

CHANGE NOTICE FOR MANUAL NO. 12-24, CHANGES RELATED TO 2025 COST-OF-LIVING ADJUSTMENT (COLA)

DATE: DECEMBER 2, 2024

Manual: Aged, Blind, and Disabled Medicaid

Change No: 12-24

To: County Directors of Social Services

I. SOCIAL SECURITY COST-OF-LIVING ADJUSTMENT (COLA)

The Social Security Act provides for an automatic increase when there is an increase in inflation as measured by the Consumer Price Index (CPI). Based on the increase in the CPI from the third quarter of 2023 through the third quarter of 2024, there will be a 2.5 percent increase in COLA for 2025.

A. Retirement Survivor Disability Insurance (RSDI) / Supplemental Security Income (SSI)

Beneficiaries of RSDI and/or SSI will receive a 2.5 percent cost-of-living increase in the January 2025 payment.

B. SSI Federal Benefit Rates (FBR)

	Individual	Couple	Essential Person
Full FBR	\$967.00	\$1,450	\$484.00
1/3 Reduced	\$644.00	\$967.00	

C. Veterans Administration (VA) Benefits

Under federal law, the cost-of-living adjustments to VA's compensation and pension rates are the same percentage as for Social Security benefits. Beneficiaries of Veterans Benefits will receive a 2.5 percent increase for 2025.

II. CASES NOT AFFECTED BY THE RSDI COLA

The following cases are unaffected by the COLA and will not be updated until the Federal Poverty Level change effective April of each year:

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

The COLA will not be applied to ongoing and pending MQB or MAABD PLA Categorically Needy cases until the spring of 2025. This is due to the federally mandated COLA pass-along for Qualified Medicare Beneficiaries and categorically needy cases. The COLA will be applied in conjunction with the poverty income level increases. Instructions will be issued prior to the effective dates.

B. MAF-C (child under 19 only)

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

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

D. MIC, MPW, IAS, MXP and MAF-D

E. SSI Cases

F. MFC (Former Foster Care Children)

III. PENDING APPLICATIONS

Pending Income Support Applications were not updated by NC FAST. Caseworkers will need to manually update the evidence in these applications to reflect the new RSDI/SSI/VA benefit amount effective January 1, 2025 prior to processing the application.

IV. CONTENT OF CHANGE

A. MA-2940, Social Security and Cost-of-Living Adjustment (COLA) is updated with 2025 COLA related information.

B. MA-2231.II.B.2., Community Spouse Resource Protection, Spousal Resource Allowance is updated to reflect current amounts.

C. MA-2240.I, Transfer of Assets, home equity amount is updated to reflect current amount.

D. MA-2240. XII, Private Nursing Facility Rate

E. MA-2242, Home Equity Value & Eligibility for Institutional Services, home equity amount is updated to reflect current amount and procedures.

F. MA-2250.IX.D.3.,Income, Student Income Exclusion amount is updated to reflect current amount.

G. MA-2260.III, Financial Eligibility Regulations-PLA is updated to include the Living Allowance for Ineligible Child/Spouse current amount.

H. MA-2270.XVII, Long Term Care Need and Budgeting


Tables A, B, C and D are updated with the minimum Medicaid reimbursement rates for ICF/MR, Hospice Care and the actual rates for hospital inappropriate level of care beds.

- I. MA-2311.IX, Low-Income Subsidy (LIS) Processing and Case Maintenance, Table 1, 2 and 3 are updated with the LIS Eligibility and LIS Benefit Determination amounts.**
- J. MA-2360.V.C., Medicaid Deductible, Medicare Part A and Part B premium, deductible and co-insurance are updated to reflect the current amounts and related examples.**
- K. MA-2525.VII, Disability, *substantial gainful activity (SGA)* is hyper-linked to the Social Security Administration website.**

V. EFFECTIVE DATE OF CHANGE AND IMPLEMENTATION

All revised and updated policies are effective January 1, 2025. NC FAST will send a communication with additional information with instructions and reports.

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

DocuSigned by:

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Jay Ludlam

Deputy Secretary, NC Medicaid