



Date: December 11, 2017

Texas Works Bulletin 17-16
MEPD Bulletin 17-11

To: Eligibility Services – Regional Directors
Program Managers
Eligibility Services Supervisors
Regional Attorneys
Hearings Officers

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Subject: 1. **Clarification when Counting Social Security Benefits for Modified Adjusted Gross Income (MAGI) Programs**
2. **Federal Benefits 2018 Cost-of-Living Adjustment (COLA)**
3. **Asset Verification System (AVS) Consent Policy**

Bulletins are sent to supervisors and other regional managers. Supervisors must share this information with all eligibility staff. Please ensure that copies are provided to staff that do not have access to e-mail. If you have any questions regarding the policy information in this bulletin, follow regional procedures. Active bulletins are posted on the following websites:

- Texas Works Handbook (TWH) at <https://hhs.texas.gov/laws-regulations/handbooks/texas-works-handbook>
- Medicaid for the Elderly and People with Disabilities (MEPD) Handbook at <https://hhs.texas.gov/laws-regulations/handbooks/medicaid-elderly-people-disabilities-handbook>

1. Clarification when Counting Social Security Benefits for MAGI Programs

Background

The Centers for Medicare and Medicaid Services (CMS) released guidance on how states must count Social Security Benefits (SSBs) when determining if an individual who meets a MAGI program exception is expected to be required to file a federal income tax return. SSBs include Retirement, Survivors, and Disability Insurance (RSDI) and Railroad Retirement benefits.

Continue to use TWB #17-5 and MEPD #17-10 along with this bulletin when processing case actions that include SSBs and are being denied only for excess income. This bulletin clarifies the policies and processes for counting SSBs applied to cases in which another household member (such as a parent/tax payer/sibling) is denied only for excess income.

Current Policy

Until the Texas Integrated Eligibility Redesign System (TIERS) can be updated to calculate SSBs according to the CMS guidance, staff must submit a Policy Clearance Request (PCR) for cases in which the *child or tax dependent* receiving a SSB is denied **only** for excess income.

New Policy and Process

Until the Texas Integrated Eligibility Redesign System (TIERS) can be updated to calculate SSBs according to the CMS guidance, staff must continue to use TWB #17-05 and MEPD Bulletin #17-10, Counting Social Security Benefits for Modified Adjusted Gross Income Programs, in addition to this bulletin when determining Medicaid eligibility for a child or tax dependent receiving SSBs *or another household member (including a parent/tax payer/sibling)* and being denied **only** for excess income.

Use the following steps to determine whether to submit a PCR:

Step 1: Identify Impacted Individuals

Step 1 (a): Is the individual receiving SSBs one of the following?

- A child under age 19 included in the MAGI household composition of a parent; or
- A tax dependent included in the MAGI household composition of the tax payer (non-parent) claiming them as a tax dependent **and** the tax payer is also applying for medical assistance.

If no, the new policy does not apply. Follow existing policy.

If yes, go to **Step 1 (b)**

Step 1 (b): Does the child or tax dependent meet all three of the following criteria?

- Receives SSBs at or above \$87.50 a month;
- Is expected to be required to file a federal income tax return based on current policy in TWH Section A-1341; and
- Is denied *or has a household member (parent/tax payer/sibling) denied for Medicaid and/or Children's Health Insurance Program (CHIP) only* for excess income.

If no, the new policy does not apply. Follow existing policy.

If yes, go to **Step 2**

Step 2: Submit a PCR (Determining Countable SSBs)

When a child or a tax dependent meets all the criteria in Step 1(b), staff must submit a completed PCR form following normal PCR escalation processes, ensuring that Sections I, II, and III are completed and that the case/EDG number and due date are included.

Policy staff will review the PCR to calculate the countable amount of SSBs to determine if the individual was correctly denied for excess income.

Step 3: Entering SSBs in TIERS

When the policy staff return the PCR, they will include instructions for the requestor to follow to complete the case in TIERS.

Example:

- Elizabeth is applying for medical assistance for herself and her 4 year old daughter Grace.
- Grace lives with Elizabeth and Elizabeth does not plan to file a tax return for this tax year.
- Grace does not expect to be claimed on anyone's tax return.
- Household Composition:
 - Both Elizabeth and Grace's MAGI household composition consists of Elizabeth and Grace.
- Income:
 - Grace receives \$1,300 in RSDI.
- After running EDBC, Grace is certified for MA - Children 1-5 and Elizabeth is denied Medicaid for excess income only.

