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TO: **Income Maintenance Supervisors**  
**Income Maintenance Lead Workers**  
**Income Maintenance Staff**  
**W-2 Agencies**  
**Workforce Development Boards**  
**Job Center Leads and Managers**  
**Training Staff**  
**Child Care Coordinators**

FROM: Amy Mendel-Clemens, Chief  
Technical Assistance and Training Section  
Bureau of Enrollment Management  
Division of Health Care Access and Accountability

**BEM/DFS OPERATIONS MEMO**

No: 08-52

DATE: 11/25/2008

FS	<input checked="" type="checkbox"/>	MA	<input checked="" type="checkbox"/>	BC+	<input checked="" type="checkbox"/>
SC	<input checked="" type="checkbox"/>	CTS	<input checked="" type="checkbox"/>	FSET	<input type="checkbox"/>
CC	<input checked="" type="checkbox"/>	W-2	<input checked="" type="checkbox"/>	EA	<input type="checkbox"/>
CF	<input type="checkbox"/>	JAL	<input type="checkbox"/>	JC	<input type="checkbox"/>
RAP	<input type="checkbox"/>	WIA	<input type="checkbox"/>	Other	<input type="checkbox"/>
				EP	

**PRIORITY: HIGH**

**SUBJECT: 2009 Cost of Living Adjustment (COLA)**

**CROSS REFERENCE:** Medicaid Eligibility Handbook (MEH)

**EFFECTIVE DATE:** January 1, 2009

**BACKGROUND**

The Cost of Living Adjustment (COLA) for 2008 is **5.8%** for the Social Security Administration (SSA) Old Age Survivors and Disability Insurance (OASDI or Title II) and Supplemental Security Income (SSI or Title XVI) programs.

The federal COLA increase will result in changes in CARES to the (MA) income levels, allowances and deductions as outlined in pages 5 - 10 of this memo. The changes associated with these adjustments will be included in the 09-01 MEH release.

The Social Security (SS) Auto Update process will update Social Security amounts at the COLA mass change. We will still do our monthly SS auto-update prior to December adverse action. There is only one SS auto-update in December.

CARES eligibility re-determinations for January 2009 will occur as part of the annual COLA mass change on the weekend of December 6, 2008.

**NOTE** > SSI amounts will not be updated in CARES through the COLA mass change. SSI amounts will continue to be auto-updated on a weekly basis. The increase in federal SSI payments will appear as an auto-update after adverse action in December 2008 and will impact February 2009 benefits. The regular SSI auto-update alerts will be generated when these amounts change.

There will not be a COLA increase in State SSI Supplement or SSI-E payment amounts; however these amounts may be changed in the auto-update process for other reasons.

## **CARES**

### MASS CHANGE

Data updates are made based upon information received from the Social Security Administration (SSA) related to COLA increases to social security benefits (i.e., disability, survivor, and retirement). The Medicare Part B premium amount is also updated based upon the yearly amount set in federal law. For calendar year 2009, the federal benefit COLA increase is **5.80%** of the current benefit.

The Mass Change will update the following fields on the CARES Unearned Income page and Medicare page:

- Social Security Benefit
- SSA/COLA DAC Disregard
- QMB/SLMB "Current" Disregard
- SSA Claim Number
- Social Security Payment Subtype
- All Fields on the Medicare Page

For each person in a W-2, Child Care, BadgerCare Plus, Medicaid, Family Care Assistance Group (AG), or FoodShare (FS) AG that is open or has been closed less than 30 days, CARES will update the SSA benefit amount with an effective date of 01/09. Because SeniorCare uses an annual budgeting process, SC-only cases will not be updated automatically.

When applicable, the CARES Medicare Page will be updated with the increased Medicare Part B premium amount. The premium payor will be updated on the CWW Medicare Page if SSA data differs from that in CARES.

### ALERTS

The following alerts require further action by the worker:

#### **369 SS INFO UPD AND DISCREP EXISTS**

The auto-update process adds together the net SS income of all SS income types on the Unearned Income Page, plus any Medicare premium on the Medicare Page, plus any SS recoupments. These three amounts are also shown on DXSA. The total is then matched against the gross SSA income on the BENDEX file. If that total does not match, there could be a discrepancy (possible garnishments being taken from SS income for child support, back taxes, etc). If a mismatch is found, the Unearned Income

Page will be updated with the net amount and this alert will be set for the worker. The worker must follow up with SSA to determine the reason for the discrepancy. The worker will need to determine the difference in the gross versus the net and enter this amount as OT income on the Unearned Income Page.

