

State of Kansas Department of Social and Rehabilitation Services
Don Jordan, Secretary
Economic and Employment Support - Bobbi Mariani, Director (785) 296-3349
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MEMORANDUM

To: EES Program Administrators & Staff
HealthWave Clearinghouse Staff

Date: November 22, 2010

From: Denise Kelly, SRS Benefit Sections Manager
Jeanine Schieferecke, KHPA Senior Manager

RE: Mass Change Instructions for the January 2011
BC/BS Premium Rate Adjustments

The purpose of this memo is to provide implementation instructions for the January 2011 mass change. Similar to last year, there will be no automated process associated with this mass change due to the absence of an OASDI/SSI COLA increase for 2011. The 2011 mass change will essentially be a manual update of cases identified with Blue Cross Blue Shield (BC/BS) supplemental insurance. As these instructions do not involve policy changes and are entirely procedural, they are being released as a memorandum rather than through the normal policy development process. Please make sure all appropriate staff receive this material.

1. **No OASDI/SSI Cost-of-Living Adjustment (COLA)** – The OASDI/SSI benefit levels are adjusted each year based on the increase in the Consumer Price Index (CPI). Since the increase in the CPI in 2010 did not warrant a COLA, there will be no change in the OASDI/SSI benefit levels for 2011. The SSI maximum benefit levels will continue at the 2010 levels: \$674.00/month for an individual, \$1,011.00/month for a couple, and \$338.00/month for an essential person.
2. **Medicare Premiums** - There will also be no change in the Medicare Part B premium for most individuals. The 2011 premium amount will remain at \$96.40/month for those individuals who had their premium withheld from their benefit in 2009 and at \$110.50/month for individuals who were newly entitled in 2010. For individuals newly eligible for Medicare in 2011 or who did not have their premium withheld from their benefit in 2010, the premium will increase to \$115.40/month. The standard Medicare Part A premium decreases by \$11.00 to \$450.00/month effective January 2011.
3. **Mass Change Instructions** – As indicated earlier, there will be no automated COLA mass change on the KAECSES system for 2011. The automated process was designed to update the annual change in OASDI/SSI benefit amounts. Since the benefit levels for these payments are not changing, the automated process is unnecessary. However, staff will be responsible for manually completing the following program specific updates:
 - A. **Medical Assistance** – The following medical programs may be affected by the change in the 2011 BC/BS premium rates (which are increasing as indicated below). A chart containing the new 2011 BC/BS premium rates and the report listing cases that may require manually processing are attached to this memo.

- (1) Medically Needy Spenddown (MA or MS) – The new BC/BS premium amount should be reflected effective January 2011 on spenddown cases where the premium is being allowed to meet or reduce the spenddown amount. The new premium amount should be entered on the MEEEX screen for the month of January 2011 on forward for the remainder of the base period. The recipient should be notified of the change via the appropriate change notice.
- (2) Long Term Care Medical (HCBS, PACE, and AC) – The new BC/BS premium amount should be reflected effective January 2011 on HCBS, PACE, and AC cases with a monthly client obligation, participant obligation, or patient liability. Staff shall notify recipients of the change via the appropriate change notice. Changes to the HCBS client obligation should be sent to the HCBS case manager via the ES-3161 as soon as possible to ensure they are also able to timely notify the individual of the change in obligation.
- (3) Other Medical Programs – No other medical programs should be affected by this limited mass change since health insurance premiums are not used to determine eligibility or the level of coverage. Other changes reported by the individual outside of the mass change process shall be investigated and acted upon by staff as necessary.

B. Cash Assistance – TAF and GA cash cases should be unaffected by the 2011 mass change. Unless changes are reported by the individual, no action will be required by staff. Reported changes should be investigated and acted upon by staff as necessary.

C. Food Assistance – Other than cases involving allowable BC/BS premiums and HCBS obligations, Food Assistance cases should be relatively unaffected by the 2011 mass change.

- (1) BC/BS Premiums – The attached BC/BS premium rates for 2011 and report listing cases with BC/BS coverage shall be used by staff to identify cases potentially needing adjustment. Individuals are not required to report changes in medical expenses for the Food Assistance program, but these premium rate changes are known to the agency and must be reflected in determining the January 2011 benefit amounts.
- (2) HCBS/PACE Obligation – HCBS and PACE cases with a monthly obligation may change where a BC/BS premium is being allowed to reduce the obligation. This change in obligation amount also needs to be reflected in any companion Food Assistance case effective January 2011 where the obligation is being allowed as a medical expense.
- (3) Medicare Premiums – It is anticipated that the Medicare Part B premium for most, if not all, individuals will not change for 2011. Any changes in the Part B premium or in Medicare Part D and Medicare Advantage plans need not be acted upon unless reported by the individual.

