

# DMA ADMINISTRATIVE LETTER NO. 10-14, SOCIAL SECURITY AND VA COST-OF-LIVING ADJUSTMENT (COLA)

**DATE:** DECEMBER 1, 2014

**Subject:** Social Security Cost-Of-Living Adjustment (COLA)  
and VA Cost-of-Living Increase

**Distribution:** County Directors of Social Services  
Medicaid Supervisors  
Medicaid Eligibility Staff

## I. SOCIAL SECURITY CHANGES DUE TO COLA ADJUSTMENT

Implementation instructions in this DMA letter for Social Security Cost-of-living Adjustment (COLA) and VA Cost-of-Living Increase applies to applications and ongoing cases in EIS.

NOTE: NC FAST will provide additional instructions on how to process cases in the NC FAST system.

### A. RSDI/SSI

Beneficiaries of RSDI and/or SSI will receive a 1.7% cost of living increase in the January 2015 payment.

### B. SSI Federal Benefit Rates (FBR)

The FBR will increase to the following maximums effective 1/1/2015:

	<u>Individual</u>	<u>Couple</u>	<u>Essential Person</u>
Full FBR	\$733.00	\$1,100.00	\$367.00
1/3 Reduced Income Limit	\$488.00	\$733.00	

C. Medicare - Deductibles, Coinsurance and Premiums effective 1/1/2015

1. Hospital Insurance - Part A

a. Deductible - \$1,260.00 per Benefit Period.

b. Coinsurance

(1) 61<sup>st</sup> - 90<sup>th</sup> day - \$315.00 per day.

(2) 91<sup>st</sup> - 150<sup>th</sup> Lifetime reserve days - \$630.00 per day.

(3) Skilled Nursing Facility - \$157.50 per day for the 21<sup>st</sup> - 100<sup>th</sup> day per benefit period.

c. Most people do not pay a Part A premium because they paid Medicare taxes while working. If you are not entitled to free Part A, you may pay up to \$407 each month.

2. Medical Insurance - Part B

a. Deductible - \$147.00 per year (no change).

b. Monthly Premium - \$104.90 (no change).

**II. VA CHANGES DUE TO COST OF LIVING INCREASE**

A. Background

Beneficiaries of Veteran Administration benefits receive a 1.7% cost of living increase effective December 1, 2014. This increase will be reflected in the check received in January 2015.

B. Implementation Instructions

To assist you in identifying the cases affected by the VA cost of living increase, a report entitled DHREJA COLA VA REPORT (EIS) is available on NCXPTR. This report lists the Medicaid cases in your county in which the VA indicator field is marked yes (Y). Review these cases to determine if the beneficiary has notified you of a change in VA benefits. If not, use the COLA increase of 1.7% to update the current countable VA benefit. See Recalculation Worksheet. Send a DMA-5027 to VA for verification of the new benefit amount.

Converted Cases (NC FAST)

For those cases that remain in converted status, NCFast will produce a report entitled COLA VA. NC FAST will provide instructions on how to process these cases. Send a DMA-5027 to VA for verification of the new benefit amount.

All cases should be reviewed by January 28, 2015 (Pull check deadline). Upon receipt of VA verification, adjust the benefit if necessary, following appropriate notice requirements.

NOTE: Veterans who are already receiving \$90 reduced improved pension will not receive an increase.

C. Notice

1. EIS

Send a timely notice to individuals who must be terminated or transferred to a lesser benefit due to the VA increase. Update EIS with the new VA amount included in the Total Countable Monthly Income field and send the timely notice.

Individuals who are in LTC and receive RSDI and VA had their PMLs adjusted to reflect only the RSDI increase. An automated 5016 is sent to the facility. A timely notice must be sent to notify a beneficiary of an increase in PML due to the VA increase.

2. Converted Status (NC FAST)

Converted cases will not be automatically updated with COLA changes in NC FAST. The converted cases with VA benefits are included in the report being sent to the counties with the list of converted cases that the workers will have to manually apply the COLA to. NC FAST is also sending a generic timely notice for these cases.

