



DATE: January 17, 2014

OPERATIONS MEMORANDUM #14-01-01
Supplemental Nutrition Assistance Program/Cash Assistance

SUBJECT: Cost of Living Adjustment (COLA) Change

TO: Executive Directors

FROM: Tom Strickler
Director
Bureau of Operations

PURPOSE

To provide instructions for implementing benefit changes due to the 2014 COLAs.

BACKGROUND/DISCUSSION

Effective January 1, 2014, the COLA increase for recipients of Social Security Retirement, Survivors or Disability Insurance (RSDI) and Supplemental Security Income (SSI) is 1.5 percent. The Medicare Part B remains \$104.90 a month.

On the weekend of January 11, 2014, the automated process will adjust certain Client Information System (CIS) screens for February 2014 benefits based on the COLA changes as follows:

1. For Supplemental Nutrition Assistance Program (SNAP) only and combined SNAP/SSI cases that receive RSDI and/or SSI income (CIS income codes 12 and 14), but no other COLA-related income, the system will enter the new SSI and RSDI amounts on the appropriate screen. The system will then calculate and issue the new SNAP amount for February 2014, if the change results in a decrease, and issue the appropriate client notice.
2. For other budgets, the system will update the SSI and RSDI amounts on the appropriate screens and set EDBC to "pend".

The County Assistance Office must manually process any budget that includes Veterans Compensation, Railroad Retirement or Black Lung benefits (CIS income codes 15, 18, and 19). Black Lung and Railroad Retirement benefit amounts are available on the Income Eligibility Verification System (IEVS) if the individual also receives RSDI benefits. If the benefit amount is not available on IEVS, the amount of the January 2014 benefit is calculated by multiplying the December 2013 benefit amount by the percentage increase and rounding down to the next lowest ten cents.

The new percentages are:

Veteran Benefits	<u>1.5 percent (.015)</u>
Railroad Retirement Tier 1	<u>1.5 percent (.015)</u>
Railroad Retirement Tier 2	<u>0.5 percent (.005)</u>
Black Lung Benefits	1 percent (.010)

Process the appropriate budget by the deadline for the first benefit of February 2014 using the normal processing procedures.

SNAP ONLY/SNAP/SSI ONLY

Individual Social Security Numbers from the State Data Exchange (SDX) and BENDEX files will be matched with individuals in CIS who have unearned income types 12 and 14. If a match exists, the CAUNRD screens will be updated with the new benefit amount from the SDX and BENDEX files.

For all matches, a new CAFBNF and CABUDG will be created showing new income amounts. Any future results pending for the budget will also be updated **only if there is no change from the February budget** and new CAFBNFs and CABUDGs will be created. **If there is a future record, review it for March benefits. Alert #30 will be created.**

Most changes will result in a decrease in SNAP benefits, but a few budgets may be increased if current unearned income amounts are not correct on the database. Benefits in some budgets will not change. An automated notice will be issued if benefits are reduced. Reason code 412 and worker ID 11111 will identify COLA changes. CABUDG will display client notice code 412, Option 1, CHAN. CHAN will insure generation of the 162C that is to be issued for mass changes.

PA CAP

The following table includes the 2014 COLA values and PA CAP benefit amounts:

Household income w/COLA	Shelter costs below \$196 benefit amount	Shelter cost at or above \$196 benefit amount
\$743.10	\$72	\$144
\$763.10	\$63	\$135

With PA CAP, there are two different confirming notices for COLA. Households in PA CAP, PSC 70, will receive a 412 notice, option 2, while all other SNAP budgets will continue to receive the 412 notice, option 1. The PA CAP notice text is as follows:

“412 - Option 2 PA CAP FS COLA

Your SNAP benefits under the PA Combined Application Program will change based on the 1.5 percent Cost of Living Adjustment (COLA) that you will receive in your Social Security benefits and/or your Supplemental Security Income (SSI) in January 2014.

Refer to Section D on the other side of this notice for the new computation.

Regulations: 7 CFR 273.12(e) and 7 CFR 273.2(k); 7 U.S.C. §2026”.

