



Date: December 14, 2018 **MEPD and Texas Works Bulletin 18-9**

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

From: Gina Carter, Deputy Associate Commissioner
AES Program Policy
State Office 2115

Subject: Federal Benefits 2019 Cost-of-Living Adjustment (COLA)

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 <http://hhs.texas.gov/laws-regulations/handbooks/texas-works-handbook/texas-works-bulletins>;
- Medicaid for the Elderly and People with Disabilities Handbook (MEPDH) at <http://hhs.texas.gov/laws-regulations/handbooks/medicaid-elderly-and-people-disabilities-handbook/mepd-policy-bulletins>.

Federal Benefits 2019 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 impact Railroad Retirement (RR) benefits. The annual COLA is based on increases in the Consumer Price Index (CPI) and will increase for 2019 to 2.8 percent.

Policy Update

Federal Income Cap Increases

MEPD

Effective January 1, 2019, 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 2019 level are, for a(n):

- Individual: \$2,313
- Couple: \$4,626

The 2019 resource limits for these MEPD programs will remain:

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

Federal Benefit Increases

All Programs

Social Security - RSDI and SSI beneficiaries receive a 2.8 percent COLA increase effective January 1, 2019.

Effective January 1, 2019, the maximum SSI standard payment amount is:

- Individual: \$771
- Couple: \$1,157

MEPD

Income limits based on the SSI Federal Benefit Rate for the 2019 levels are:

- Individual: \$771
- Couple: \$1,157

All Programs

The following federal benefits are not included in the TIERS Mass Update but receive a COLA update effective January 1, 2019.

- Civil Service annuitants receive a 2.8 percent COLA increase in benefits for 2019.
- Railroad Retirement beneficiaries receive 2.8 percent COLA increase in Tier I benefits and a 0.9 percent increase in Tier II benefits for 2019.
- 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 2.8 percent COLA increase for 2019.

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 \$422 to \$437 for 2019. The reduced Medicare Part A premium amount will increase from \$232 to \$240 for 2019.

The annual Medicare Part A deductible for hospitalized individuals will increase from \$1,340 to \$1,364 for 2019.

Medicare Part B

All Programs

The standard Medicare Part B premium will increase from \$134 to \$135.50 for 2019. By law, most individuals with Medicare Part B (Medical Insurance) are covered by the "hold harmless" provision, which means the 2019 RSDI benefit cannot be less than the 2018 RSDI benefit. For these individuals, the Medicare Part B premium for 2019 will vary based on the COLA increase in their RSDI benefit for 2019. Staff will need to rely on SOLQ for the exact amount.

The annual Medicare Part B deductible will increase from \$183 to \$185 in 2019.

Student Earned Income Exclusion (SEIE)

MEPD

The monthly amount of earned income that can be excluded under the SEIE will change from \$1,820 to \$1,870 for 2019. The yearly amount that can be excluded under the SEIE will change from \$7,350 to \$7,550 for 2019.

Substantial Home Equity

MEPD

The maximum home equity amount will change from \$572,000 to \$585,000 for 2019.

Spousal Standards

MEPD

The minimum spousal protected resource amount (SPRA) will change from \$24,720 to \$25,284 for 2019.

The maximum SPRA will change from \$123,600 to \$126,420 for 2019.

The maximum monthly maintenance needs allowance (MMMNA) for spousal cases will change from \$3,090 to \$3,160.50 for 2019.

Automation

Mass Update of TIERS Data

Texas Integrated Eligibility Redesign System (TIERS) updates were effective December 1, 2018. 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.

For those cases/EDGs, 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 generates a TF0001, Notice of Case Action, only if the household's benefits are increased, decreased, or denied. The date on the TF0001 is December 01, 2018. The COLA TF0001, Notice of Case Action, contains the following messages based on the type of assistance impacted:

SNAP

English: “The amount of state benefits you get has changed. This is due to either a change in (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 que usted recibe se ha modificado. Ello se debe a que uno de los datos siguientes ha sufrido un cambio: (1) la cantidad de dinero que usted recibe a través de beneficios federales (RSDI, SSI o pensión de ferrocarril), o (2) la cantidad que paga por Medicare Parte B.”

TANF

English: “The amount of benefits you get has changed. This is due to the change in the amount of money you get in federal benefits (RSDI, SSI or Railroad Retirement).”

Spanish: “La cantidad de beneficios que usted recibe se ha modificado. Ello se debe a que la cantidad de dinero que usted recibe a través de beneficios federales (RSDI, SSI o pensión de ferrocarril) ha sufrido un cambio.”

Medicaid (Texas Works and MEPD)

English: “Your benefits are denied. This is due to the change in the amount of money you get in federal benefits (RSDI, SSI or Railroad Retirement).”

Spanish: “Se rechaza la prestación de beneficios. Ello se debe a que la cantidad de dinero que usted recibe a través de beneficios federales (RSDI, SSI o pensión de ferrocarril) ha sufrido un cambio.”

Co-Payment Changes for Types of Assistance TA 10, TA 12, TP 10, TP 15, TP 16 or TP 17

English: “The amount you need to pay each month has changed. This is due to either a change in (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 que usted tiene que pagar cada mes se ha modificado. Ello se debe a que uno de los datos siguientes ha sufrido un cambio: (1) la cantidad de dinero

que usted recibe a través de beneficios federales (RSDI, SSI o pensión de ferrocarril), o (2) la cantidad que paga por Medicare Parte B.”

These messages appear 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 cases that were not processed in the interface update for the following reasons:

- 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 \$135.50. 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.

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.

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

The policy is effective with benefit month January 2019.

Handbook

MEPD handbook updates are scheduled for March 2019. Updates to appendices on the Loop are scheduled for December 2018.

Texas Works Handbook updates are not required.

Training

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