
Date: December 05, 2013 **MEPD Policy Bulletin Number: 14-03**

To: Eligibility Services – Regional Directors for MEPD
Regional Attorneys
Hearings Officers

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Subject: 2014 Cost-of-Living Adjustment (COLA) for Federal Benefits

The information in this bulletin is for **MEPD**. If you have any questions regarding the policy, follow regional procedures. The information in this bulletin is available at the following websites:

- Family Services - <http://ofs.hhsc.state.tx.us/mepd/mepd-bulletins.aspx>, and
- MEPD Handbook - http://www.dads.state.tx.us/handbooks/mepd_policy/index.htm.

Policy/Procedure Update

Federal Income Cap Increases

Effective January 1, 2014, the special income limit based on 300 percent of the Supplemental Security Income (SSI) Federal Benefit Rate for the institutional, Community Attendant services, 1915(c) waiver, and Program of All Inclusive Care for the Elderly programs is as follows:

- Individual & companion cases \$2,163
- Couple cases \$4,326

The 2014 resource limits for the above MEPD programs are the same as in 2013.

Medicare Savings Program (MSP) Resource Limit Increases

Effective January 1, 2014, there will be an increase in the resource limits for three of the MSPs. The increase in the resource limits does not apply to the Qualified Disabled Working Individual (QDWI) program.

The 2014 Qualified Medicare Beneficiaries (QMB), Specified Low-Income Medicare Beneficiaries (SLMB), and Qualifying Individuals 1 (QI-1) resource limits are:

- Individual \$ 7,160
- Couple \$10,750

MSP Income Limits

There are no changes to the QMB, SLMB, and QI-1 income limits until the new Federal Poverty Income Level (FPIL) amounts are published. If the new FPIL amounts are available by January 25, 2014, the FPIL programming edits will be updated so that QMB, SLMB, and QI-1 certifications and reviews will process under the new income limits effective March 1, 2014.

Federal Benefit Increases

Social Security -

- SSI benefits will change effective January 1, 2014. The 2014 SSI income limits are:
 - Individual \$ 721
 - Couple \$1,082
- Retirement, Survivors, Disability and Insurance benefits (RSDI) recipients will receive a 1.5 percent increase effective January 1, 2014.

Civil Service – Civil Service annuitants will receive a 1.5 percent increase effective January 1, 2014.

Railroad Retirement – Railroad Retirement beneficiaries will receive a 1.5 percent increase in Tier I benefits and 0.5 percent increase in Tier II benefits effective January 1, 2014.

Veterans Administration (VA) – There will be a 1.5 percent increase in “new law” VA pension and Dependency and Indemnity Compensation (DIC) benefits for surviving dependents of deceased veterans. Institutionalized VA beneficiaries whose benefits are capped at \$90 will not receive an increase.

Texas Integrated Eligibility Redesign System (TIERS) will not automatically update Civil Service, VA “new law”, or DIC income. Increases to these income sources will require manual processing by the specialists.

Medicare Part B Premium and Deductible

The standard Medicare Part B (Medical Insurance) monthly premium amount will continue to be \$104.90 in 2014.

The annual Medicare Part B deductible will continue to be \$147 in 2014.

Medicare Part A Premium and Deductible

The standard Medicare Part A (Hospital Insurance) premium amount will decrease from \$441 in 2013 to \$426 in 2014. The reduced Medicare Part A premium amount will decrease from \$243 in 2013 to \$234 in 2014.

The annual Medicare Part A deductible will increase from \$1,184 in 2013 to \$1,216 in 2014, an increase of \$32.

Student Earned Income Exclusion (SEIE)

The monthly amount of earned income that can be excluded under the SEIE will increase from \$1,730 in 2013 to \$1,750 in 2014. The yearly amount that can be excluded under the SEIE will increase from \$6,960 in 2013 to \$7,060 in 2014.

Automation

Mass Update of TIERS Data

TIERS will update RSDI, SSI, and RR income amounts and the Medicare Part B premium amount for all TIERS individuals, including denied individuals, in a mass update. The mass update will occur the weekend of December 7, 2013.

