

COLA Processing

December 1, 2023

MANUAL LETTER NO. 14-B8-40

ISSUED BY: Community Access, Economic Assistance

SUBJECT: Cost of Living Adjustments for 2024

Summary

This letter transmits cost-of-living percentage increases and new benefit amounts as known at this time. All cost-of-living adjustments (COLAs) are effective with benefits received in January 2024, unless otherwise noted.

TYPE OF BENEFIT	PERCENTAGE INCREASE OR NEW AMOUNT	
SSI	Individual in own home	\$ 943.00
	Couple in own home	\$ 1,415.00
	Individual in medical institution	\$ 30.00
	Individual in household of another	\$ 628.67
	Couple in household of another	\$ 943.34
	Essential person increment	\$ 472.00
Medical institution income limit	\$2,829.00	
Social Security	3.2% increase	
Medicare Part B premium	The standard Medicare Part B premium will be \$174.70 effective January 2024.	
Minimum monthly maintenance needs allowance (MMMNA)	\$3,853.50	
Maximum community spouse resource allowance	\$154,140.00	
Civil Service Retirement System (CSRS) and Organization Retirement and Disability System (ORDS)	3.2% increase	
Federal Employees Retirement (FERS) and FERS special benefits	2.2% increase	
Black Lung	COLA information is not yet available.	
Veterans Improved Pension	3.2% increase	
Railroad Retirement	Tier 1 benefits: 3.2% increase	
	Tier 2 benefits: 1.0% increase	

Beneficiaries will be notified of their COLA increase by mail in late December 2023.

If the client requests your help to get verification of the new railroad retirement amount, obtain a signed form 470-0461, *Authorization for Release of Information*. Contact information can be found at www.rrb.gov.

TYPE OF BENEFIT

PERCENTAGE INCREASE OR NEW AMOUNT

IPERS

For eligible retirees who retired **before** July 1990, dividends will be paid with the November 30 benefit check. IPERS has sent letters to recipients to verify the amount they will receive.

For eligible retirees who retired **on or after** July 1990, the final dividend payments were made in January 2014. No additional dividends will be paid for this group of retirees.

Implementation

The 2024 COLA will include anyone on the ABC system as of November 21, 2023, with an active, pending, or recently canceled status. Refer to I4-B(8), [Manual Processing](#), for instructions on non-calculated Medicaid cases.

Delay of Facility Calculations

Calculations from income records updated by COLA are delayed allowing you to enter other data. This results in only one notice being sent to the client. You are strongly encouraged to take advantage of this delay feature by entering any other changes before December 8.

This year the facility calculations are scheduled for December 8, 2023. If no income or deduction changes are entered on a case between the COLA run on December 1 and December 8, the client receives a notice after the facility calculations are run on December 8. The notice includes income from the COLA run.

If an income or deduction change is entered after December 1, but before December 8, the client receives a notice when that change is processed on ABC. The notice includes the income or deduction changes and the new income from the COLA run. The client should not receive another notice when the facility calculations are run on December 8.

Medicare Premiums

Sometimes Medicare buy-in has occurred but BENDEX has not been updated. Therefore, when determining client participation for facility cases, note that the BENDEX information in WISE may not reflect the correct amount of social security benefits.

When a notice has been issued that shows a new client participation amount based on buy-in, but BENDEX does not show that buy-in has occurred, use the gross amount of the social security amount on BENDEX. Round down the cents to determine the correct amount of social security benefits to enter for determining client participation. If there are questions about whether buy-in has occurred, access the SSBI system.

Social Security and SSI Changes for SNAP

For SNAP, use the new social security amount when determining prospective eligibility and benefits for January 2024 and future months. In the COLA process, the new social security amount is updated on the BCW2 for January for all cases.

For applications and recertifications, use the actual income received or anticipated to be received to determine eligibility and benefits for months included in the process.

The BENDEX amount does not reflect the actual payment amount when child support is being deducted from social security disability payments because the beneficiary owes back support. The COLA run will update the amount on the BCW2 on these cases with the incorrect BENDEX amount with the COLA increase. Manually correct the social security income on these cases.

The SDX data for the SSI COLA is not adequate to determine what the increased SSI amount will be when there is an SSI overpayment. The SSI amount from COLA processing on January BCWs is the amount **without** the SSI recoupment subtracted.