Step 1: Identify Impacted Individuals

Step 1 (a): Is the individual applying receiving SSBs one of the following?

- A child under age 19 included in the MAGI household composition of a parent; or
- A tax dependent included in the MAGI household composition of the tax payer (non-parent) claiming them as a tax dependent **and** the tax payer is also applying for medical assistance.
 - **Yes, go to Step 1 (b)**
 - Grace is age 4, receiving SSBs, and included in the MAGI household composition of her mother and is applying for medical assistance.

Step 1 (b): Does the child or tax dependent meet all three of the following criteria?

- Receives SSBs benefits at or above \$87.50 a month;
- Is expected to be required to file a federal income tax return based on current policy in TWH Section A-1341; and
- Is denied or has a household member denied for Medicaid and/or CHIP **only** for excess income.
 - **Yes, go to Step 2**
 - Grace receives \$1300.00 in RSDI a month.
 - Grace is expected to be required to file.
 - Grace's income does not make her ineligible for Medicaid. However, Elizabeth is denied Medicaid for excess income only.

Step 2: Submit a PCR (Determining Countable SSBs)

Staff must submit a PCR because Grace meets all the criteria.

Step 3: Entering SSBs in TIERS

When the policy staff returns the PCR, it will include instructions on how to complete the case in TIERS.

Effective Date

The policy is effective with any case actions processed on or after December 11, 2017.

Training

Training is not required.

2. Federal Benefits 2018 Cost-of-Living Adjustment (COLA)

Background

The Social Security Administration adjusts Retirement, Survivors and Disability Insurance (RSDI) benefits and Supplemental Security Income (SSI) benefits to reflect the annual cost-of-living adjustment (COLA) effective January 1 of each year. The COLA adjustment also impacts Railroad Retirement (RR) benefits. The annual COLA is based on increases in the Consumer Price Index (CPI). The COLA increase for 2018 is 2.0 percent.

Policy Update

Federal Income Cap Increases

MEPD

Effective January 1, 2018, the special income limit based on 300 percent of the Supplemental Security Income (SSI) federal benefit rate for the institutional, Community Attendant Services (CAS), Home and Community-Based Services (HCBS) waiver, and Program of All-Inclusive Care for the Elderly (PACE) programs for the 2018 level are as follows:

- Individual: \$2,250
- Couple: \$4,500

The 2018 resource limits for the above MEPD programs will remain:

- Individual: \$2,000
- Couple: \$3,000

MSP Income Limits

MEPD

The MSP income limits are adjusted annually based on the federal poverty income level (FPIL). There are no changes to the QMB, SLMB, and QI-1 income limits until the new FPIL amounts are published in early 2018.

Federal Benefit Increases

All Programs

Social Security - RSDI and SSI beneficiaries receive a 2.0 percent COLA increase effective January 1, 2018.

Effective January 1, 2018, the maximum SSI standard payment amount is:

- Individual: \$750
- Couple: \$1,125

MEPD

Income limits based on the SSI Federal Benefit Rate for the 2018 levels are:

- Individual: \$750
- Couple: \$1,125

All Programs

The following federal benefits are not included in the TIERS Mass Update but receive a COLA update effective January 1, 2018.

- Civil Service annuitants receive a 2.0 percent COLA increase in benefits for 2018.
- Railroad Retirement beneficiaries receive 2.0 percent COLA increase in Tier I benefits and a 0.7 percent increase in Tier II benefits for 2018.
- Veterans Administration (VA), under federal law, the VA's compensation, pension rates, VA "new law" pension, and VA Dependency and Indemnity Compensation (DIC) benefits for surviving dependents of deceased veterans receive the same percentage increase as Social Security benefits. VA beneficiaries will receive a 2.0 percent COLA increase for 2018.

Note: Institutionalized VA beneficiaries whose benefits are capped at \$90 do not receive an increase.

Medicare Part A

MEPD

The standard Medicare Part A (Hospital Insurance) premium for individuals not entitled to free Medicare Part A coverage increases from \$413 to \$422 for 2018. The reduced Medicare Part A premium amount will increase from \$227 to \$232 for 2018.

The annual Medicare Part A deductible for hospitalized individuals will increase from \$1,316 to \$1,340 for 2018.