Follow the instructions for timely notice in [MA-2420](#) and [MA-3430](#), Notice and Hearings Process.

**III. CASES NOT AFFECTED BY THE RSDI COLA**

The following cases are unaffected by the COLA and will not be updated.

A. MQB and MAABD Categorically Needy (PLA including CAP)

This group includes the following Categorically Needy cases:

1. MQB cases with Medicaid Classification B, E, or Q.
2. MAABD cases with Medicaid Classification C, G, N, or Q.

The COLA will not be applied to ongoing and pending MQB or MAABD PLA Categorically Needy cases until the spring of 2015. This is due to the federally mandated COLA pass-along for Qualified Medicare Beneficiaries and categorically needy cases. The COLA will be applied in conjunction

with the poverty income level increases. Instructions will be issued prior to the effective dates.

B. MAF-C/G and HSF-N/G

Because of continuous eligibility for children, the COLA will not apply to MAF-C/G and HSF-N/G cases when the only individual(s) active on the case are children. These cases are identified by the code in the family status field. When the family status code for all individuals on the case is "C", the COLA does not apply.

C. BCCM (MAF Classifications T, U, V, or W)

D. MIC, MPW, MRF, MSB, IAS and MAF-C

E. NC Health Choice (MIC Classification J, K, L, A or S)

F. SSI Cases

#### **IV. CASES AFFECTED BY THE AUTOMATED RECALCULATION OF RSDI**

The recalculation of RSDI will be automated for all counties. EIS recalculated the RSDI amount on the night of November 25, 2014. NCFASST recalculated the RSDI amount on the night of December 6, 2014.

A. The following cases will have an automated RSDI recalculation:

1. MAA, MAB, and MAD (including CAP cases) with Medicaid classification B, M, or P.
2. MAF with Medicaid classification M, N, D, or P.
3. MAF-C, MAF-D and MAF-G with an individual coded in Family Status as P, I, S or O.
4. HSF with Medicaid classification M or P.
5. Long Term Care Cases (Non-SSI), including the Program for the All-inclusive Care for the Elderly (PACE), with Medicaid classification B, G, M, N or Q where there is a code P.

All Long Term Care cases that are in balance (total countable monthly income minus the maintenance amount equals the PML) will have an automated recalculation, even those with incomes at or below 100% of poverty. Be sure to evaluate the a/b for pass-along eligibility in step I budgeting. The pass-along of the RSDI COLA for Categorically Needy cases is not applicable in step II budgeting.

B. The following cases are affected by the COLA but will not have an automated recalculation of RSDI.

1. Cases listed in IV.A.1-5 above with certification periods thru dates of 12/31/14 or earlier.
2. LTC cases when the budget is out of balance.

All Long Term Care cases that are out of balance will not have an automated recalculation. Total countable monthly income minus the maintenance amount does not equal the PML.

3. Cases that have an SSI amount greater than zero and an SSI indicator of N.

## V. AUTOMATED RECALCULATION

A. A report listing case profiles with the RSDI amount updated by the 1.7 % increase will be available to counties no later than the first week in December. The report will be in NCXPTR and is named "DHREJA COLA RSDI MED PROFILES".

EIS profiles will display Form ID 1111111B, indicating that the change was made at the State Office.

1. RSDI Amount, Total Net Unearned Income, and Total Countable Monthly Income
  - a. The RSDI amount on file will be multiplied by 1.7 %. Before EIS or NCFASST calculates the new RSDI amount, any cents will be dropped, rounding the amount down to the nearest dollar.
  - b. If an amount is present in the Total Net Unearned Income field and/or the Total Countable Monthly Income field of the case, it will be increased by the difference between the old RSDI amount and the new RSDI amount.

### 2. Patient Monthly Liability (PML)

EIS and NC FAST will update the PML amount for LTC cases that are in balance. The system will also send the DMA-5016 and DSS-8110A.

