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EXECUTIVE COMMISSIONER

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

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Subject: 2016 Cost-of-Living Adjustment (COLA) for Federal Benefits

This bulletin is sent to supervisors and other regional managers. Supervisors must share this information with all eligibility staff. Please ensure 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 Medicaid for the Elderly and People with Disabilities (MEPD) handbook website at http://www.dads.state.tx.us/handbooks/mepd_policy/index.htm.

2016 Cost-of-Living Adjustment (COLA) for Federal Benefits

Background

The Social Security Administration adjusts Retirement, Survivors, Disability and Insurance benefits (RSDI) and Supplemental Security Income (SSI) benefits to reflect the annual cost of living adjustment (COLA) effective January 1st of each year. The annual COLA is based on increases in the Consumer Price Index (CPI). Because there was no increase in the CPI, there will be no COLA increase for 2016.

Policy/Procedure Update

Federal Income Cap Increases

Effective January 1, 2016, the special income limit based on 300 percent of the Supplemental Security Income (SSI) Federal Benefit Rate for the institutional, Community Attendant Services, Home and Community-Based Services (HCBS) waiver, and Program of All Inclusive Care for the Elderly (PACE) programs will remain at the 2015 level, which is as follows:

- Individual \$2,199

- Couple \$4,398

The 2016 resource limits for the above MEPD programs will remain the same as in 2015.

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

Medicare Savings Program (MSP) Resource Limit Increases

The MSP resource limits are adjusted annually based on changes in the consumer price index. Effective January 1, 2016, the resource limits for Qualified Medicare Beneficiaries (QMB), Specified Low-Income Medicare Beneficiaries (SLMB), and Qualifying Individuals 1 (QI-1) will remain the same.

The 2016 resource limits for QMB, SLMB, and QI-1 will remain the same.

- Individual \$ 7,280
- Couple \$10,930

The resource limits for the Qualified Disabled and Working Individuals (QDWI) Program are twice the countable resources allowed under the SSI program and will remain the same.

- Individual \$4,000
- Couple \$6,000

MSP Income Limits

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 2016.

Federal Benefit Increases

Social Security - Retirement, Survivors, Disability and Insurance benefits (RSDI) and SSI benefits will not receive a Cost of Living Adjustment (COLA) effective January 1, 2016.

SSI income limits will not change effective January 1, 2016. The 2016 SSI income limits are:

- Individual \$ 733
- Couple \$1,100

Civil Service – Civil Service annuitants will not receive an increase in benefits for 2016.

Railroad Retirement – Railroad Retirement beneficiaries will not receive an increase in Tier I benefits or Tier II benefits for 2016.

Veterans Administration (VA) – VA “new law” pension and VA Dependency and Indemnity Compensation (DIC) benefits for surviving dependents of deceased veterans will not increase for 2016.

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

Medicare Part A Premium and Deductible

The standard Medicare Part A (Hospital Insurance) premium amount will increase from \$407 to \$411 in 2016 for individuals not entitled to free Medicare Part A coverage. The reduced Medicare Part A premium amount will increase from \$224 to \$226 in 2016.

The annual Medicare Part A deductible for hospitalized individuals will increase from \$1,260 to \$1,288 in 2016.

Medicare Part B Premium and Deductible

By law, most people with Medicare Part B (Medical Insurance) will be “held harmless” from any increase in premiums in 2016 and will pay the same monthly premium as last year, which is \$104.90.

Medicare Part B beneficiaries not subject to the “hold harmless” provision will pay \$121.80. Medicare Part B beneficiaries who must pay \$121.80 are:

- Those not collecting Social Security benefits in 2015,
- Those who will enroll in Part B for the first time in 2016,
- Those who pay an additional income-related premium, and
- Dual eligible (Medicare/Medicaid) beneficiaries who have their premiums paid by Medicaid.

The annual Medicare Part B deductible will increase from \$147 to \$166 in 2016.

Student Earned Income Exclusion (SEIE)

The monthly amount of earned income that can be excluded under the SEIE will remain \$1,780 in 2016. The yearly amount that can be excluded under the SEIE will remain \$7,180 in 2016.

Automation

Mass Update of TIERS Data

TIERS will not process a mass update for RSDI, SSI, and RR income amounts or the Medicare Part B premium amount.

Effective Date

The effective date of the change is January 1, 2016.

Handbook

This policy update will be added to the MEPD Handbook effective March 2016. The appendices will be updated and placed on [The LOOP](#) in December 2015.

Training

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