



Pennsylvania
Department of Human Services

DATE: November 22, 2024

OPERATIONS MEMORANDUM 24-11-01

SUBJECT: Cost of Living Adjustment (COLA) Increase Affecting Long-Term Care (LTC) Budgets Effective January 1, 2025

TO: Executive Directors

FROM: Robert Hixson
Director
Bureau of Operations

PURPOSE

To provide County Assistance Offices (CAOs) with information regarding the COLA increase for LTC, effective January 1, 2025.

BACKGROUND/DISCUSSION

The Social Security Administration (SSA) and Railroad Retirement (RR) Board have announced their COLA increases for January 1, 2025. A Daily Status will be issued once the Veterans Administration and Black Lung increases are updated in the LTC Handbook.

Effective January 1, 2025, the COLA increase for recipients of Retirement, Survivor's or Disability Insurance, Supplemental Security Income (SSI) and RR Tier One benefits will be 2.5 percent. The increase for RR Tier Two benefits will be 0.8 percent. These increases will cause the following changes:

	2024	2025	State Supplement
SSI Benefit			
Individual	\$ 965.10	\$ 989.10	\$ 22.10
Couple	\$1,448.30	\$1,483.30	\$ 33.30
Domiciliary Care			
Individual	\$1,577.30	\$1,601.30	\$ 634.30
Couple	\$2,762.40	\$2,797.40	\$1,347.40
Personal Care Home			
Individual	\$1,582.30	\$1,606.30	\$ 639.30
Couple	\$2,772.40	\$2,807.40	\$1,357.40

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 is:

2024	2025
\$2,829.00	\$2,901.00

Spousal Impoverishment rates for determining the spousal share are:

	2024	2025
Minimum Protected Share	\$ 30,828.00	\$ 31,584.00
Maximum Protected Share	\$ 154,140.00	\$157,920.00

The Maximum Monthly Maintenance Needs Allowance is:

2024	2025
\$3,853.50	\$3,948.00

The Home Maintenance Deduction is:

2024	2025
\$965.10	\$989.10

The Monthly Personal Needs Allowance for LTC Facility (see [OPS 24-10-02](#) for more information) will increase. The Domiciliary Care Home Allowance will increase, and the Personal Care Home Allowance will remain unchanged:

	2024	2025
LTC Facility	\$ 45.00	\$ 60.00
Personal Care Home	\$ 85.00	\$ 85.00
Domiciliary Care Home	\$283.14	\$ 287.94

The Average Private Pay Rates will increase to the following:

	2024	2025
Average Daily Private Pay Rate	\$ 379.65	\$ 399.80
Average Monthly Private Pay Rate	\$11,547.69	\$12,160.58

The excess home equity limit has increased as follows:

2024	2025
\$713,000.00	\$730,000.00

Most enrollees in Medicare Part B will pay a premium of \$185.00 effective January 1, 2025. The remainder of beneficiaries, who are subject to the “Hold Harmless” provision and whose COLA increase is not enough to cover the full Medicare B premium, will pay less than \$185.00 for Medicare B. Additionally, the state will continue to pay a Medicare Part B premium of \$185.00 for individuals eligible for Buy-In (program status codes 66 and 80). Because the Medicare B premiums may vary based on gross income and when the individual was enrolled, Data Exchange information must be reviewed carefully.

	2024	2025
Medicare Part B Premium	\$174.70	\$185.00

LTC AUTOMATED COLA PROCESSING

Automated COLA adjustments for LTC recipients will be made on January 5, 2025.

SSA benefits (code 12) and SSI income (code 14) 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
- 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
- LTC-related Unearned income (code 98); and/or
- Other income (code 99); and/or
- Miscellaneous unearned income (codes 11, 29, 30, 31, 33, 35, 36, 41)

LTC MANUAL COLA PROCESSING

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

COLA updates to cases with other income types cannot be made by the CAO until after the automated COLA run is completed on January 5, 2025. All COLA advance notices for cases with program status codes 80 or 00 must be completed by January 15, 2025. Any COLA changes that will generate an advance notice that affects the cost of care for the month of January must be completed in the Electronic Client Information System no later than January 15, 2025 unless processing the COLA adjustment would end Buy-In eligibility for the individual. Alerted cases with a program status code 66 will not be processed until after the 2025 Federal Poverty Income Guidelines (FPIGs) are updated so that eligibility for Buy-In is processed using the 2025 Buy-In limits. A Daily Status and Policy Clarification will be issued once the FPIGs are updated. Until FPIGs are updated in the system, CAOs will only process COLA alerts on cases with program status codes of 80 or 00.

RETROACTIVE LTC OPENINGS AFTER THE COLA UPDATE

When the CAO must process a retroactive opening for LTC and the start date on the Program Request screen is in the month of November or any previous month, the CAO must follow a two step-process to open the case:

- Open non-continuous eligibility periods from the start of the retroactive period until December 31, 2024, then,
- Open an ongoing request with a January 1, 2025 start date.

The two-step process ensures that the correct reference table values for the Maximum Monthly Maintenance Needs Allowance, if applicable, are used in the eligibility determination.

Failure to follow this process for retroactive openings will lead to a cost of care that is higher than it should be for the period of January through July because eligibility will use only the reference table values effective January 1, 2024.

If the start date entered on the Program Request screen is on or after December 1, 2024, then the CAO may open an ongoing request. The eligibility determination will use the correct reference table values.

NEXT STEPS

1. Review this Operations Memorandum (Ops Memo) with appropriate staff.
2. Send the appropriate notice for changes that are a result of the COLA reviews.
3. This Ops Memo will be obsolete after the information it contains is incorporated into the LTC Handbook.
4. Direct all questions to your Area Manager.