Note: NC FAST will provide instructions on how to process Patient Monthly Liability cases in the NC FAST system.

B. After November 25, 2014, DO NOT KEY a change in income in EIS for any case which has RSDI until the new RSDI amount is verified.

Verify the new amount by using the "Payment History" amount found in the SOLQ section of the Online Verification (OLV). Drop any cents showing. If

there are no cents showing, use the dollar amounts given by the "Payment History."

C. Reports From Automated Updates

EIS reports will be created for each county to assist with revising cases due to the RSDI COLA. The EIS reports ran on November 25, 2014 and are available on NCXPTR. The report name, as it is listed on NCXPTR, is listed in parenthesis beside each report below. NC FAST ran these reports on December 6, 2014. These reports are named the same as in NCXPTR, but without the "DHREJA".

1. SSA Mass Revision Audit Report (DHREJA COLA AUDIT RPT)
  - a. This report is for authorized cases only and lists all cases in which RSDI has been automatically updated.
  - b. The report will include the old and new RSDI amounts, old and new PML amounts and the new total countable monthly income.
2. Potential New Deductible Cases, Cases Eligible for Program Transfer, or Termination (DHREJA COLA POT PROG TRAN/TERM)
  - a. This report will show all authorized PLA cases in which income exceeds the maintenance amount. Review cases on this list first to determine if revisions are necessary.
  - b. The report will include the old and new RSDI amounts, old and new total countable income amounts, maintenance amount and Medicaid classification.
3. Cases Not Updated - Cases With CP "To Date" Less Than or Equal to December 31, 2014 or Budget Out-of-Balance (DHREJ COLA CP<123114 OR UNBAL)
  - a. This report will list the following cases that were not updated:
    - (1) Cases with a certification period that expires December 31, 2014. If completing a redetermination, verify the updated RSDI amount using the "Payment History" amount found in the SOLQ section of the Online Verification (OLV).
    - (2) LTC cases where total countable monthly income minus the maintenance amount does not equal the PML. Follow instructions in [MA-2270](#), Long Term Care Need and Budgeting, to assure the PML is computed correctly. Use the increased RSDI amount when computing PML effective January 1, 2015. Refer to VI.C. in this letter.

- b. The report will include the old and new RSDI amounts, old net unearned income amount, old total countable monthly income amount, maintenance amount and/or PML amount.
4. Deductible Cases Updated (DHREJA COLA DED CASES UPDATED)
  - a. This report will list ongoing deductible cases where the deductible will increase. Calculate the increased deductible per VI.B. in this letter.
  - b. The report will include old and new total countable income amounts, old and new RSDI amounts, and the maintenance amount.
5. Cases with an SSI Amount Greater than Zero with SSI Indicator of "N" (DHREJA COLA SSI>ZERO & SSI=N)
  - a. This report lists cases that indicate the beneficiary receives SSI but is coded "N" as not being an SSI beneficiary. Check the SDX to verify SSI status and make necessary corrections.
  - b. The report will include the SSI amount.

NOTE: These are not ex parte review cases. SSI cases that have been terminated show zero in the payment amount. An SSI indicator "N" with an amount greater than zero indicates there is a problem in the case.
6. Long Term Care Cases with an SSI Indicator of "Y" (DHREJA COLA LTC & SSI=Y)
  - a. This report lists cases that indicate the beneficiary is in LTC and receives SSI and also receives RSDI. Calculate the increased PML per VI.C.
  - b. The report will include old and new RSDI amounts and the old SSI amount.
7. 503 Leads (DHREJA COLA 503 LEADS)
  - a. This report lists those individuals eligible for Pass-along because they lost SSI due to the RSDI COLA. This list is not all inclusive.
  - b. Review cases on this list to determine if they lost SSI due to COLA. They may still be eligible for MAF-N or MAABD. Flag the cases as pass-along.
  - c. Any individual whose Medicaid benefits are reduced or terminated due to the cost-of-living adjustment in RSDI income must be evaluated for the COLA Pass-along prior to the reduction or termination of Medicaid. Refer to MA-2110, Pass-along, to determine eligibility for pass-along of COLA. Document whether or not the individual is pass-along eligible. If

the individual is eligible for the COLA Pass-along, code the individual as "PC" in the Individual Special Use field on the individual level in EIS.