**349 ELIG NOT DET AT MC/AA RUN SFEX**

This alert indicates that the case did not go through mass change or adverse action because it exceptioned off. These are the cases that appear on the EOS Exception report C306. This report includes cases with overrides, cases with person add/deletes that have not been confirmed, FoodShare cases closed less than 30 days and AGs in pending status. These cases are also listed on the monthly mass change report C307. For these cases, you must run SFEX to determine eligibility and confirm when you get the correct determination. If you do not run SFEX and confirm before Adverse Action (AA), you must run SFEX with the recurring month's date. For FS cases, issue a supplement or create an overpayment claim based on the correct eligibility.

The following alerts will not be set due to the large number of individuals involved.

**370 FYI SS INCOME UPDATED****383 FYI MEDICARE INFORMATION UPDATED**

When the COLA record includes Railroad Retirement, the case will not be automatically updated. The following alerts will be generated and sent to the primary worker and alternate worker when the update did not occur:

**379 SSA INDICATES RAILROAD BENEFIT**

This alert will be generated to the primary worker whenever the record from SSA indicates that the individual is receiving Railroad Benefits.

**380 SSA INDICATES RR BENEFIT**

This alert will be generated to the alternate worker whenever the record from SSA indicates that the individual is receiving Railroad Benefits.

**NOTE** ➤CUAH, alert help text often has useful information for workers providing information about why the alert was set and what action is needed.

**MEDICARE BENEFICIARIES, MEDICAID PURCHASE PLAN (MAPP) & COLA DISREGARD**

Special processing is done for Medicare Beneficiaries and MAPP members when their Social Security benefits are increased by the COLA. Federal law prohibits using their 2009 Social Security benefit amounts to determine financial eligibility until after the 2009 Federal Poverty Levels (FPL) are published by the federal government. This is to prevent some of these cases from closing due to their income increasing before the higher FPL limits take effect. For this reason, the COLA increases that appear with the January checks are to be disregarded. In December 2008, the CARES COLA mass change stores the COLA increase on the (CWW) Unearned Income page in the "CURRENT DISREGARD" field. For Medicare Beneficiaries and MAPP cases run after the COLA updates are made in CARES and before the FPL limits are

updated, CARES automatically subtracts the COLA increase from the member's income before comparing it to the eligibility income limits. In addition, CARES subtracts the "CURRENT DISREGARD" from the member's income before comparing it to the income limits for MAPP premiums.

For new Medicare Beneficiary and MAPP applications processed after December 6, 2008 enter the 2009 COLA amount in the "Current Disregard" field in addition to the 2009 Social Security benefit amount on the (CWW) Unearned Income page. Once entered, CARES will subtract the "Current Disregard" from the Social security income when determining eligibility for benefits and the MAPP premium.

When CARES is updated with the 2009 FPL limits, the "Current Disregard" amount will be ignored by CARES. That will result in the eligibility for Medicare Beneficiaries and MAPP members and the MAPP premiums being determined using the 2009 Social Security benefit amounts.

### REPORTS

CARES data now matches SSA data more accurately since we are automatically updating SSA records on a monthly basis. We anticipate the number of exceptions generated during the mass change to be greatly reduced. For the exceptions that do result, we have identified a number of reports that local agencies can use to resolve these exceptions.

#### Reports that require worker action

EOS/CARES Report ID		Report Title
C306	CMC190RA	<p><b>MASS CHANGE EXCEPTION LISTING</b> This report is produced at any Mass Change and lists AGs that did not run through eligibility. Cases on this report must be reviewed by local agencies and the issues resolved. <b>The individual cases on this report will also have alert 349 generated.</b></p>

#### Informational Reports

The following reports are for information purposes only and may be useful when researching an exception.

EOS/CARES Report ID		Report Title
C300	CMC180RA	<p><b>AGS AFFECTED BY MASS CHANGE</b> This is a list of cases with an AG that increased or decreased as a result of the mass change. If one AG in the case changed, <b>all</b> AGs are listed.</p>
C301	CMC180RB	<p><b>MASS CHANGE SUMMARY BY AGENCY</b> This report shows the number of AGs by agency that opened, closed, increased and decreased. It also shows dollar amounts when applicable.</p>
C302	CMC180RC	<p><b>MASS CHANGE SUMMARY STATEWIDE</b> This report shows the number of AGs statewide that opened, closed, increased and decreased. It also shows dollar amounts when applicable.</p>

CARES TABLES

Reference table updates are being made to four CARES tables that are used in determining MA eligibility. The updates will be effective on January 1, 2009 for CARES tables TMEP, TASP, and TSCA. Updates to table TCDP have already been completed through **2009**. Changes to these tables are required because of changes in the federal portion of the SSI payment level upon which the MA income limits are based or because of a change in the Consumer Price Index (CPI).

**NOTE** > Changes to TMST will not be needed this year because the AFDC-related and the SSI-related medically needy limits are capped at **\$591.67** for group sizes of 1 and 2.

