

Operations Memorandum - Food Stamps

OPS081203

SUBJECT: Cost of Living Adjustment (COLA) Change
TO: Executive Directors
FROM: Joanne Glover, Director, Bureau of Operations

PURPOSE

To provide instructions for implementing benefit changes due to the 2009 COLAs.

BACKGROUND/DISCUSSION

Effective January 1, 2009, the COLA increase for recipients of Social Security Retirement Survivors, or Disability Insurance (RSDI) and Supplemental Security Income (SSI) is 5.8 percent. The Medicare Part B premium remains \$96.40 a month

On the weekend of January 10, 2009, the automated process will adjust certain Client Information System (CIS) screens for February 2009 benefits based on the COLA changes as follows:

1. For food stamp (FS) only and combined FS/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 FS amount for February 2009, 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 (CAO) 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 January 2009 is calculated by multiplying the December 2008 benefit amount by the percentage increase and rounding down to the next lowest ten cents.

The new percentages are:

Veteran Benefits 5.8 percent (.058)

Railroad Retirement Tier 1 5.8 percent (.058)

Railroad Retirement Tier 2 1.9 percent (.019)

Black Lung Benefits 2.9 percent (.029)

Process the appropriate budget by the deadline for the first benefit of February 2009 using the normal processing procedures.

FS ONLY/FS/SSI ONLY

Individual Social Security Numbers (SSNs) 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 existing 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 FS 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. CIS will issue an automated notice 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 2009 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
\$701.40	\$38	\$110
\$721.40	\$29	\$101

With PA CAP, there are now two different confirming notices for COLA. Households in PA CAP, PSC 70, will receive a 412 notice, option 2, while all other FS 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 food stamp benefits will change based on the 5.8% percent Cost of Living Adjustment (COLA) that you will receive in your Social Security benefits and/or your Supplemental Security Income (SSI) in January 2009.

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

Regulations: 7 CFR 273.12(c), 273.12(e)

CAO RESPONSIBILITY 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 \$96.40.
3. The budget is D,U or C only or an FS 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 FS 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. FS budgets have an active override.

APPLICATIONS AND RENEWALS

Applications for all benefits (cash, cash/FS and FS only) are to be processed using the normal processing requirements. For example, if a person applies for cash/FS 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 on January 10, 2009 are to be processed using the normal processing requirements and conditions that existed prior to January 1, 2009. For example, if an FS 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 FS benefits.

“Your food stamp benefits will change based on the 5.8 percent Cost of Living Adjustment (COLA) that you received in your Social Security benefits and/or your Supplemental Security Income in January 2009. The Medicare Part B premium remains \$96.40 per month. Receipt of any other income could also affect your benefit amount. Refer to Section D on the other side of this notice for the new computation. Regulations: 7 CFR 273.12(c) and 7 CFR 273.12(e)

If your caseworker is aware of other changes in your household’s income or circumstances, you may receive another notice regarding your February 2009 food stamp benefits. The notice with the latest date, which is located in the upper right portion of this form, will reflect your current amount of food stamp benefits.”

CASE ALERTS

If the automated COLA process cannot update an FS or cash budget, the following case alerts will be posted in CIS. These budgets should be reviewed and the appropriate action taken to affect the February 2009 benefit. The alerts will be available January 12, 2009.

IMPORTANT: When EDBC is run for the below alerts, use the automated notice 412, option 1.

1. Case alert number 92:

Identifies FS budgets deleted from the transaction staging area (TSA) when the COLA process is run on January 10, 2009. The active FS budgets of these cases, as they exist in BENGEN, will be automatically updated during the COLA change to reflect the new FS values. An alert will set automatically to indicate that these cases were deleted from TSA. The deleted cases will be identified by Case Alert No. 92, BUAC, TSA Activity Deleted by Batch.

CAOs must reprocess all budgets (cash, Medicaid and FS) in the cases deleted from TSA. Therefore, it is important for CAOs to process cases containing an FS budget and remove them from TSA before the COLA is implemented on the weekend of January 10, 2008. CAOs should review Case Alert No. 61, TSA Case Incomplete

in TSA, to identify potentially affected cases and process them prior to January 10, 2008.

The system will automatically reset AP status for all cases that were deleted from TSA.

In addition, several case alerts have been created to identify exceptions to COLA processing. The new gross RSDI/SSI amounts will be listed at the end of the alert detail text. The alert descriptions and the alert detail texts can be accessed using the COLA alert type.

In the situations noted below, when a worker review indicates that the income screens have been correctly updated, accessing the Income Questions screen (CAINCQ), and pressing F9, can run EDBC. It is not necessary to access CAUNRD to run EDBC if the data posted by the COLA process is correct.

2. Case alert number 93:

Identifies FS budgets in which the automated COLA update was not completed because of a problem with CAUNRD. The alert description is, "Check CAUNRD. Complete COLA update." The alert detail text is, "CAUNRD incorrectly entered, or new CAUNRD created, multiple income code 12, review and update as needed, run EDBC." Alert 93 will have an immediate due date and must be worker cleared.

The automated COLA update cannot occur if one of the following problems exists with CAUNRD data:

- Multiple lines were used on a single CAUNRD screen to identify more than one type of COLA income, e. g., both RSDI and SSI amounts are entered on one screen.
- An incorrect frequency code is used to identify monthly receipt.
- An entry of income for multiple persons is under a single CAUNRD, e.g., Line 01's RSDI benefit amount is combined with Line 02's SSI benefit on one CAUNRD screen.
- The same individual has more than one CAUNRD screen with duplicate income codes, i.e., either two 12s or two 14s.

In these instances, the COLA update must be verified and then completed manually based upon the information provided in the case alert.

