

Phyllis Gilmore, Secretary

Sam Brownback, Governor

MEMORANDUM

To: Economic and Employment Services Program Administrators
Date: Nov. 16, 2017
From: Sandra Kimmons
RE: Mass Change Instructions on January 2018 OASDI/SSI Cost-of-Living Adjustments (COLA)

The purpose of this memo is to provide implementation instructions for the January 2018 COLA mass change. There will be an automated process associated with this mass change. As these instructions do not involve policy changes and are entirely procedural, we are releasing the instructions as a memorandum rather than through the normal policy development process. By using this format, we are able to provide timelier finalized procedures. Please make sure all appropriate staff receive this material.

1. **OASDI/SSI Cost-of-Living Adjustments-** A 2% increase in the OASDI/SSI benefit levels will take effect beginning with the January 2018 payment. SSI maximum benefits will increase \$15 for an individual, \$22 for a couple.

The Medicare Part B premium is staying at \$134 per month – this will be the same for most, but a change for some. The standard Medicare Part A premium increases to \$451 per month.

A. SSI Information- The new SSI benefits will be transmitted via the SDX interface for the month of January. The following is a listing of the new benefit amounts.

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|---|---------|
| (1) Eligible individual in own home (Includes individuals in a public community-based facility serving 16 or less individuals). | \$750 |
| (2) Eligible individual with eligible spouse in own home. | \$1,125 |

B. OASDI Instructions - The new OASDI benefit will be automatically calculated based on the SSA income amount reflected on the prospective or medical income screen for the December benefit month. The January 2018 SSA income amount will be determined by increasing the December 2017 KEES SSA amount by 2%. All calculated amounts will be round down by dropping the cents. No automated updates of SSA income through BENDEX or TPQY will occur.

Unless the new OASDI benefit was based on an incorrect December benefit amount, the calculated amounts are to be regarded as correct even though the amount may be different from the actual OASDI amount due to it being rounded down. Staff are not required to update the amounts that are calculated until the next scheduled review or Interim Report, whichever comes first, for affected FA cases. Staff are discouraged from correcting these calculated amounts from EATSS. Corrections should be handled at the next review or Interim Report, whichever comes first.

SPECIAL NOTE- Because SSA benefit amounts will be updated for January, the evening of Dec. 3, 2017 local staff will be responsible for adding the income, or verifying and entering the increased SSA benefit amount for the benefit month of January on all new cash and FA approvals processed after Dec. 3, 2017. If other verification is not available, the new SSA amount should be calculated as described in the previous two paragraphs.

2. **Effect of OASDI Benefit Increases on Cash Assistance-** At the time of the COLA mass run described above, OASDI amounts reflected on cash cases will be automatically updated based on the calculation process described above.

The new calculated OASDI amount will be automatically incorporated and the cash benefit level recalculated for January. Mass change notices will be produced on TANF cases where January grant amounts decrease. However, if the SSA increase results in a \$0 grant amount, the TANF cash case must have a EDBC run and a notice sent. These cases will appear on the EDBC skipped report.

3. **Effect of the OASDI and SSI Benefit Increase on Food Assistance-**

- A. **OASDI-** At the time of the COLA mass run as described above, OASDI amounts will be automatically updated prospectively based on the calculation process as previously described. SSI amounts for food assistance cases will be automatically updated, or added, prospectively based on the January SDX COLA file in a separate process the evening of Dec. 3, 2017 but will be handled in the same way as OASDI.

SSA benefits for January will then be processed for all FA cases as follows: The mass change process in December will incorporate the new calculated OASDI amount, and recalculate the food assistance benefit level for January. The mass change process will result in a mass change notice being created (See item C below). If the OASDI increase results in a \$0 benefit amount, the worker will need to run EDBC and send their own notice unless the household also receives SSI and is categorically eligible. See item B.

Staff should also review the mass change detail report for unexpected changes to food assistance benefit amounts which may signify cases needing correction.

- B. **SSI-** A separate mass change will be processed the evening of Dec. 3, 2017 using the January SDX COLA file to update SSI amounts reflected on food assistance cases

It should be noted that the gross SSI benefit from the SDX COLA tape is used to compute January food assistance benefits. However, there are some SSI cases in which the benefit has been reduced due to an overpayment recovery. Per KEESM, if the overpayment is not a result of fraudulent activity, the recovery is to be taken into consideration and only the net benefit counted. As the SDX file identifies benefits

reduced due to overpayment recovery, a report will be provided listing all FA cases in which the gross SSI benefit has been reduced for this reason. The net benefit amount will also be provided. Staff must then review these cases to determine which recoveries result from non-fraudulent overpayments, and adjust the food assistance calculation accordingly.

