

Operations Memorandum
Medical Assistance
Long Term Care
OPS121201

December 3, 2012

SUBJECT: Cost of Living Adjustment (COLA) Increase Affecting Long Term Care (LTC) Budgets Effective January 1, 2013
TO: Executive Directors
FROM: Richard Wallace, Acting Director, Bureau of Operations

Purpose

To provide County Assistance Offices (CAOs) with information regarding the COLA increase for LTC, effective January 1, 2013.

Background/Discussion

The Social Security Administration (SSA) and Railroad Retirement Board have announced their COLA increases for January 1, 2013. The Veterans Administration will announce its COLA increase for 2013 at a later date and this increase will be published prior to January 1, 2013. The increase for Black Lung recipients will be released at a later date.

Effective January 1, 2013, the COLA increase for recipients of Retirement, Survivor's or Disability Insurance, Supplemental Security Income (SSI) and Railroad Retirement Tier One benefits will be 1.7 percent. The increase for Railroad Retirement Tier Two benefits will be 0.6 percent. These increases will cause the following changes:

	2012	2013	State Supplement
SSI Benefit			
Individual	\$720.10	\$732.10	\$22.10
Couple	\$1081.30	\$1099.90	\$33.30
Domiciliary Care			
Individual	\$1132.30	\$1144.30	\$434.30
Couple	\$1995.40	\$2013.40	\$947.40
Personal Care Home			
Individual	\$1137.30	\$1149.30	\$439.30
Couple	\$2005.40	\$2023.40	\$957.40

The Non-Money Payment SSI-related Special Gross Monthly Income Limit, which applies to applicants and recipients of LTC or Home and Community-Based Services (HCBS), is:

2012	2013
\$2,094	\$2,130

Spousal Impoverishment rates for determining the spousal share are:

	2012	2013
Minimum Protected Share	\$22,728	\$23,184
Maximum Protected Share	\$113,640	\$115,920

The Maximum Monthly Maintenance Needs Allowance is:

2012	2013
\$2,841	\$2,898

The Home Maintenance Deduction is:

2012	2013
\$720.10	\$732.10

The Monthly Personal Needs Allowances will remain the same for the LTC Facility and Personal Care Home, but will change for the Domiciliary Care Home:

	2012	2013
Long-Term Care Facility	\$45	\$45
Personal Care Home	\$85	\$85
Domiciliary Care Home	\$178.30	\$180.30

The Average Private Pay Rates will increase to the following:

	2012	2013
Average Daily Private Pay Rate	\$266.70	\$276.40
Average Monthly Private Pay Rate	\$8,112.13	\$8,407.17

The excess home equity limit has increased as follows:

2012	2013
\$525,000	\$536,000

Effective January 1, 2013, the Medicare Part B premium will change as follows:

2012	2013
\$99.90	\$104.90

LONG-TERM CARE COLA PROCESSING

Automated COLA adjustments for LTC recipients will be made on January 6, 2013.

SSA benefits (code 12) will be updated on all LTC facility cases. The COLA is completely automated for cases with only SSA benefits or cases with SSA benefits and any or all of the following income received by either the institutionalized or community spouse:

- Interest income (code 23); and/or
- Earned income (codes 01, 02, 03, 04, 07, 08, 39, 40); and/or
- Unemployment Compensation (code 10); and/or
- Fixed pensions (code 50); and/or
- Supplemental Security Income (code 14); and/or
- Sick benefits (code 21); and/or
- Support income (codes 24, 25, 26, 32); and/or
- Lump sum income (codes 27, 28); and/or
- Annuity income (code 43); and/or
- Other income (code 99); and/or
- Miscellaneous unearned income (codes 11, 29, 30, 31, 33, 35, 36, 41).

LTC budgets that include dependents with income will be alerted out with the automated COLA.

The CAO will receive alerts for any cases that have not been completed by the automated COLA process. The alerts will notify the CAO of the reason that the case could not be processed automatically.

The actual COLA updates to cases with other income types cannot be made by the CAO until after the automated COLA run is completed on January 6, 2013. All COLA advance notices generated for cases with program status codes 80 or 00 should be completed by January 16, 2013. Any COLA advance notice that affects the cost of care for the month of January must be completed in eCIS no later than January 16, 2013 unless processing the COLA adjustment would end Buy-in eligibility for the individual. Alerted cases with a program status code 66 should not be processed until after the 2013 Federal Poverty Income Guidelines (FPIGs) are updated so that eligibility for Buy-in is processed using the 2013 Buy-in limits. A Daily Status will be issued once the FPIGs are updated. Until FPIGs are updated in the system, CAOs should only process COLA alerts on cases with program status codes of 80 or 00.

Next Steps

1. Review this Operations Memorandum with appropriate staff.
2. Send the appropriate notice for changes that are a result of the COLA reviews.
3. Direct all questions to your Area Manager.