3. Case alert number 94:

Identifies FS budgets in which an individual on the BENDEX file matches a CIS individual and BENDEX indicates client payment of the Medicare Part B premium, but no CAMEDX; or CAMEDX with a medical expense type of 07, 12 or 99 and a corresponding Medicare Part B premium expense exists. The alert description is "New CAMEDX created or amount incorrect/Complete COLA." The alert detail text is the same. Alert 94 will have an immediate due date and must be worker cleared.

When the BENDEX match identifies a CIS individual and identifies a Medicare Part B deduction, CAMEDX will be updated automatically if the amount has changed. If no CAMEDX exists, a new CAMEDX will be created.

If a CAMEDX exists, but the amount for medical expense type 07, 12 or 99 is not the current Medicare Part B premium amount, no update can be made. Such cases must be reviewed and the medical expense amount must be entered manually via the CAMEDX screen. EDBC must be run to process the COLA change.

4. Case alert number 95:

Identifies cash only and/or cash/FS budgets that have COLA income. The alert description is, "Cash budget exists with COLA income." The alert detail text is, "Cash budget exists. New COLA amounts have been updated on CAUNRD. Review and run EDBC." Alert 95 will have an immediate due date and must be worker cleared.

In situations where a cash budget exists with an individual who has COLA income codes 12 or 14, full COLA processing does not occur. Updates are made to CAUNRD to reflect the new benefit amount, but the COLA calculation is not completed for cash only and/or cash/FS cases. A "P" will be displayed in the status field on the CAEDFN transaction line on the BEN GEN screen queue (CQBQUE). After appropriate review, accessing the Income Questions screen (CAINCQ), and pressing F9, can run EDBC.

5. Case alert number 96:

Identifies FS budgets with an active override record. The alert description is "Override exists – Review COLA." There is no alert detail text. Alert 96 will have an immediate due date and must be worker cleared.

During the COLA process, the system will check all FS budgets to determine if an active override record exists. If such a record is found, a case alert will set automatically for the affected FS budget. The COLA process will not change the existing override benefit amount. Alert 96 will be created after the COLA change runs.

6. Case alert number 97:

Identifies FS budgets containing an individual with a COLA income type 12 or 14 that is being processed, and a COLA income type 16, 18 or 19 that is not being processed. The alert description is "Multiple COLA incomes – Update CAUNRDs." The alert detail text is, "Individual has additional COLA income: income codes 16, 18 or 19." Update all unearned income for individual with new amounts and then run EDBC. Alert 97 will have an immediate due date and must be worker cleared.

An SDX/BENDEX match is providing the new COLA amount for codes 12 or 14. Since no amounts are provided for any other COLA benefit types, CAUNRDs for an individual with income that can be updated and other income that cannot be updated will not be processed. CAUNRDs for that line number must be updated manually and EDBC must be run after the update to process the COLA change.

If the budget contains other individuals with COLA income that is automatically updated, codes 12 or 14 only, the CAUNRDs for those individuals will be updated.

7. Case alert number 98:

Identifies FS budgets that are not categorically eligible and fail the gross income test due to the COLA increase. The alert description is, "Gross income > than MAX, review COLA update." The alert detail text is, "Food Stamp allotment calculates to zero because gross income > maximum. Review for closure." When the new calculation results in a zero benefit amount because of a gross income failure, the budget will not be closed. Alert 98 will be set so that the budget can be reviewed. Alert 98 will have an immediate due date and must be worker cleared.

8. Case alert number 99:

Identifies FS budgets that are not categorically eligible and fail the net income test due to the COLA increase. The alert description is, "Net Income > MAX - review COLA update." The alert detail text is, "Food Stamp allotment calculates to zero because net income > maximum.

Review for closure." When the new calculation results in a zero benefit amount because of a net income failure, the budget will not be closed. Alert 99 will be set so that the budget can be reviewed. Alert 99 will have an immediate due date and must be worker cleared.

9. Case alert number 100:

Identifies FS budgets that have an increased FS allotment due to the COLA process. The alert description is "Increased Bnft Review CAUNRD and run EDBC." The alert detail text is "COLA results in increase in food stamp allotment; review CAUNRD and update as needed - Run EDBC." Alert 100 will have an immediate due date and must be worker cleared.

10. Case alert number 126:

Identifies cash budgets containing an individual with N status. The alert description is, "Cash individual with an N eligibility status." The alert detail text is, "Cash individual has an N eligibility status, CAUNRD has not been updated nor created. Update or create CAUNRD with new benefit amounts. New benefit amount(s) is (are) ____." Alert 126 will have an immediate due date and must be worker cleared.

11. Case alert number 30:

A general case alert, which is generated when a budget cannot be processed during a Mass Change. FS budgets with a future result record, a zero person count or a missing S/M indicator on CQFBNF will be posted under this alert. Review these cases and run Income EDBC. Alert 30 will have an immediate due date and must be worker cleared.

OTHER CHANGES

Extended food stamp benefits (EFS) 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 2009 benefits.

If you encounter problems that require special handling, please contact the CIS Hotline at (717) 772-5196.

MEDICAL ASSISTANCE BUDGETS

Existing Medical Assistance (MA) 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 CIS to avoid applicant and recipient case denial or closure, or receipt of lower category of MA.

For MA budgets whose income limits are based on the FPIG table, a change has been made to the EDBC logic as follows.

The difference between the old unearned income and the new unearned income will be displayed on the unearned income screen (CAUNRD) 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 FS, but not to Healthy Horizons and Healthy Beginnings, 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.

NOTE: A separate COLA Operations Memorandum will provide instructions on how to implement COLA income changes for individuals receiving long term care services.

NEXT STEPS

1. Implement these changes effective for February 2009 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.