
SOCIAL SECURITY COST-OF-LIVING ADJUSTMENT (COLA)

REVISED 12/8/25 – CHANGE NO. 11-25

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 2024 through the third quarter of 2025, there will be a 2.8 percent increase in COLA for 2026.

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

Beneficiaries of RSDI and/or SSI will receive a 2.8 percent cost-of-living increase in the January 2026 payment.

B. SSI Federal Benefit Rates (FBR)

	Individual	Couple	Essential Person
Full FBR	\$994.00	\$1,491.00	\$498.00
1/3 Reduced	\$662.00	\$ 994.00	

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 2.8 percent increase for 2026.

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 changes 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 2026. 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. SSI Cases

III. COLA REPORTS

The COLA reports will be available no later than December 10, 2025. These reports will be accessible on FAST Help under: **Medicaid Reports>COLA Reports**.

A. MA Exceptions Report:

Identifies Medicaid cases that have potentially been impacted by COLA. Caseworkers will need to use this report to review the ‘On Hold’ changed decisions and take appropriate action. NCF-20030 notices were mailed for these cases.

B. MA Deductible:

Identifies any Medicaid cases with a deductible that have been impacted by COLA. Caseworkers use this report to verify the changed deductible and follow up with the beneficiary to determine if the new deductible can be met. NCF-20030 notices were mailed for these cases.

C. MA Ineligible Report:

Identifies any Medicaid cases that are potentially terminating due to the COLA increase. The DSS-8110, Notice of Modification, Termination, Continuation of Public Assistance, was mailed for these cases. Caseworkers must do the following:

1. Complete a review as this is a change of circumstance and determine eligibility for all Medicaid benefits.

or

2. If the beneficiary’s recertification has not been processed for more than 12 months, the caseworker must complete a recertification.

D. MA Processed Report:

Identifies the Medicaid cases where COLA was the only change. These cases had a system accepted changed decision. The DSS- 8110 and the DMA-5016, Notification of Eligibility for Medicaid/Amount and Effective Date of Patient’s Liability notice (if facility information was available) were mailed for these cases. Caseworkers will need to use this report to identify cases with a patient monthly liability (PML) change that did not have a DMA-5016 generated due to missing facility information. Send a DMA-5016 to these identified cases.

IV. PENDING APPLICATIONS

A. Pending Insurance Affordability Applications and Income Support Applications

Pending Insurance Affordability Applications and Income Support Applications that are not associated with an Income Support case with an active product delivery case (PDC) were **not** updated by NC FAST. Caseworkers need to manually update the evidence in these applications to reflect the new RSDI/SSI/VA benefit amount effective **January 1, 2026**, prior to processing the application.

B. The Federal Poverty Level (FPL) is used in determining eligibility for all Aged, Blind and Disabled (MAABD) and Qualified Medicare Beneficiary (MQB) applications. As such, counties will continue to use the 2025 FPL until April 1, 2026 FPL change.