8. COLA Notice Register Report (DHREJA COLA NOTICE REGISTER RPT)
  - a. This EIS report lists Long Term Care cases in which an automated 8110 timely notice was sent to the client at the facility, giving the new PML amount.
  - b. These notices were generated by the automated COLA changes only.

## **VI. PROCESSING INSTRUCTIONS FOR ONGOING CASES IN THE AUTOMATED UPDATE**

The instructions apply to all cases in which the RSDI COLA update was automated in EIS. NC FAST will provide additional instructions on how to process cases in NC FAST.

Upon receipt of EIS profiles with the RSDI amount increased by 1.7 %, void the last profile received prior to the RSDI update to prevent its use in error.

### **A. SOLQ**

Bendex update sheets are not printed for the COLA.

Verify the new RSDI amount using the "Payment History" amount found in the SOLQ section of the On Line Verification (OLV) within 30 days of receipt of the case profile.

#### **1. PLA Cases**

- a. Compare the updated RSDI amount on the case profile with the amount on the SOLQ for each case.
- b. If there is a discrepancy that would result in an error of \$5.00 or more in the deductible, correct the amounts in the RSDI field, Total Net Unearned Income field, and Total Countable Monthly Income field in EIS to agree with the "Payment History" amount in the SOLQ section of the OLV. Refer to VI.D. in this letter for notice requirements.
  - (1) Sometimes the automated COLA amount will differ from the amount computed by the SSA. SSA will not compute an actual increase on all cases. Families who receive benefits, individuals who opted for early retirement, and individuals who receive Medicare are most likely to receive an amount different from that indicated on the case profile.
  - (2) In addition, automated COLA computations often vary from the SOLQ by \$1.00 because the amount displayed in EIS is the net monthly benefit amount AFTER rounding down by the SSA.

However, when SSA applies the increase to the benefit, they use the amount BEFORE rounding.

## 2. LTC Cases

Only review OLV "Payment History" section of SOLQ to verify RSDI for cases with budgets out of balance. RSDI for other LTC cases may be

verified at the next redetermination or change in situation. However, if you choose to make changes to the PML now rather than at the next redetermination or change in situation, you must send a timely notice if there is an increase in the PML.

### B. Computation of Deductible

1. Evaluate the effect of the increase in RSDI income on each case to determine whether there is a new, additional, or increased deductible.
2. Use the following computation method when a single beneficiary or Medicaid couple must meet a deductible. See Attachments [1](#) & [2](#) in this letter. (Follow procedures in [MA-2260](#), Financial Eligibility Regulations-PLA, in the MAABD Manual for cases in which income is deemed from a parent or an ineligible spouse).
  - a. Re compute the deductible for months in the certification period prior to January 2015 using the old RSDI amount.
  - b. Use the new RSDI amount to compute the deductible for remaining months in the certification period beginning with January 2015.
  - c. Add together the results of the two computations to obtain the revised deductible.
  - d. If the case has not been authorized, the deductible will increase to the revised amount effective January 2015.
  - e. If the case has been authorized, subtract the original deductible from the new deductible to obtain the amount of the increased deductible effective January 2015. Certify the case in deductible status effective January 1, 2015.

NOTE: This procedure also applies to cases that were authorized based upon a hospital admission (DRG). Authorization because of DRG does not entitle the beneficiary to eligibility through the entire certification period without regard to increased income.

EXAMPLE: M-AD Medically Needy single individual with RSDI only.  
 Certification Period: October – March

**Original Budget:**

October – March

\$1080	RSDI	\$1080	Old RSDI
-20	Exemption	+1.7%	COLA Increase
<hr/>		<hr/>	
1060		\$1098.36	New amt. prior to Rounding
-242			
<hr/>			
818	Months in C.P.		
x6			
<hr/>			
\$4,908	Deductible for 6 months C.P.		