For cases that have SSI overpayments, correct this amount using the Treasury SDX received in December. The December Treasury SDX will have the SSI amount **with** the recoupment subtracted. Remember, you use the gross or net, whichever is less. See I4-E, [SNAP Cases](#). Use this amount on the BCW2 for January with an E/B indicator of “A.”

Social Security Changes for FIP and RCA

For FIP and Refugee Cash Assistance (RCA), use the new social security amount when determining prospective eligibility and benefits for January 2024 and future months. In the COLA process, the new social security amount is updated on the BCW2 for January eligibility and benefits.

The BENDEX amount does not reflect child support being deducted from the social security disability payment. Manually correct the social security amount in these cases.

Social Security Changes for Medicaid

All SSI-related Medicaid cases are budgeted prospectively. Use increased income due to COLA for Medicaid eligibility and benefits for January, with the exception of QMB, SLMB, E-SLMB, QDWP, and MEPD.

Desk Review of SSI-Related Medically Needy Ongoing Eligible Cases

To determine which Medically Needy clients are ongoing eligibles, refer to the Monthly Eligibility Case List (608 report). If the report shows an “S” in the “CP” column, the case has SSI-related ongoing eligibility. Complete a desk review when the SSI-related person’s income exceeds the MNIL in any month. Redetermine the person with a spenddown to a two-month certification period. The effective date of redetermination is the month that the person’s income exceeds the MNIL. Follow instructions in I4-B(8), [Manual Processing](#).

Social Security Overpayment Deductions

According to policy, the SNAP, FIP, RCA, and FMAP-related Medicaid programs use the social security amount **after** any overpayment is deducted to calculate eligibility and benefits. However, by policy, the SSI-related programs use the social security amount **before** the deduction for overpayment.

Automated COLA updates use the social security amount according to the policy of the program. For SNAP, FIP, RCA, and FMAP-related Medicaid, the social security amount is the amount after the deduction of an overpayment.

Mr. A has an overpayment deducted from his social security benefits. He is eligible for SNAP and an SSI-related Medicaid program.

The social security benefit used as income for SNAP is the amount with the overpayment deducted.

The social security benefit used as income for SSI-related Medicaid is the amount without the overpayment deducted.

Cases Excluded from the Automated COLA Run

For cases in ABC that are excluded from the automated COLA run, you will have to manually enter the new social security or SSI amounts on the case.

Cases in the following aid types are **excluded** from the automated ABC COLA run:

00-0	02-8	14-6	53-1	64-6
02-1	10-0	24-6	60-0	64-7
02-3	14-1	37-E	64-1	73-4
02-7	14-4	50-1	64-4	

Cases with **included** aid types that have a case medical status code of “D,” “M,” “R,” or “S” are **excluded** from the automated COLA run.

Cases with FBUs of **18** or **19** (foster care cases) are **excluded** from the automated COLA run.

COLA Alerts

COLA alerts are located in the WISE system. The COLA alerts are being divided into COLA-Bendex alerts (identified by a “1” in front of the number) and COLA-SDX alerts (identified by a “2” in front of the number).

No.	WISE Wording	Instructions
1971	COLA-Bendex	BENDEX COLA Alert for <##First Name##> <##Last Name##>, NIS Case. This case has a person with an OHP code of I. COLA income has been entered, but the case was not recalculated on ABC. Review the diversion amount and other income. Make appropriate BCW entries on ABC to cause a recalculation.
2971	COLA-SDX	SDX COLA Alert for <##First Name##><##Last Name##>, NIS Case. This case has a person with an OHP code of I. COLA income has been entered, but the case was not recalculated on ABC. Review the diversion amount and other income. Make appropriate BCW entries on ABC to cause a recalculation.
2972	COLA-SDX	SDX COLA Alert for <##First Name##><##Last Name##>, no source code “A”. COLA processed, entered “A” in BCW2 and recalculated the case.
1973	COLA-Bendex	BENDEX COLA Alert for <##First Name##><##Last Name##>, unearned income source code “B” (SSA income) was missing for COLA processing. The ABC system placed the code and amount in BCW2 and recalculated the case.
1974	COLA-Bendex	BENDEX COLA Alert for <##First Name##><##Last Name##>, too many BCWs. Income records could not update or be calculated for COLA processing because there were too many BCWs. The system allows only 24 income records per person. If there are too many income records, wait until after the next cutoff to enter more income. (Depending on your case’s situation, you may have to cancel the program or the person and make a TD06 entry for the coming month.)
2974	COLA-SDX	SDX COLA Alert for <##First Name##><##Last Name##>, too many BCWs. Income records could not update or be calculated for COLA processing because there were too many BCWs. The system allows only 24 income records per person. If there are too many income records, wait until after the next cutoff to enter more income. (Depending on your case’s situation, you may have to cancel the program or the person and make a TD06 entry for the coming month.)