Medicare Part B

All Programs

The standard Medicare Part B premium will remain \$134 for 2018. By law, most individuals with Medicare Part B (Medical Insurance) are covered by the "hold harmless" provision, which means the 2018 RSDI benefit cannot be less than the 2017 RSDI benefit. For these individuals, the Medicare Part B premium for 2018 will vary based on the COLA increase in their RSDI benefit for 2018. Staff will need to rely on SOLQ for the exact amount.

The annual Medicare Part B deductible will remain \$183 in 2018.

Student Earned Income Exclusion (SEIE)

MEPD

The monthly amount of earned income that can be excluded under the SEIE will change from \$1,790 for 2017 to \$1,820 for 2018. The yearly amount that can be excluded under the SEIE will change from \$7,200 for 2017 to \$7,350 for 2018.

Substantial Home Equity

MEPD

The maximum home equity amount will change from \$560,000 for 2017 to \$572,000 for 2018.

Spousal Standards

MEPD

The minimum spousal protected resource amount (SPRA) will change from \$24,180 for 2017 to \$24,720 for 2018.

The maximum SPRA will change from \$120,900 for 2017 to \$123,600 for 2018.

The maximum monthly maintenance needs allowance (MMMNA) for spousal cases will change from \$3,022.50 for 2017 to \$3,090 for 2018.

Automation

Mass Update of TIERS Data

Texas Integrated Eligibility Redesign System (TIERS) updates were effective December 3, 2017. TIERS updated the income and expenses for all individuals who have RSDI, SSI, and/or RR income or a Medicare premium expense, including individuals denied or not active.

The income and expense pages reflect the updated effective begin dates, the income amounts, the Medicare Part B premium, and the new co-pay budget information. TIERS will generate exception reports for staff action on individuals/cases whose data cannot be updated.

In addition, TIERS Mass Update ran eligibility, disposed the EDGs in the case, and sent case-specific client correspondence on active cases/EDGs in Ongoing case mode. However, TIERS only updated the data but did not run eligibility in the following situations:

- A case is not in Ongoing mode;
- A case contains any EDG with ongoing benefits that were overridden; or
- The EDG is denied.

TIERS will generate a Mass Update Exception Report for cases in which the COLA update could not be completed because the case was not in *Ongoing* mode or the case had an EDG with overridden benefits. Staff must take the appropriate action to verify and correct client income and premium amounts and run eligibility for all cases that appear on the exception report according to policy for each type of program assistance.

Verification Sources

The following verification sources were used to update the income amounts and Medicare Part B premiums:

- "Percentage Increase Used" when TIERS calculated the new RSDI, SSI, or RR amount using the percentage calculation;
- "SDX" when TIERS updated the new RSDI, SSI, or RR amount from the SDX interface file;
- "BENDEX" when RSDI income amounts were updated from the annual BENDEX file;
- "SMIB" when Medicare Part B premium amounts were updated based on the interface file; and
- "COLA Update" when the Medicare Part B premium amount is updated and the client is not on the Supplemental Medical Insurance Benefits (SMIB) or BENDEX file.

A report (Excel spreadsheet) of all MEPD cases that have a decrease in co-pay as a result of the COLA update will be created. Staff must take the appropriate action to verify and correct client income and premium amounts to ensure the co-payment calculation is accurate.

Correspondence

TIERS will generate a TF0001 only if the household's benefits are increased, decreased, or denied. The date on the TF0001, Notice of Case Action, is December 03, 2017. The COLA TF0001, Notice of Case Action, contains the following message:

English: *"The amount of state benefits you get must change. This is due to a change in either: (1) the amount of money you get in federal benefits (RSDI, SSI, or Railroad Retirement), or (2) the amount you pay for Medicare Part B."*

Spanish: *"La cantidad de beneficios del estado que usted recibe tiene que cambiar. Esto es por un cambio en: (1) la cantidad de dinero que usted recibe en beneficios federales (RSDI, SSI, o beneficios de jubilación ferroviaria), o (2) la cantidad que usted paga por Medicare Parte B."*

This message appears in correspondence triggered due to either Mass Update or the first time staff disposes the EDG after the COLA update.

Reports

TIERS generates interface exception reports (for the reasons in the list that follows) for cases that were not processed in the interface update. Automation staff forward the interface exception reports to Eligibility Operations. The interface exception reports contain specific instructions on the actions required by staff. Staff must take appropriate action to verify and correct client information, income, and premium amounts for all individuals or cases that appear on the exception reports according to policy for each type of program assistance.