CARES Table	Data Updated
<b>TMEP</b>	<ul style="list-style-type: none"> <li>SSI related income and shelter limit changes in Community Waiver income limits and personal maintenance allowances</li> <li>Medicare Part B premium amount</li> <li>Spousal impoverishment maximum income allocation</li> </ul>
<b>TASP</b>	<ul style="list-style-type: none"> <li>Spousal impoverishment asset limit</li> </ul>
<b>TCDP</b>	<ul style="list-style-type: none"> <li>Dates controlling the time between the COLA mass change and the Federal Poverty Level mass change</li> </ul>
<b>TSCA</b>	<ul style="list-style-type: none"> <li>SSA COLA percentage</li> </ul>

**NEW PROGRAM AMOUNTS FOR 2009****INSTITUTIONS CATEGORICALLY NEEDY INCOME LIMIT**

Cross Reference: [MEH](#), Chapter 39.4

Effective Date: 01/01/09

CARES: This change is part of the 12/6/08 CARES mass change.

ITEM	NEW AMOUNT	OLD AMOUNT
Categorically needy income limit for person in a medical institution.	<b>\$2,022</b>	\$ 1,911

**ELDERLY, BLIND, DISABLED (EBD) INCOME & ASSET CHANGES**

Cross Reference: [MEH](#), Chapter 39.4

Effective Date: 01/01/09

CARES: These changes are part of the 12/6/08 CARES mass change.

ITEM	NEW AMOUNT	OLD AMOUNT
Categorically Needy Income Size 1	<b>\$533.11 + Actual Shelter up to \$224.67</b>	<b>\$508.45 + Actual Shelter up to \$212.33</b>
Size 2	<b>\$806.05 + Actual Shelter up to \$337.00</b>	<b>\$769.38 + Actual Shelter up to \$318.67</b>
Medically Needy Income		
Size 1	\$ 591.67	\$ 591.67
Size 2	\$ 591.67	\$ 591.67
Categorically Needy Assets		
Size 1	\$ 2,000.00	\$ 2,000.00
Size 2	\$ 3,000.00	\$ 3,000.00
Medically Needy Assets		
Size 1	\$ 2,000.00	\$ 2,000.00
Size 2	\$ 3,000.00	\$ 3,000.00

**EBD DEEMING AMOUNT TO AN INELIGIBLE MINOR**

Cross Reference: [MEH](#), Chapter [1.1.3.3](#), [15.1.2](#) & [39.4](#)

Effective Date: 01/01/09

CARES: This change is part of the 12/6/08 CARES mass change.

ITEM	NEW AMOUNT	OLD AMOUNT
EBD Deeming Amount to an Ineligible Minor	<b>\$ 337</b>	<b>\$ 319</b>

**PARENTAL LIVING ALLOWANCE**

Cross Reference: [MEH](#), Chapter [1.1.3.3](#), [15.1.1](#) & [39.4](#)

Effective Date: 01/01/09

CARES: This change is part of the 12/6/08 CARES mass change.

ITEM	NEW AMOUNT	OLD AMOUNT
Parental Living Allowance – 1 Parent	\$ 674	\$ 637
2 Parents	\$ 1011	\$ 956

**SPOUSAL IMPOVERISHMENT INCOME ALLOCATION & ASSET SHARE**

Cross Reference: [MEH](#), Chapter [18.6.1](#) & [18.4.3](#)

Effective Date: 01/01/09

CARES: This change is part of the 12/6/08 CARES mass change.

INCOME

ITEM	NEW AMOUNT	OLD AMOUNT
Community Spouse Asset Share (CSAS) maximum	\$109,560	\$ 104,400
Income allocation	\$2,739	\$ 2,610

ASSETS

<b>IF</b> the total countable assets of the couple are:	<b>THEN</b> the CSAS* is:	<b>MA Eligibility Limit</b>
<b>\$219,120 or more</b>	<b>\$109,560</b>	<b>\$111,560</b>
<b>Less than \$219,120 but greater than \$100,000</b>	<b>½ of the total countable assets of the couple</b>	<b>½ + \$2,000</b>
<b>\$100,000 or less</b>	<b>\$50,000</b>	<b>\$52,000</b>

\*CSAS is the "Community Spouse Asset Share".

Income Allocation & Allowance

**NOTE** ➤ All dollar amounts are monthly amounts

<b>Community Spouse Allocation</b>	The maximum allocation is the <u>lesser</u> of: <b>\$2,739.00</b> , or \$2,333.33 plus excess shelter allowance. (The lower allocation limit does not change with the COLA increases. This amount will be updated on July 1st.)  “Excess shelter allowance” means shelter expenses above \$700.00. Shelter expenses are mortgage, rent, taxes, maintenance fees, and a utility allowance. (The excess shelter allowance does not change with the COLA increases. This amount will be updated on July 1st.)
<b>Dependent Family Member Allocation</b>	<b>\$583.33</b> per dependent family member living with the community spouse. (This amount does not change with the COLA increases. This amount will be updated on July 1st.)
<b>Personal Needs Allowance</b>	<b>\$45</b> for institutionalized individuals.
<b>Community Waivers Allowance</b>	<b>\$854</b> to <b>\$2,022</b> for a person in community waivers.