No.	WISE Wording	Instructions
1975	COLA-Bendex	<p>BENDEX COLA Alert for <###First Name###><###Last Name###>, SSA no COLA. The person's BCW2 record has SSA income but no COLA was done. Possible reasons why COLA did not occur are:</p> <ul style="list-style-type: none"> ▪ No BENDEX record was received. ▪ Client no longer receives SSA benefits. ▪ Birth date did not match. ▪ Person or case was approved after the deadline for exchanges with the Social Security Administration.
2976	COLA-SDX	<p>SDX COLA Alert for <###First Name###><###Last Name###>, SSI but no COLA. The person's BCW2 record has SSI income but no COLA was done. Possible reasons why COLA did not occur are:</p> <ul style="list-style-type: none"> ▪ No SDX record was received. ▪ Client no longer receives SSI. ▪ Birth date did not match. ▪ Person or case was approved after the deadline for exchanges with the Social Security Administration.
1982	COLA-Bendex	<p>BENDEX COLA Alert for <###First Name###><###Last Name###>, invalid Medical income. BCW coding requires both "E" and "B" income indicators. One or both were missing. Review and update case.</p>
2982	COLA-SDX	<p>SDX COLA Alert for <###First Name###><###Last Name###>, invalid Medical income. BCW coding requires both "E" and "B" income indicators. One or both were missing. Review and update case.</p>
1983	COLA-Bendex	<p>BENDEX COLA Alert for <###First Name###><###Last Name###>, invalid Facility income. BCW coding requires both "E" and "B" income indicators. One or both were missing. Review and update case.</p>
2983	COLA-SDX	<p>SDX COLA Alert for <###First Name###><###Last Name###>, invalid Facility income. BCW coding requires both "E" and "B" income indicators. One or both were missing. Review and update case.</p>
1985	COLA-Bendex	<p>BENDEX COLA Alert for <###First Name###><###Last Name###>, FIP/FMAP SSA income. SSA sent a COLA record for a person who has a FIP or FMAP status of "A," "B," "C," "H," "F," or "I." COLA was not done. Review and update case.</p>
2985	COLA-SDX	<p>SDX COLA Alert for <###First Name###><###Last Name###>, FIP/FMAP SSI income. SSA sent a COLA record for a person who has a FIP or FMAP status of "A," "B," "C," "H," "F," or "I." COLA was not done. Review and update case.</p>
1986	COLA-Bendex	<p>BENDEX COLA Alert for <###First Name###><###Last Name###>, overpay not \$0. The Social Security COLA amount used is different from the BENDEX amount because recoupment exists at SSA. The amount before recoupment is counted as income on facility cases. The ABC system updated the income and recalculated the case. Review case and update records.</p>
1987	COLA-Bendex	<p>BENDEX COLA Alert for <###First Name###> <###Last Name###>, couple case. This case has a person with a couple case indicator (OHP code of 2) and so must have worker entries for COLA. COLA income has not been entered on ABC.</p>

No.	WISE Wording	Instructions
2987	COLA-SDX	SDX COLA Alert for <###First Name###> <###Last Name###>, couple case. This case has a person with a couple case indicator (OHP code of 2) and so must have worker entries for COLA. COLA income has not been entered on ABC.
1989	COLA-Bendex	BENDEX COLA Alert for <###First Name###> <###Last Name###>, unearned BCW full. Unearned income source code of "B," "T," or "A" was missing for COLA processing. The code and amount could not be placed in BCW2 entries because all unearned income fields are in use. Review the BCW2s and enter income as appropriate.
2989	COLA-SDX	SDX COLA Alert for <###First Name###> <###Last Name###>, unearned BCW full. Unearned income source code of "B," "T," or "A" was missing for COLA processing. The code and amount could not be placed in BCW2 entries because all unearned income fields are in use. Review the BCW2s and enter income as appropriate.