CAO RESPONSIBILTY FOR MANUAL PROCESSING

The automated COLA update will not be processed when:

1. An individual on SDX/BENDEX matches a CIS individual but no CAUNRD exists, the CAUNRD screen is incomplete or completed incorrectly.
2. SDX/BENDEX files identify a Medicare Part B deduction but no CAMEDX exists or the CAMEDX expense type 07, 12 or 99 currently stored in CIS is not \$104.90.
3. The budget is D, U or C only or a SNAP budget with an individual who is an eligible member of a cash budget (ES, EA, EP, EC or EE). For these budgets, the CAUNRD screen will be updated and EDBC will be set to “pend”. If the individual is a non-eligible member (NS, NA, NP or NT) of a cash budget, no updates will take place.
4. The SNAP budget contains an individual with unearned income code 12 or 14 and that individual also has income coded 15, 18 or 19. For these cases, the COLA update for all income must be completed by updating the CAUNRD screen.
5. SNAP budgets have an active override.

APPLICATIONS AND RENEWALS

Applications for all benefits (cash, cash/SNAP and SNAP only) are to be processed using the normal processing requirements. For example, if a person applies for cash/SNAP in December and has COLA income, use the payment amount received in December for the December benefits. For the January benefits, use the projected payment amount based on the COLA amount.

Renewals due before the COLA run in January 2014 are to be processed using the normal processing requirements and conditions that existed prior to January 1, 2014. For example, if a SNAP renewal is due in December, use the December payment and the December Medicare Part B premium for January. The COLA automation will use the new payment for February and process a new February benefit or set an alert depending on the case circumstances. When completing renewals, check the case to make certain the correct income screens, codes and Medicare Part B premiums are used.

AUTOMATED TEXT NOTICE SHELL

Below is a copy of the text notice shell sent to clients regarding COLA changes and the subsequent reduction in SNAP benefits:

“Your SNAP benefits will change based on the 1.5 percent Cost of Living Adjustment (COLA) that you will receive in your Social Security benefits and/or your Supplemental Security Income in January 2014. The Medicare Part B premium remains \$104.90 per month.

If you have any other income, this could also affect your benefit amount.

If your caseworker is aware of other changes in your household’s income or circumstances, you may receive another notice regarding your February 2014 SNAP benefits. The notice with the latest date will reflect your current amount of SNAP benefits.

7 CFR 273.12(c) and 7 CFR 273.12(e)”.

CASE ALERTS

If the automated COLA process cannot update a SNAP or cash budget, case alerts will be posted in CIS. These budgets should be reviewed and the appropriate action taken to affect the February 2014 benefit. The alerts will be available in January 2014.

OTHER CHANGES

Extended food stamp (EFS) benefits budgets will be bypassed during the COLA batch process run and the unearned screens will not be updated.

At the EFS renewal, the worker must check the BENDEX and SDX files for current unearned income amounts.

The PA CAP FS-70 budgets will be bypassed during the regular COLA batch process because the COLA increase was adjusted for January 2014 benefits.

If you encounter problems that require special handling, please contact the CIS Hotline at 1-866-620-5057.

MEDICAL ASSISTANCE BUDGETS

Existing Medical Assistance recipients and new applicants who receive the new COLA increase will have their benefits determined using the old MA Federal Poverty Income Guidelines (FPIGs) until the new FPIGs are published. For MA budgets, steps have been taken in e-CIS to avoid applicant and recipient case denial or closure or receipt of a lower category of MA.

For MA budgets, since the Standard Filing Unit automatically determines the categories based on income and resources, a change has been made to the EDBC logic which is as follows:

For MA budgets whose income limits are based on the FPIG table, the difference between the old unearned income and the new unearned income will be displayed on the Unearned Income Screen as a Type 18 deduction. This deduction will be adjusted against the new COLA amount. This will allow the new COLA income to be adjusted to SNAP but not to Long Term Care and Healthy Horizons until the new FPIG tables are released. When the new FPIGs are published, the Type 18 deduction amount will be removed by an automated batch process.

NEXT STEPS

1. Implement these changes effective for February 2014 benefits.
2. Review case alerts for appropriate action.
3. Review and reprocess budgets deleted from TSA.
4. Send the appropriate notice for changes that are a result of the COLA reviews.
5. This Operations Memorandum will become obsolete upon completion of all COLA review actions.