**Revised Budget:**

October – December

January – March

\$1080	RSDI	\$1098	New RSDI
-20	Exemption	-20	Exemption
<hr/>		<hr/>	
1060		1078	
-242	Income Level for One	-242	Income Level
<hr/>		<hr/>	
818		836	
818		836	
x3	Months in C.P.	x3	Months
<hr/>		<hr/>	
\$2,454	Deductible for 3 months	\$2,508	Deductible for 3 months

New deductible for the C.P. = \$2,454 + 2,508=\$4,962

- If the case has already been authorized, an additional deductible of \$54 (\$4,962 - \$4,908 = \$54) will be effective January 1, 2015.
- If the case has not been authorized, the previous deductible of \$4,908 will increase to \$4,962 effective January 1, 2015.

C. Computation for Long-Term Care Cases (Non-SSI)

EIS will calculate the RSDI amounts and recalculate the PML for all non-SSI LTC cases if the budget balances. (See IV.A.5. in this letter.) EIS will then automatically issue the DMA-5016 and the DSS-8110A to notify the beneficiary of the change.

**The IMC must manually update the PML for other cases including all cases in NC FAST and those in converted status.**

NOTE: Program for the All-Inclusive Care of the Elderly (PACE) cases are budgeted long term care and have a PML and therefore the same computations apply.

### 1. PML May Require Adjustment

EIS cannot identify certain types of situations, such as cases with income protected for the community spouse or dependent family members and cases with couples in the same room.

This means the updated PML may be incorrect and must be adjusted. If an adjustment is necessary, complete the adjustment at the next redetermination, change in situation or when updating the spousal income allowance. If you change it now, a timely notice is required unless the case was listed on the Audit Report and EIS has already sent a timely notice.

NOTE: Complete an Online Verification (OLV) SOLQ to verify the Social Security increase for the community spouse or dependent family member. When verification is received, re-compute the community spouse/dependent family member allowance following procedures in [MA-2270](#), Long Term Care Need and Budgeting.

### 2. LTC Cases with RSDI and SSI Indicator of “Y” or Budget Out of Balance

The PML must be manually computed for cases with RSDI and SSI indicator of “Y” and for cases with budgets out of balance (EIS will not update the PML). These cases will appear on the “Cases with CP “To Date” Less Than or Equal to December 31, 2014 or Budget Out-of-Balance” report and the “Long Term Care Cases with RSDI and a SSI Indicator of Y” report referenced in V.C.

- a. Follow procedures in [MA-2270](#), Long Term Care Need and Budgeting, for determining PML.
- b. Enter this amount into EIS no later than December 29, 2014. If it cannot be entered by that date and it is a reduction in the PML, contact the Claims Analysis Unit at DMA (919) 855-4045. If it cannot be entered by that date and it is an increase in the PML, the change cannot be made until February 2015.

### 3. LTC - Step 3 Budgeting

LTC cases budgeted Step 3 with a deductible will show up on the “Cases with CP 'To Date ' Less Than or Equal to December 31, 2014 or Budget Out-of-Balance” referenced in VI.D. below.

D. Notices for Changes in Deductible or Non-Automated Changes in PML

1. Authorized Cases

Send a timely notice to notify the beneficiary of the specific change in the deductible or PML amount. Use change code 02 (notice text required) or 40 (manual notice required - enter "Y" in the Notice Override field on the DSS-8125). Send the notice in time for the timely notice to expire by pull cut-off.

2. Cases in deductible status as of November 29, 2014, that remain in deductible status

Send a timely notice to notify the beneficiary of the increased deductible amount. Send a manual notice or use change code 02 (notice text required) for an automated timely notice. Send the notice in time for the timely notice to expire by pull cut-off in December.