Effective Date

January 1, 2024

Material Superseded

This letter replaces Manual Letter No. 14-B(8)-39, dated November 25, 2022, in Employees' Manual, Title 14, Chapter B(8).

Additional Information

Refer questions about this manual letter to your area income maintenance administrator.

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Overview

COLA is a commonly used acronym for cost-of-living adjustment. The COLAs discussed in this chapter are those that affect Supplemental Security Income (SSI) recipients, Black Lung beneficiaries, and Social Security beneficiaries. These COLAs usually occur annually, resulting in income increases for Social Security and SSI in January.

Increases in SSI, Black Lung benefits, Social Security, Medicare premiums, pension amounts, and health insurance are used in the determination of eligibility and new benefit amounts. COLAs change the amounts of income counted for eligibility and benefit levels for FIP, Refugee Assistance, Medicaid, SNAP, and State Supplementary Assistance. Other changes resulting from COLAs are the personal needs allowance and medical expense deduction.

The impact of Social Security and SSI COLAs on most cases in most of these programs is determined using automated processes. When a COLA is effective with January eligibility and benefits, the Department's automated processes usually begin in late November or early December. However, these processes are dependent on receipt of data from federal offices.

Programs Included in the Automated ABC Process

Programs are included in automated COLA processing when eligibility and benefits are automatically determined by the Automated Benefit Calculation (ABC) system. Even for these programs, COLA requires manual oversight and input. See [Manual Processing](#). For individual in ABC, the COLA changes are made to the BCW2 screens.

The following kinds of assistance **are** included in the automated ABC process:

- ◆ FIP
- ◆ SNAP
- ◆ HCBS waiver
- ◆ ICF/ID
- ◆ MHI
- ◆ Nursing care, including skilled nursing care
- ◆ PMIC
- ◆ RCF
- ◆ Refugee Cash Assistance

The following kinds of assistance **are not** included in the automated ABC process:

- ◆ Medically Needy cases
- ◆ Hospital-only Medicaid

- ◆ HCBS waiver cases in Medically Needy or hospital-only aid types
- ◆ Medicaid for children in foster care
- ◆ Medicaid for children receiving adoption subsidy
- ◆ Nursing facility cases where ABC coding indicates a couple shares a room
- ◆ Nursing facility cases with Miller trusts or MAITs
- ◆ SSI-related automatic redetermination
- ◆ State Supplementary Assistance (except residential care facility)

Programs Included in the Automated ELIAS Process

For individuals in ELIAS, any individuals who have an income record with Social Security will be updated with the COLA.

Data Sources

The primary sources of COLA data are files sent to the states from the Social Security Administration's State Data Exchange (SDX) System, which supports the SSI program, and its BENDEX System for Social Security benefits and Medicare premium payer and amounts.

When a COLA increase is to be effective with January eligibility and benefits, the Department central office usually receives the two files for Iowa during the last two weeks of the preceding November.

The other sources of data are the ABC system, the ELIAS system, and a system file of facility provider information.

Methodology for Matching

SDX and BENDEX records received from Social Security for COLA are matched to individual records in the ABC and ELIAS systems. The matching process uses the following information from SDX and BENDEX:

- ◆ Social security number (SSN).
- ◆ Birth date (month and year).
- ◆ State identification number (SID number). SID numbers are assigned by the Department and are not always included on the SDX or BENDEX.

An alert is generated in WISE when an ABC or ELIAS individual record is not matched with an SDX or BENDEX, but the individual record indicates SSI, Black Lung, or Social Security income.

BENDEX and SDX records are updated at the time of COLA just as they are other times of the year. See 14-G, [Exchange of Data With Other Agencies](#), and 14-E, [SSI State Data Exchange](#).

When BENDEX and SDX records are matched, the ABC and ELIAS systems update the person's records for the programs based on the person's status codes.

NOTE: ELIAS updates using only Bendex for COLA.

Case calculations are performed as appropriate to the program and individual records.