- When the update is successful, the income and expense pages will reflect the effective begin date of the new data.
 - Income increases and Medicare Part B premium amounts will be effective January 2014.
 - New co-pay budget information will be effective January 2014.
- When the data cannot be updated, TIERS will generate Exception Reports for MEPD specialist action on individuals/cases.

The Mass Update will dispose the EDGs in the case, and send case-specific individual correspondence on active cases/EDGs in ongoing case mode. TIERS will update data but not run eligibility in the following situations:

- Case mode is not ongoing
- Any EDG in the case is overridden
- EDG is denied

Applications and Ongoing Budget Changes Instructions

Applications approved before December 7, 2013

- For QMB, enter the 2014 RSDI/RR income amount. TIERS will not convert the amount.
- For all other applications, enter the 2013 RSDI/RR income amount. TIERS will convert to the 2014 amount.

Applications entered on or after December 7, 2013

- On Open/Close applications for the month of December 2013, use the 2013 RSDI/RR income amount.
- For all others applications, use the 2013 RSDI/RR income amount for Effective Begin Dates (EBD) in 2013 and for January 2014, use the 2014 RSDI/RR income amount.

Ongoing Budget Changes entered before December 7, 2013

- For changes entered on or before December 7, 2013 or a denial, use the 2013 RSDI/RR income amount. TIERS will update the amount.

Ongoing Budget Changes entered on or after December 11, 2013

- For changes entered on or after December 11, 2013, use the 2014 RSDI/RR income amount. TIERS has already processed the annual COLA update.

Verification Sources

TIERS will use the following verification sources for the COLA, which EDBC considers valid sources of verification.

- “Percentage Increase Used” when TIERS calculated the new RSDI, SSI, or RR amount using the percentage calculation.
- “SMIB” when the Medicare Part B premium amount is updated based on the interface file.
- “COLA Update” when Medicare Part B premium amount is updated to \$104.90 and the client is not on the SMIB or BENDEX file.
- “SDX” when TIERS updates the new RSDI, SSI, or RR amount from the SDX interface file.
- “BENDEX” when RSDI income amounts were updated from the annual 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.

Correspondence

Due to the high volume of client notices, the Austin Data Center (ADC) will stagger the mail-out over three weeks beginning December 9, 2013. The date on the TF0001, Notice of Case Action, will be December 9, 2013. The TF0001 will contain the following message on the COLA change notice:

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 jubilacion ferroviaria), o (2) la cantidad que usted paga por Medicare Parte B.

This message will appear either at Mass Update or the first time the MEPD specialist disposes the EDG.

Reports

TIERS will generate reports for cases that cannot be processed in the Interface update process for reasons outlined below. The Exception Reports will contain specific instructions on the actions required by the MEPD specialist. The TIERS Implementation team will receive and forward the Exception Reports.

Exception Reports are generated for the reasons listed below. Staff is reminded to take the appropriate action once the information is verified. Appropriate case action refers to current MEPD policy for the specific type program and benefits.

- TIERS has multiple RSDI income records with different SSCNs but SDX, SSI-FS, or BENDEX has only one SSCN. 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 4 or more SSCNs. Verify the RSDI amount for all SSCNs for the individual and correct income amounts and SSCNs.
- The Part B Medicare premium does not equal to the old Part B Medicare premium amount. Mass Update was not performed on this case. Review the case and update the premium amount as appropriate.
- 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 with different SSCNs and 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 individual is receiving RSDI and SSI; however, based on BENDEX the individual's combined RSDI and SSI is over the individual combined amount effective January 2014. 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 individual is receiving RSDI and SSI; however, the individual's combined RSDI and SSI is over the individual combined amount effective January 2014. Only the SSI income amount was updated using percentage increase. Verify the RSDI and SSI amounts for the individual.

Handbook

This policy update will be added to the MEPD Handbook effective March 2014. The appendices will be updated and placed on the Office of Social Services/MEPD website in December 2013. <http://ofs.hhsc.state.tx.us/default.aspx>

Training

MEPD New Hire Training will be updated to reflect this change. TIERS training will also be updated to reflect this change.

Effective Date

The effective date of the change is January 1, 2014. Use the new amount in eligibility determination months (co-pay budgets) for January 1, 2014, and ongoing.