F) command first to locate cash/FS cases listed for your section, then use the find (F) command a second time to locate medical cases for your section.

3. To print pages of reports for your section, unit or caseload:
 - a. Note the first and last SARPAGE numbers on the left side of screen which includes the part of report to be printed.
 - b. Return to Report Selection List by pressing PF3.
 - c. Enter a "J" in the SEL field for the report selected.
 - d. On the Deliver Re-Print Attributes screen in the PAGE field enter individual page numbers separated by a comma (like 1,3,5) to print specific pages, or enter first page number and last page number separated by a colon(1:5) to print a range of pages like pages 1 thru 5. Press enter.

- e. On the View Selection screen, enter an "S" in the SEL field for Native Browse or the view for your Area. Press enter.
- f. Type "SUB" to submit print job on the COMMAND line of the Report Selection screen and press enter.
- g. On the Batch Job JCL screen, press enter to submit print request, or enter "End" on command line to cancel.
- h. The message ***Job Submitted*** will appear and the designated pages of the report will begin printing.
- i. Press enter until you return to the Report Selection List screen.
- j. Press PF3 to return to the Primary Selection screen to enter another Report ID, or press PF3 twice to log off SAR.