Income records are updated, but program calculations are not performed when:

- ◆ The certification or limit date will end before the COLA effective date.
- ◆ The person and program are "recently closed."
- ◆ A nursing facility case has an OHP code of "1" indicating a noninstitutionalized spouse. (You must review the diversion amount and other income and update the BCWs to cause a recalculation. An alert is generated in WISE during the COLA run to indicate this type of case.)

Social Security amounts are countable income for all programs.

SSI amounts are countable income for SNAP and are used in computation of client participation. When benefits are changed, a *Notice of Decision* is automatically generated.

System Actions for Programs

Automated transfer of Social Security and SSI amounts to ABC and ELIAS individual income records occurs only for COLA.

SSI benefit amounts are transferred directly from the SDX file to the ABC individual income records. If a match occurred for active or “recently canceled” status people, these transferred amounts are displayed on the screens by program.

Social Security benefit amounts are calculated from data on the BENDEX file. These resulting amounts are transferred to the ABC or ELIAS individual income records by program for active or recently canceled people.

For facility programs, the system uses the amount of Social Security before any reduction for overpayment. For other programs, the system uses the amount of Social Security after reduction for overpayment. COLA Bendex Alert 1986 is generated for facility and RCF cases when the overpayment amount is greater than zero.

If a client disputes the amount of Social Security income, use the automated TPQ2 process to request an update.

The amount of the standard **Medicare premium** usually changes for the same month as the Social Security benefit is increased. The standard premium amount, changed or not, is used:

- ◆ To determine the portion of the medical expense deductions attributable to the Medicare premium in the computation of SNAP; and
- ◆ In the computation of client participation in the facility programs.

The following sections explain how these changes are applied to:

- ◆ [Medicaid and RCF cases](#)
- ◆ [SNAP cases](#)
- ◆ [FIP and Refugee Cash Assistance cases](#)
- ◆ [Updates to the ABC system](#)

Medicaid and RCF

Legal reference: 441 IAC 50.2(1), 52.1(3), and 75 (Rules in Process)

The Medicaid and State Supplementary Assistance programs require that Social Security benefits be counted as income in determining eligibility.

Policy for the facility and RCF programs requires that Social Security and SSI amounts are counted as income in determining client participation amounts.

See 8-I, [Client Participation](#) and 6-B, [Residential Care Facility Assistance](#).

The effective month for counting increased income due to COLA is the first month in which the increase will be received. According to policy:

- ◆ MAGI-related Medicaid programs use the Social Security benefit **after** any overpayment is deducted to calculate eligibility.
- ◆ Non-MAGI-related Medicaid programs use the Social Security benefit **before** any overpayment is deducted, to calculate eligibility and benefits.

Mr. A has an overpayment deducted from his Social Security benefits. He is eligible for SNAP and a non-MAGI-related Medicaid program. The Social Security benefit used as income for SNAP is the amount with the overpayment deducted. The Social Security benefit used as income for non-MAGI-related Medicaid is the amount without the overpayment deducted.

The initial annual COLA processes update facility income records. The BENDEX "adjusted entitlement amount" is used as the Social Security income. Income amounts are updated to the individual's facility income records at the same time as income records for the other programs are processed.

Client participation is redetermined for ongoing RCF cases where a match has occurred. The **personal needs allowance** is automatically changed for RCF cases, if appropriate. System-generated calculations in December change the personal needs allowance for cases not processed in the COLA, if necessary. Special procedures are required for applications. See [Applications](#).

Delay of Facility Calculations

To allow time for you to update other income and deduction data, the calculation of January eligibility and client participation for facility and RCF cases is delayed. You may update other income and deduction data for the effective month, thus causing calculations with those data and the system-generated COLA data.

System-generated calculations are performed in December, generating notices of decision as appropriate, to allow for timely notice of adverse actions. System-generated calculations are delayed until timely notice considerations require that they be completed. Delay of the COLA calculations reduces and consolidates notices of decision, and provides a complete picture for the client or the client's representative.

If you have not made successful income record entries by the time actions are necessary to allow timely notice, the system will cause COLA calculations to occur, generating a *Notice of Decision*, etc.

SNAP

Legal reference: 7 CFR 273.12(e)(3)

The SNAP program requires that Social Security and SSI be counted as income in determining eligibility and benefit level. According to policy, SNAP uses the Social Security benefit **after** any overpayment is deducted to calculate eligibility and benefits.

