



DATE: December 29, 2022

OPERATIONS MEMORANDUM #22-12-03

SUBJECT: Medical Assistance (MA) Cost of Living Adjustment (COLA) Changes for 2023

TO: Executive Directors

FROM: Tanoa Fagan
Director
Bureau of Operations

PURPOSE

To provide instructions for implementing benefit changes due to the 2023 COLAs.

BACKGROUND/DISCUSSION

The Social Security Administration, Bureau of Veteran's Affairs and Railroad Retirement Board have announced their COLA increases effective January 1, 2023. A Policy Clarification will be issued once the Black Lung increases are announced.

- Retirement, Survivors, and Disability Insurance 8.7 percent
- Supplemental Security Income (SSI) 8.7 percent
- Veterans Affairs Benefits 8.7 percent
- Railroad Retirement Benefits (RRB) – Tier I 8.7 percent
- RRB – Tier II 2.8 percent

Federal regulations prohibit the new COLA amounts from being applied to MA categories until the month following the month of the release of the new Federal Poverty Income Guideline (FPIG) tables. The categories that are affected are:

- All Long-Term Care (LTC) Buy-in budgets with Program Status Code (PSC) 80 and 66 (does not include PSC 00)
- All Waiver budgets with PSC 80 and 66 (does not include PSC 00)

- Healthy Horizons: PH 80, PH 00, PG 00
- Medical Assistance for Workers with Disability: PW, PI 80, PI 66
- SSI-related Non-Money Payment: PA, PJ 00
- SSI-related Medically Needy Only: TA, TJ 80, TJ 66
- Buy-In: TA 65, TA 67, TJ 65, TJ 67
- Modified Adjusted Gross Income: All category/PSC combinations
- Temporary Assistance for Needy Families-related MA: All category/PSC combinations

The automated COLA for LTC budgets will run on January 8, 2023.

The automated COLA for the Supplemental Nutrition Assistance Program (SNAP) will run on January 15, 2023.

During the run of automated COLA for SNAP, cases that are open with both SNAP and one of the above-referenced MA budgets will have the COLA increase entered on the Unearned Income screen in the Electronic Client Information System as a deduction, "18-COLA Adjustment." This will allow the COLA adjustment to apply to SNAP, but not to the affected MA budgets.

The "18-COLA Adjustment" deduction will be end dated via an automated batch based on the publication date of the 2023 FPIG.

County Assistance Office (CAO) RESPONSIBILITY

Federal Regulations require that a COLA be disregarded for MA budgets (including LTC) until the month following the month that the FPIGs are published.

Example: The FPIGs are usually published in January. The disregard month for the affected budgets would be February, and the effective date for updated COLA and FPIGs would be March 1.

The CAO will complete an eligibility review in March using the updated income and FPIGs for these budgets.

Reminder: During the Coronavirus Public Health Emergency, MA must remain open and there should be no reduction in MA coverage unless the reduction meets an exception outlined in Ops Memo 20-12-03.

NEXT STEPS

1. Implement these changes effective for March 2023 benefits.
2. Review case alerts for appropriate action.
3. Send the appropriate notice for changes that are a result of the COLA reviews.
4. This Operations Memorandum will become obsolete upon completion of all COLA review actions.