

Policy Clarifications – Medicaid – Long Term Care PMN-17807-472

Submitted: 12/18/15

Agency: CAOs

Subject: Increase in Gross Social Security Income and Medicare Part B Premium Effective January 2016

Question: Why has there been an increase to the Social Security income and Medicare Part B premium when there isn't a Cost of Living Adjustment in 2016?

Response By: Division of Health Services

Date: 12/18/15

Workers have been reporting that they are receiving BENDEX Data Exchange 3 hits indicating an increase of the gross Social Security income and Medicare Part B premium by \$0.90. This is an accurate increase which has been verified by Social Security. This income and premium increase does not affect everyone. This situation should only apply to clients who are self-paying their Medicare Part B premium; buy-in recipients should not be affected by this change. For those individuals who are affected, the "Hold Harmless" provision referenced in [PMN 17784-472](#) is still applicable because the net income the client will be receiving will not decrease. However, the changes to gross income and the Medicare Part B premium must be updated in eCIS because the cost of care reported to the Long Term Care (LTC) facility will increase by \$0.90. The Medicare Part B premium is a deduction that the facility removes from the cost of care and the facility will need to be notified of the increase in order to adjust their billing appropriately.

When a Data Exchange 3 hit is received workers must:

- Update gross Social Security income on the Unearned Income screen
- Update the Medicare Part B premium on the Medical Expense screen
- Send a notice of the change in cost of care and Medicare Part B premium to all involved parties

Workers are to act on these hits and issue updated notices no later than January 15, 2016.

Example: In 2015 Ms. A receives \$1,146.90 per month gross Social Security income, and is self-paying \$104.90 in Medicare Part B premiums each month. The CAO receives a Data Exchange 3 hit indicating that there is a \$0.90 increase in Social Security income effective January 2016 making the gross Social Security income \$1,147.80. The hit also verifies that the new Medicare Part B premium is \$105.80. Ms. A's net income remains the same and the "Hold Harmless" provision is still in effect. However, the cost of care reported to the facility has increased by \$0.90 so a change notice must be issued to all involved parties.

2015 Cost of Care Calculation:

Gross Social Security Income	\$1,146.90
Personal needs allowance	- \$45.00
Cost of Care reported to the facility:	\$1,101.90
Medicare Part B Premium	- \$104.90
Cost of Care billed by the facility:	\$997.00

2016 Cost of Care Calculation:

Gross Social Security Income	\$1,147.80
Personal needs allowance	- \$45.00
Cost of Care reported to the facility:	\$1,102.80
Medicare Part B Premium	- \$105.80
Cost of Care billed by the facility:	\$997.00

In addition to Data Exchange 3 hits, an Excel spreadsheet listing the affected cases will be provided to each CAO by their area staff assistants.