The first month for counting the increased income amount in determining eligibility and benefits is the first month in which the increase is received.

FIP and Refugee Cash Assistance

Legal reference: 441 IAC 41.27(1)"a"

The FIP and Refugee Cash Assistance programs require that Social Security benefits be counted as income in determining eligibility and benefit levels. According to policy, FIP and RCA use the Social Security benefit **after** any overpayment is deducted to calculate eligibility and benefits

The first month for counting the increased income amount in determining eligibility and benefits is the first month in which the increase is received.

A person cannot receive FIP and SSI at the same time. If you get a COLA match that an active FIP recipient is getting SSI review the case and take appropriate action. See 4-C, [Eligible Group](#).

Updates to the ABC System

Social Security and SSI income amounts are displayed on ABC's income record screens for all programs under unearned income UNEARN and SR fields. See 14-B Appendix, [BCW2](#).

When a valid ABC individual income record displayed on income record screens includes Social Security or SSI income, the new amount for these programs, if any, replaces the corresponding previous amounts in the January ABC income record to be used to determine eligibility for each applicable program.

For the facility programs, the new amount also replaces the corresponding previous amounts in the January ABC income record to be used to redetermine client participation.

When a valid ABC individual income record does not include Social Security or SSI amounts, the new amounts are placed in the applicable January individual income record without replacing other previous income amounts.

When an ABC individual income record does not exist in the ABC system, the system creates a record, if possible. In both of these situations, a message is generated in WISE narrative.

The following sections explain the system updates involved for:

- ◆ [System processing for January eligibility and benefits](#)
- ◆ [System processing for medical expense deductions](#)

Processing COLA

Income records created or updated for January are used in system-generated calculations for eligibility and benefit determinations for assistance in all programs for which COLA processing is automated.

The income records are used in system-generated calculations of client participation amounts for January. Calculations are not done for months beyond the limit date, or the SNAP certification end date. Changes to Medicare premium information can also cause a calculation.

When the calculations determine ineligibility, the system generates a *Notice of Decision* and cancels the program effective January 1. When FIP or Refugee Cash Assistance is canceled, the notice also specifies the anticipated SNAP benefit amount, if the household's current certification period extends into January.

When the calculations determine a change in the amount of client participation, the system generates a *Notice of Decision*. The Facility Subsystem is updated with the new client participation data.

When calculations do not result in a change in eligibility, benefits, or client participation, no *Notice of Decision* is generated.

Medical Expense Deductions

The medical expense deduction fields for SNAP and facility calculations should include all medical expense amounts other than the standard Medicare premium amount. In system COLA processing, these amounts plus the standard Medicare premium, if applicable, are used in computations.

The standard Medicare premium is included for COLA processing when the MP indicator displayed on the ABC's TD03 screen is 'Y.' The client is responsible for payment of the premium if the MP indicator code is 'Y.'

When the premium is included and the amount is increased effective January 1, the new amount is used for calculations for January and later. The automated COLA process may update the MP indicator with information from the BENDEX file.

For required system entries for nonstandard Medicare premium amounts, see 14-B(5), [Medicare Premiums](#) for SNAP entries and 14-B(9), [Medicare Premium](#) for facility and SSI-related Medicaid entries.

The first month for counting the increased Medicare premium amount in determining eligibility and benefits for SNAP is the first month in which the increase is applied.

Updates to the ELIAS System

The updated income file is brought from Bendex to ELIAS where Social Security (Disability, Retirement, Survivors) income is collapsed into one income for the upcoming year. The COLA Income Update batch job will find the income amount records that need to be updated and will end date them for December 31 of the current year. Then it will create new records with the updated income amount and a begin date of January 1 of the following year. Within this record, the Income Adjustment field will be populated with the difference between the new Bendex COLA amount and the Income Reported amount from the prior year. The Income Adjustment dropdown value will be set to DAC/COLA or null.