Interface Exception Reports are generated for the reasons below:

- TIERS and/or the interface file have multiple Social Security Claim Numbers (SSCNs); however, all the SSCNs do not match. The RSDI income records were not updated. Verify the RSDI amount for all SSCNs for the individual and correct income amounts and SSCNs.
- The RSDI income records were not updated because the individual is receiving RSDI on four or more SSCNs. Verify the RSDI amount for all SSCNs for the individual and correct income amounts and SSCNs.
- The Medicare Part B premium does not equal the amount of \$134.00. Mass Update was not performed on this case. Review the case and update the premium.
- According to interface data, the Medicare Part B premium is paid by the state of Texas; however, TIERS does not reflect this information. Review the case, update data collection, and run eligibility.
- According to TIERS data, the Medicare Part B premium is paid by the State of Texas; however, the SMIB file does not reflect this information. Review the case, update data collection, and run eligibility.
- TIERS has multiple RSDI income records for an individual with different SSCNs who also receives SSI. The records were not updated because the combined amount (RSDI and SSI) could not be determined. Verify the RSDI and SSI amounts for the individual.
- TIERS indicates the individual is receiving RSDI and SSI; however, based on BENDEX the individual's combined RSDI and SSI is over the individual combined amount. The RSDI income amount was updated with the amount from BENDEX, and the SSI amount was updated to the difference between the combined amount and the RSDI amount. Verify the RSDI and SSI amounts for the individual.
- TIERS indicates the individual is receiving RSDI and SSI. However, the individual's combined RSDI and SSI is over the individual combined amount. Only the SSI income amount was updated using the percentage increase. Verify the RSDI and SSI amounts for the individual and take appropriate action.

Appeal Procedures

Individuals may appeal any adverse action resulting from the COLA update. Staff may continue benefits or continue benefits at the previous levels, if applicable, only if all of the following conditions are met.:

- The appeal is based on staff incorrectly computing eligibility/benefits or misapplying federal policy;
- The individual appeals within 13 days from receiving the adverse action notice; and

- The individual does not waive the right to continued benefits.

Remind TANF and SNAP recipients that an overpayment, subject to recoupment, will occur if the:

- Benefits are continued at the previous level; and
- Hearing officer's decision is not in the individual's favor.

Effective Date

Changes are effective January 1, 2018.

Handbook

MEPD handbook updates are scheduled for March 2018. Updates to appendices on the Loop are scheduled for December 2017.

Texas Works Handbook updates are not required.

Training

The MEPD New Hire Training and TIERS training will be updated.

3. Asset Verification System Consent Policy

Background

The Asset Verification System (AVS) is an online data source available through Data Broker that provides financial account information for certain Medicaid for the Elderly and People with Disabilities (MEPD) individuals applying for or receiving Medicaid on the basis of age (65 or older), blindness, or disability. Individuals must authorize HHSC to obtain financial account information through AVS.

Current Policy

HHSC eligibility staff request AVS information at application, renewal, and program transfer requests for AVS applicable MEPD programs as listed in the MEPD Bulletin #16-05, Asset Verification System. Before requesting AVS, staff must receive consent from all individuals whose assets are evaluated as part of the eligibility determination for AVS applicable MEPD programs.

Individuals provide consent by signing the Form H0003, Agreement to Release Your Facts. A signed Form H0003 must be received for all applicants, recipients, and any individual whose assets are considered in the eligibility determination prior to requesting AVS.

If a signed Form H0003 is not submitted with the application, Form H1020, Request for Information or Action, is sent to the individual and the Eligibility Determination Group (EDG) is pending for receipt of the signed Form H0003. AVS information is not requested if a Form H0003 is not returned. Staff process the case using the information provided by the individual following current policies and procedures and individuals are not denied for failure to provide AVS consent.

New Policy

Consent to access AVS is required for all individuals whose assets are considered in the eligibility determination for AVS applicable MEPD programs.

Staff must deny the application, redetermination, or request for a program transfer if the applicant, recipient, or an individual whose assets are considered in the eligibility determination does not provide AVS consent, or if consent is revoked in writing.

Application and Renewal Forms to Obtain Consent

Consent language to access AVS information is included as part of the revised MEPD application forms, renewal forms, and online application through YourTexasBenefits.com. By submitting a signed application or renewal form, an individual or the individual's authorized representative, power of attorney, or guardian agrees to allow HHSC to access AVS.

Prior to accessing AVS, staff must review the application or renewal form to ensure the submitted form contains the AVS consent language and the signatures of all individuals whose assets are considered in the eligibility determination.