E. Instructions Specific to MAABD-Q or B (Dually Eligible) Cases

If the COLA increase causes an individual who is dually eligible (MAABD with Medicaid classification Q or B) to have a deductible, he must be transferred to MQB-Q/B. Refer to procedures in [MA-2355](#), MAABD/MQB Program Transfers.

F. Instructions Specific to Cases with an Individual Receiving Benefits from More than One Claim Number (Dually Entitled To RSDI Benefits)

The (OLV) SOLQ does not always correctly report all RSDI amounts received by an individual if the individual is entitled to benefits from more than one SSA claim. Verify dual entitlement by completing an (OLV) SOLQ using the claim number and beneficiary identification code (BIC) specified in the "Dual Entitlement No and BIC" fields of the (OLV) SOLQ. Add the benefit amounts together to determine the total monthly RSDI benefit amount.

G. MAF-C cases that have individuals with a family status code of P, S, O, or I. Caretakers do not get continuous eligibility.

Determine eligibility using the new RSDI amount in EIS. If the new RSDI amount causes excess income:

1. Delete the caretaker from the MAF-C case. Send a timely notice to the beneficiary. The notice should tell him what his deductible will be.
2. Complete an administrative DSS-8124 to establish a MAF-M application for the caretaker.
  - a. Hold the MAF-M application until the end of the original 6-month certification period.

- b. If the deductible is not met by the end of the original 6-month certification period, send a timely notice to propose termination.
3. Continue Medicaid coverage for the child(ren) in the MAF-C case through the end of the 12-month continuous period.

#### H. SSI Terminations

When the RSDI COLA results in termination of an individual's SSI benefits (and automatic entitlement to Medicaid), complete an ex parte redetermination.

1. Refer to instructions in [MA-1000 VII.](#), SSI Medicaid-Automated Process and [MA-1100 V.](#) SSI Medicaid-County DSS Responsibility, in the Aged, Blind and Disabled Medicaid Manual, and [MA-3120 V.](#), SSI Medicaid, in the Family and Children's Medicaid Manual, regarding the ex parte redetermination of eligibility.
2. Complete an OLV SOLQ to verify the increased amount of RSDI. Use this amount to determine eligibility.
3. Pass-along

Individuals terminated from SSI because of the COLA must be evaluated under all pass-along groups prior to the termination. They may remain eligible for Medicaid due to pass-along provisions. Check the 503 Leads report for individuals eligible for pass-along. Evaluate for Medicaid eligibility under all pass-along groups and flag the case. Refer to [MA-2110](#), Pass-along.

### VII. PENDING APPLICATIONS IN EIS (NC FAST TO ADD PROCEDURE)

The instructions listed below are for applications still pending in EIS as of November 25, 2014 (the last keying date based on the automated RSDI COLA update). When processing an application, apply the RSDI COLA (if applicable per instructions below) and use the Medicare B premium of \$104.90 for the deductible/PML effective January 1, 2015.

NOTE: If the application is approved on or before November 26, 2014, the RSDI amount will be updated if the case meets the criteria above for an automated update.

#### A. MQB and MAABD Categorically Needy Applications (PLA including CAP)

1. Determine eligibility using the RSDI income prior to the COLA increase. The RSDI COLA will be applied to these applications when the poverty level increases in the spring of 2015.
2. If there is a change in income other than RSDI, follow procedures in [MA-2250](#), Income, for treating changes in income during the application process.

B. MIC-N or G and HSF-N or G Applications

Use base period income to determine eligibility. Do not react to changes in income that occur on or after the date of application.

C. MAF-C Applications

Follow policy in [MA-3300](#), Income.