Manual Processing

Worker action is necessary for:

- ◆ Applications approved after the last BENDEX or SDX exchange before COLA processing.
- ◆ Cases where buy-in was not processed in time for the matching process for COLA, but buy-in occurred before the COLA calculation ran.
- ◆ Cases where COLA data are not received.
- ◆ Cases where there is an error in COLA processing, such as an incomplete BCW, or a discrepancy in date of birth.
- ◆ Foster care and adoption subsidy cases (identified by an 18 or 19 FBU).
- ◆ HCBS waiver cases in Medically Needy or hospital-only aid types.
- ◆ Hospital-only Medicaid cases.
- ◆ Medically Needy cases.
- ◆ Nursing facility cases with a medical assistance income trust (MAIT). These cases are identified by a BCW2 unearned income type of 'S' with an amount equal to the current 300% income limit.
- ◆ Nursing facility cases with an OHP code of "1" (noninstitutionalized spouse case).
- ◆ Nursing facility cases with an OHP code of "2" (couple cases).
- ◆ SSI-related automatic redetermination cases.
- ◆ State Supplementary Assistance cases other than RCF.

Applications

Individual income records are not automatically updated for programs for which people have a pending status when COLA processing occurs in late November or early December.

As applications are processed for November through January, be aware that Social Security and SSI income may or may not have been updated on the income records, depending on the timing of BENDEX, COLA, and ABC or ELIAS data. Therefore, when a person has Social Security or SSI income, check the income records. If the income is not present, enter it from BENDEX or TPQ1 or TPQ2 data, or run Electronic Data Sources (EDS), as appropriate.

Errored Cases

When you receive an alert in WISE for COLA, manual COLA processing is necessary. Determine the amount of the Social Security or SSI income. Enter it for eligibility and benefit determination for all programs and client participation.

The alerts generated by the processing of COLA are numbered 1971 through 1989 for ABC Bendex, 2971 through 2989 for ABC SDX, and 1301 through 1302 for ELIAS. Instructions for handling of these alerts are found in 14-B-Appendix.

Facility Couple and NIS Cases

Alerts 1971 and 2971 indicate that because the OHP field, displayed on the ABC TD03 screen, was coded "1" to indicate a noninstitutionalized spouse, income was updated, but the program was not recalculated.

Manually calculate the diversion for the spouse or family at home and the total client participation for this person. Review cases where the noninstitutionalized spouse receives other income benefits, as there may now be a deficit in the spouse's income and a diversion due the spouse.

Alerts 1987 and 2987 indicate that, because the OHP field displayed on the ABC TD02 screen was coded "2" to indicate a couple case, COLA processing was not done, to allow you to enter the adjusted income. Manually calculate the countable income for each spouse and enter on the appropriate case.

Manual Determination of Social Security Gross Amount

Manual calculation of the countable Social Security benefit is necessary only when COLA data are not received. Applicants and people very recently approved may not have been included in the COLA files.

If the pre-COLA entitlement amount is not available, calculate the increase according to the pre-COLA amount of the check. Verify all manual calculations with the client after benefits are received. Correct errors and issue a notice in the usual manner.

If the person does not have a Medicare premium deduction because the person is on buy-in or does not have Part B Medicare, multiply the entitlement amount for December by 1.0xx, where xx equals the percent of increase. Round the answer up to the nearest cent; then round down to the next lower dime. This is the new gross amount.

Dual Entitlement

If a person has a dual or triple entitlement for Social Security and matching was done using the State ID for each of the person's BENDEX records, the automated COLA processing adds all the entitlement amounts together and makes one Social Security income entry. If any entitlement cannot be matched by state ID number, the system generates an alert to notify the worker.

If there is a question or alleged discrepancy regarding dual or triple entitlement amounts, generate an automated TPQ2 request to obtain benefit information. The Social Security Administration may have incorrectly linked claim numbers or calculated amounts.

Medicare Premiums

Sometimes Medicare buy-in has occurred but BENDEX has not been updated. Therefore, when determining client participation for facility cases, note that the BENDEX may not reflect the correct amount of Social Security benefits or the correct Medicare premium payer.

When a notice has been issued that shows a new client participation amount based on buy-in, but BENDEX does not show that buy-in has occurred, use the gross amount of the Social Security amount on BENDEX. Round down the cents to determine the correct amount of Social Security benefits to enter for determining client participation. If there are questions about whether buy-in has occurred, access the SSBI screen.

State Supplementary Assistance

Processing for State Supplementary Assistance cases depends on which agency administers the payments:

- ◆ Payments administered by the **Social Security Administration** include mandatory state supplements, blind supplements, dependent person, and family-life home benefits.