**Spousal Impoverishment Brochure**

Workers can access the Spousal Impoverishment Fact Sheet for customers on the Internet at:

<http://dhs.wisconsin.gov/medicaid/publications.htm>

**MEDICARE PART B PREMIUM AMOUNT**

Cross Reference:None

Effective Date: 01/01/09

CARES: This change is part of the 12/06/08 CARES mass change.

**2008 Medicare Part B Premium Based on Income**

Yearly Income			Monthly Premium
Single	Married (filing jointly)	Married (filing separately)	
\$85,000 or less	\$170,000 or less	\$85,000 or less	\$96.40
\$85,001 - \$107,000	\$170,001 - \$214,000		\$134.90
\$107,001 - \$160,000	\$214,001 - \$320,000		\$192.70
\$160,001 - \$213,000	\$320,001 - \$426,000	\$85,001 - \$128,000	\$250.50
Above \$213,001	Above \$426,001	Above \$128,001	\$308.30

The actual amount paid by the person is listed on the BENDEX file.

For each individual whose Medicare Part B premium amount or the Medicare Part B premium payer is updated, the HIC number on the Medicare Page will also be updated if the COLA file is

different than the CARES information. The HIC number will not be updated if CARES has Railroad Retirement or Black Lung Fund indicated on the Medicare Page.

More information on the 2008 Part B Premiums is available at the following Medicare website:  
<http://www.ssa.gov/pubs/10161.html>

### **SSI-E PAYMENT LEVEL**

Cross Reference: [MEH](#), Chapter [39.4](#)  
 Effective Date: No change.  
 CARES: Not applicable.

ITEM	NEW AMOUNT	OLD AMOUNT
State SSI-E Supplement	No change	\$ 95.99

### **COMMUNITY WAIVERS BASIC NEEDS ALLOWANCE**

Cross Reference: [MEH](#), Chapter [18.6](#) & [39.4](#).  
 Effective Date: 01/01/09  
 CARES: This change is part of the 12/6/08 CARES mass change.

ITEM	NEW AMOUNT	OLD AMOUNT
Basic Needs Allowance	<b>\$854</b>	<b>\$ 817</b>
EBD Maximum Personal Maintenance Allowance	<b>\$2,022</b>	<b>\$ 1,911</b>

### **COMMUNITY WAIVERS SPECIAL INCOME LIMIT (GROUP B)**

Cross Reference: [MEH](#), Chapter [28.8.3](#) & [39.4](#)  
 Effective Date: 01/01/09  
 CARES: This change is part of the 12/6/08 CARES mass change.

ITEM	NEW AMOUNT	OLD AMOUNT
Single person or spouse not applying.	<b>\$2,022</b>	<b>\$ 1,911</b>

**AFDC-RELATED INCOME CHANGES**

Cross Reference: [MEH](#), Chapter [39.3](#)  
 Effective Date: No change.  
 CARES: Not applicable.

ITEM	NEW AMOUNT	OLD AMOUNT
Income:		
1. Categorically needy.	No Change	See <a href="#">MEH</a> .
2. Medically needy.	No Change	See <a href="#">MEH</a>

**MEDICAID PURCHASE PLAN (MAPP) STANDARD LIVING ALLOWANCE**

Cross Reference: [MEH](#), Chapter [26.5.1](#), [39.4](#)  
 Effective Date: 01/01/09  
 CARES: This change is part of the 12/6/08 CARES mass change.

ITEM	NEW AMOUNT	OLD AMOUNT
MAPP Standard Living Allowance, SLA	<b>\$777</b>	<b>\$ 740</b>

**TUBERCULOSIS BENEFIT INCOME LIMIT**

Cross Reference: [MEH](#), Chapter [25.7.2](#)  
 Effective Date: 01/01/09  
 CARES: Not applicable (manual determination).

ITEM	NEW AMOUNT	OLD AMOUNT
Income limit for one person.	<b>\$1,433</b>	<b>\$ 1,359</b>

**CONTACTS**

BEM CARES Information & Problem Resolution Center

★Program Categories – FS – FoodShare, MA – Medicaid, SC – Senior Care, CTS – Caretaker Supplement, CC – Child Care, W-2 – Wisconsin Works, FSET – Food Stamp Employment and Training, CF – Children First, EA – Emergency Assistance, JAL – Job Access Loan, JC - Job Center Programs, RAP – Refugee Assistance Program, WtW – Welfare to Work, WIA – Workforce Investment Act, Other EP – Other Employment Programs.