D. MAABD-M or B (PLA), MAF-M, P, D, or N, HSF-M or P Applications

1. If there is no RSDI income, no additional implementation action is necessary.
2. If there is RSDI income, apply the RSDI COLA. Compute the new amount of RSDI by multiplying RSDI by 1.017 and drop any cents, rounding the amount down to the nearest dollar, unless verification from SSA is available. Use the verified amount if available.
  - a. Complete an OLV SOLQ to verify the COLA as soon as possible.
  - b. Treat as a change in situation if the manually computed RSDI amount and the verified amount result in a difference of \$5.00 or more in the deductible/PML. If it will result in a difference of less than \$5.00, apply the increase at the next review or change in situation.
3. If the deductible has been met and the application is approved prior to 1/1/2015, authorize for the certification period based on income prior to applying the COLA effective 1/1/2015.
  - a. Determine the new deductible based on the COLA increase.
  - b. If the new deductible can be met with the old bill balance remaining after meeting the original deductible, document the amount of the additional deductible and the old bill balance to show that the additional deductible is met. Re-verification of the balance of the old bills is not necessary  
  
since balances were verified at the beginning of the C.P. Authorize on the day the original deductible was met. A timely notice is not needed.
  - c. Send a timely notice to notify the beneficiary of the increased deductible.

EXAMPLE: Medically Needy application, certification period is October - March. Beneficiary provides documentation on December 7 that his deductible was met November 24. Authorize 11-24 through 3-31. The pull/check date is 12/30/14. Send a timely notice of the additional

deductible effective 1/1/2015. If the timely notice period expires after the pull check date, the new deductible cannot be effective until 2/1/2015.

NOTE: The last day to send timely notice may vary according to county holiday schedule.

4. If the deductible has not been met, compute the additional deductible. Send a revised DMA-5099/5099S, (Your Application For Medicaid Is Pending For A Deductible) form to notify the beneficiary of the increased deductible.
5. If the application is not completed until after 1/1/2015 and the beneficiary would have met the original deductible prior to 1/1/2015:
  - a. Authorize for the entire certification period based upon income prior to the COLA.
  - b. Compute the amount of additional deductible for January through the end of the certification period.
  - c. Send a DSS-8110 giving timely notice of the additional deductible. The deductible is effective the first day of the month following the timely notice period.

#### E. Long Term Care Applications

1. Apply the RSDI COLA to a PML that is effective 1/1/2015. Compute the new RSDI by multiplying RSDI by 1.017 and drop any cents, rounding the amount down to the nearest dollar, unless verification from SSA is available. (Use verified amount if available.)
2. Compute the PML according to instructions in [MA-2270](#), Long Term Care Need and Budgeting. Use the RSDI income and Medicare B premium amounts in effect prior to the COLA for all months prior to 1/1/2015. Use the new RSDI and Medicare B premium amounts to compute the PML effective 1/1/2015.
3. Complete an OLV SOLQ to verify the COLA as soon as possible. Treat as a change-in-situation if the manually computed RSDI amount and the verified amount would result in a difference of \$5.00 or more in the PML. If it will result in a difference of less than \$5.00, apply increase at the next redetermination or change in situation.

EXAMPLE: LTC beneficiary has RSDI gross amount of \$980. Certification period is December through May. There is no other income or unmet medical needs. The case is evaluated as Medically Needy. SSA increases to \$996.66 on 1/1/2015 based on the 1.7% increase. The Medicare Part B premium did not change from \$104.90.

<u>December PML</u>	<u>January PML</u>	<u>February PML</u>
\$980.00	\$996.00	\$996.00
-30.00 pers. needs	-30.00 pers. needs	-30.00 pers. needs
950.00	966.00	966.00
-104.90 Part B	-104.90 Part B	-104.90 Part B
845.10	861.10	861.10
\$845.00 PML	\$861.00 PML	\$861.00 PML

This Administrative Letter obsoletes DMA Administrative Letter 10-13 dated December 01, 2013.

Policy will be updated to reflect changes.

If you have any questions regarding this material, please contact the Operational Support Team (OST) at [ost.policy.questions@dhhs.nc.gov](mailto:ost.policy.questions@dhhs.nc.gov).

Robin Gary Cummings, M.D.  
Deputy Secretary for Health Services  
Director, Division of Medical Assistance

(This material was researched and written by Arena Everett, Policy Consultant, Medicaid Eligibility Unit.)