The mass change detail report needs to be carefully reviewed to determine if any cases failed the mass change. If the household is categorically eligible, the procedures in the KEES manual must be followed to ensure that the household receives the correct amount of benefits to which it is entitled. In prior years, some categorically eligible cases had to be reprocessed to insure the continuation of the \$15 minimum benefit. Therefore, it will be necessary to carefully monitor the mass change detail report, reviewing all cases that fail the mass change for potential categorical eligibility.

- C. Notices - Delay of FA Mass Change Notices** - Again this year, all FA mass change notices created when SSI and SSA mass change runs the night of Dec. 3, 2017 will not print at the time of creation. This notice can be located under the Distributed Documents tab.

If the worker takes action to make other changes to the case for January's benefits after the mass change runs (after Dec. 3, 2017), the worker should delete the system created FA mass change notice(s) on Distributed Documents and send a notice which describes the Mass Change, i.e., COLA change, cash change and other related changes as well as the additional action taken. It is not possible to change the notices created by mass change because the effective dates and benefit amounts are system keywords and those fields cannot be changed through a notice update on Distributed Documents. If changes are necessary, the original notice or notices created by mass change must be deleted and a new notice created. To assist staff, a worker generated mass change notice has been created. This notice includes wording about the OASDI and the SSI increase, the "generic wording" about cash assistance payments and a space for additional worker explanation. The copy and paste wording is located in the KEES Manual for the COLA change.

If no further changes are made and/or the mass change notice is not deleted, the system generated notice will print and mailing begins Dec. 14, 2017. The delay in mailing FA notices gives workers until the close of business on Dec. 13, 2017 to make necessary changes and/or delete the mass change notice(s). The above dates apply to only Food Assistance mass change notices.

- 4. Changes in Other Benefits and Expenses** Other changes are also anticipated to take effect Jan. 1, 2018. Following are instructions on making these changes:

- A. Other Government Payments** - For changes in other cash benefits, primarily VA, Railroad Retirement, and Civil Service Retirement, Staff will update the information at the review or IR. If the client reports the change, staff must act on the change when it is reported.
- B. Medicare Premiums** - The Medicare Part B premium amount will impact food assistance benefits for some households. Medicare expenses will be automatically updated with the standard Part B premium amount for the month of January. On the night of Dec. 3, 2017 all Medicare expenses will be updated.

C. Blue Cross Blue Shield Premium Changes - Premiums for Blue Cross Blue Shield Plan 65, Disability and Step plans may also change for January 2018 KDHE will update any Blue Cross/Blue Shield premium amounts. DCF staff is not required to verify or update these amounts, unless the client reports such. If the client reports the change in premium, it is up to the client to verify the change. **Do not contact BCBS to verify individual premium amounts.**

When KDHE updates the premium amounts, this information remains in the KEES system, but will not cause an EDBC batch to run. Therefore, staff will have to manually run EDBC on cases with an increase in premiums. Staff are not required to update, (run EDBC), on these updated amounts, but will do so when a batch EDBC runs for other reasons (IR, Review, etc).

If DCF staff make the premium change based on information received by the client, staff are required to notify KDHE of the action taken. (refer to shared data information)

D. Medicare Part D and Medicare Advantage Expenses - Premiums for both Medicare Advantage plans (a.k.a. Part C or Medicare Managed Care) may change in 2018. These changes could impact some food assistance. No automated processing will occur for these changes as the premiums and levels of coverage vary significantly based on the carrier, plan, level of coverage, etc. However, persons may report changes in premiums which must be considered. The client is responsible for providing verification of any changes.

Again, KDHE will update any change in premium amounts. DCF staff are not required to verify or update these amounts, unless the client reports such. If the client reports the change in premium, it is up to the client to verify the change.

When KDHE updates the premium amounts, this information remains in the KEES system, but will not cause an EDBC batch to run. Therefore, staff will have to run online EDBC on cases with an increase in premiums. Staff are not required to update (run EDBC) on these updated amounts, but will do so when a batch EDBC runs for other reasons (IR, Review, etc.)

If DCF staff make the premium change based on information received by the client, staff are required to notify KDHE of the action taken. (refer to shared data information)

5. **Note Concerning Mass Change Reports** - There will be sets of mass change reports produced in December. A list of these reports will be provided:

- **Mass Change Detail Report**
- **Batch EDBC Skip Report**

6. **FA Cases Where an SSI Overpayment Recovery Is Occurring/Review for Proper Use of Net or Gross SSI Amount** - This report lists all clients with a FA participation code where an SSI overpayment recovery is occurring determined by the presence of an amount in the SDX overpayment recovery field on the SDX file. This report is being produced to help staff identify cases in which countable income needs to be adjusted to reflect a net SSI benefit amount.

- 7. Errors or Problems Identified** - Any errors found or other problems identified with the COLA mass change process are to be reported to KEES Help Desk. It is also important that the problems be reported and documented by running screen prints of appropriate items before making corrections.

If you have any questions concerning this memo or the mass change process, please contact the appropriate program manager. For system problems or concerns, contact KEES Help Desk.

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