4. Changes in Other Benefits and Expenses – The following instructions have been included for required staff actions concerning other benefits and expenses which may change in 2011:

A. Other Government Payments – As with OASDI/SSI, the increase in other government benefits is based on the change in the CPI. Accordingly, it is anticipated there will be no COLA increase for 2011 in

Veterans Affairs (VA), Railroad Retirement Board (RRB), or Civil Service Retirement (CSR) benefits. Any change in these benefits reported by the recipient must be investigated for possible action.

- B. Medicare Premiums** – The Medicare Part B premium amount should not change for most current recipients. Only those individuals who will begin receiving Medicare coverage after 12-2010 or who did not have their premium withheld from their benefit will be subject to the increased premium. For purposes of this memo, staff may assume that the premium amount for current recipients will not change. However, any changes reported by the recipient must be investigated for possible action.
- C. Blue Cross Blue Shield (BC/BS) Premiums** – Premium amounts for Blue Cross Blue Shield (BC/BS) Plan 65, Disability, and Step Plans will increase effective January 1, 2011. These changes can impact the spenddown, patient liability, client obligation, or participant obligation for medical purposes as well as the amount of food assistance benefits for certain households. These new 2011 premium amounts are included with this memo as a separate attachment. This information is considered reliable. **Staff shall not contact BC/BS directly to verify individual premium amounts.** If the new premium amount is questionable, it is to be verified by the individual.
- To help identify cases with BC/BS coverage, a report has been provided identifying individuals who have BC/BS listed on the EXNS screen in KAECSES or on the iCMMIS Third Party Liability screen.
- D. Medicare Part D and Medicare Advantage Premiums** – Premiums for both Medicare Advantage plans (Part C or Medicare Managed Care) may change in 2011. These changes could impact some medical and food assistance cases. No automated processing will occur for these changes as the premiums and level of coverage vary significantly based on the carrier, plan, level of coverage, etc. However, individuals may report changes in premiums which must be considered. The individual is responsible for verification of any changes.
- 5. Notices** – The usual notices associated with the annual COLA mass change adjustments are not applicable to the changes described in this memo. Since no mass change run will be created, no mass change notices will be created on the system. Recipients should be notified by staff of any changes to medical or food assistance eligibility via the regular KAECSES change notices. No special notices have been created or updated for these changes.
- 6. Time in Which Action Must be Taken** – Since there is no automation involved with mass change this year, no special timelines have been created. Staff must still follow the regular timely and adequate notification process. It is anticipated that few, if any, cases will involve negative action. Action to close a case effective 12-31-2010 must be taken by 12-17-2010. Action to make a negative change effective 1-1-2011 must be taken by 12-20-2010. It is anticipated that the report listing cases which may require manual processing (described below) will be available on or after 11-29-2010. This should allow staff sufficient time to complete the required case changes identified in this memo.
- 7. Mass Change Report** – The only report created this year for mass change is the attached “Cases That May Require Manual Processing For 2011”. The report will only include the following categories:

BC-BX – BC/BS coverage listed on the EXNS screen. This should identify Food Assistance cases which need to be updated with the new 2011 BC/BS premium amount.

MC-SUP – Active Medicare Supplemental policy listed on the iCMMIS TPL file. This should identify medical cases with a Medicare Supplemental policy – which could include BC/BS coverage.

No other reports will be created for this limited manual mass change. This report in conjunction with the attached 2011 BC/BS premium rate chart shall be used to identify and process cases requiring adjustment for January 2011.

If you have any questions concerning this memo or the mass change process, please contact the appropriate program manager:

Allison Blackwell, KHPA Family Medical Program Manager
(785) 291-3881 or Allison.Blackwell@khps.ks.gov

Tim Schroeder, KHPA Elderly & Disabled Medical Program Manager
(785) 296-1144 or Tim.Schroeder@khp.ks.gov

Judy Kennedy, SRS TAF Program Manager
(785) 296-1741 or Judy.Kennedy@srs.ks.gov

Lewis Kimsey, SRS GA Program Manager
(785) 296-0147 or Lewis.Kimsey@srs.ks.gov

Pam Jacob, SRS Food Assistance Program Manager
(785) 296-5416 or Pam.Jacob@srs.ks.gov

Attachment:

[2011 BC/BS premium rate chart](#)