Form H0003 to Obtain Consent

If the application or renewal form does not contain the AVS consent language, or does not contain the signature of an individual whose assets are considered in the eligibility determination, staff must pend the EDG for AVS consent. Send Form H1020 with Form H0003, Agreement to Release Your Facts, to request that all appropriate individuals sign and return the Form H0003. If the required signed Form H0003 is not returned, staff must deny the applicable AVS EDG for failure to provide AVS consent using the appropriate AVS denial reason code.

If the recipient requests a program transfer from a non-AVS program to an AVS program and the application or renewal form does not contain the AVS consent language, staff must pend the EDG for AVS consent and send Form H1020 with Form H0003 requesting that the appropriate individual(s) sign and return Form H0003. If a Form H0003 with the appropriate signatures is not returned, deny the applicable AVS EDG for failure to provide AVS consent.

Note: See section below titled *TF0001, Notice of Case Action, Denial Reasons for Non-Consent* for the denial reason code and language.

Revoking Consent

Individuals can only revoke consent to access AVS in writing. After HHSC receives a written request to revoke AVS consent, staff must:

- **Not access AVS information;**
- Document the revocation of consent in case comments;
- Deny the applicable AVS EDG for revocation of consent; and
- Send a TF0001, Notice of Case Action.

Note: See section below titled *TF0001, Notice of Case Action, Denial Reasons for Non-Consent* for the denial reason code and language.

TF0001, Notice of Case Action, Denial Reasons for Non-Consent

When an individual is denied for failure to provide AVS consent, or for revoking consent, staff must use the following denial reasons:

Failure to Sign Consent

Use the new denial reason *Denied for failure to sign consent* to inform individuals of a denial due to failure to sign the AVS consent form.

The TIERS displays the following language on the TF0001:

(English): *The "Agreement to release your facts" (Form H0003) was not signed.*

(Spanish): *No firmó el "Acuerdo para enviar sus datos" (Formulario H0003).*

Revocation of Consent

Use the new denial reason *Denied due to revocation of consent* to notify individuals of a denial due to revoking AVS consent.

TIERS displays the following language on the TF0001:

(English): *You didn't allow us to check your facts using online sources.*

(Spanish): *No nos permitió revisar sus datos mediante recursos por Internet.*

AVS Consent Language

The following AVS consent language is now included on MEPD application and renewal forms:

Asset Verification Consent

I know that my signature below and/or on the application lets the HHSC get facts about things I own (including money) from banks, credit unions, or other financial institutions so HHSC can decide if I can get Medicaid.

HHSC can keep checking these facts until:

- *HHSC denies my application for Medicaid; or*
- *I can't get Medicaid anymore; or*
- *I tell HHSC in writing that I do not want HHSC to check these facts any more.*

If I do not let HHSC get facts about me from financial institutions, or I tell HHSC I do not want it to check these facts anymore, I know that HHSC may deny or stop my Medicaid.

Forms

YourTexasBenefits.com and the following MEPD application and renewal forms have been updated to include AVS consent language:

- Form H1200, Application for Assistance - Your Texas Benefits
- Form H1200-MBI, Application for Benefits - Medicaid Buy-In
- Form H1200-MBIC, Application for Benefits- Medicaid Buy-In for Children

- Form H1200-EZ Application for Assistance- Aged and Disabled
- Form H1200-PFS, Medicaid Application for Assistance (for Residents of State Facilities) Property and Financial Statement
- Form H1200-A, Medical Assistance Only (MAO) Recertification
- Form H1206-ME, Health Care Benefits Renewal

Automation

TIERS functionality has been updated to deny an applicable AVS EDG for failure to provide AVS consent.

To support collecting AVS information, staff must answer the following AVS question on the 'Add New Individual' and 'Edit Existing Individual ID Information' Pages.

- Was asset verification consent provided for individual?
 - Select **Yes** if the AVS consent is provided.
 - Select **No** if AVS consent is not provided.

When **No** is selected, the following question is enabled:

- Did individual have good cause for not providing consent?
 - Select **No** for this question.

Changes to TIERS are effective December 9, 2017 with implementation of Release 100.2.

Effective Date

Effective for all applicable AVS applications, renewals, and requests for program transfers received on or after December 9, 2017.

Handbook

The MEPD Handbook will be updated in June 2018.

Training

The existing AVS training material will be updated to reflect the new policy.

Training is covered in the web-based training titled **Asset Verification System** and can be found in the Data Broker Portal found here: <https://portal.pcqtxdatabroker.com/>.