The Social Security Administration adjusts these payments. Worker actions are required only in family-life home cases. The new standard allowance and personal needs allowance for State Supplementary Assistance family-life home care are issued in 6-B, [Making the Family-Life Home Payment](#). (See also RC-0018, [Supplemental Security Income Payment Standards](#) in 6-Appendix.)

Issue a *Notice of Decision* indicating the new client participation and payment to the family-life home provider so that timely notice is provided in December. If a family-life home client has less than \$20 income above SSI, authorize a state grant through the ABC system to bring the income up to \$20.

- ◆ Payments administered by the **Department** include residential care and in-home health-related care supplements.

Redetermine client participation for in-home health-related care by using the new SSI payment levels for maintenance allowances. Mail a *Notice of Decision* reflecting these changes so that timely notice is provided in December.

Verify manually calculated benefit amounts after January 1. Correct errors in client participation and make an adjustment to vendor payment, if necessary.

503 Medical-Only Cases

People who become ineligible for an SSI or State Supplementary Assistance money payment because of an increase in Social Security or the Social Security share of Railroad Retirement benefits shall remain eligible for Medicaid if they would now be eligible for SSI or State Supplementary Assistance if all Social Security COLAs since they were last eligible were deducted.

A special report from SSI, called *Redetermine to SSI Ineligible Due to Coverage*, is added to the Mainframe Reports as soon as it is available. This report identifies people canceled from SSI and federally administered State Supplementary Assistance who are potentially eligible for the 503 medical-only coverage group.

Update eligibility for people determined to have continued eligibility under "SSI Ineligible Due To", depending on the basis for SSI eligibility.

People who have been canceled from SSI or State Supplementary Assistance since 1977 may become eligible for Medicaid under the 503 group when the SSI and State Supplementary Assistance benefit levels increase. Review cases of people applying for Medically Needy to see if the applicant would be eligible for the 503 group by disregarding COLAs since cancellation. The *Redetermine to SSI Ineligible Due to Coverage* report should identify these people to you.

Medically Needy

Count monthly income prospectively for Medically Needy. For six-month certification cases and ongoing eligibility Medically Needy cases, review and recalculate the new income.

If the income causes the certification period to be shortened, or ongoing eligibility is lost because of the onset of a spenddown, issue a manually prepared *Notice of Decision* to the client. Provide timely notice in December.

When applications and recertifications include the month of January or later months, process them with the new income amounts. Allow the increased Medicare premium as a deduction from spenddown for January and ongoing months if buy-in has not occurred.

Home- and Community-Based Waivers

Redetermine client participation for any home- and community-based waivers excluded from the automated COLA using the new SSI benefit levels as the maintenance allowance.

Members who are ineligible for SSI due to the deeming of parental income and resources may be eligible for SSI after January 1, depending on the amount of income or resources of the parents or spouse. Review the existing cases and refer potential eligibles to the Social Security office to apply for SSI.

If a member on the health and disability waiver is found eligible for SSI, cancel the waiver case, if appropriate, based on the member's age and do an automatic redetermination to the non-MAGI-related Medicaid case.

Social Security COLA Disregard for QMB, SLMB, E-SLMB, and MEPD Eligibility

The system will utilize the 'adjustment' field on the income detail page and subtract the difference between the new Social Security amount and the previous Social Security amount. Workers should not take action/make modifications to the 'adjustment' field. If an individual is active on MEPD or MSP, the adjusted amount will be used for determining eligibility prior to April 1. This will ensure if EDBC is ran for a MAGI case, in which the individual is a FRI, the new income amount will be used in the budget. However, when EDBC is ran for an MEPD or MSP case between the COLA batch update and the new FPL updates, the previous Social Security income amount will be used.

Social Security COLA increases are not counted as income for QMB, SLMB, E-SLMB, QDWP, or MEPD until the month following the month when the revised federal poverty level is published. For ELIAS, that will be April 1. A batch will run to update all MEPD and MSP cases with the new COLA income after the FPL batch run has occurred.

Other Income and Insurance Changes

Pension or retirement benefit income and health insurance premiums are often changed for the same month as the SSI and Social Security COLAs. Income amounts are not automatically adjusted for other pensions. COLA calculations for facility and RCF records are delayed to allow workers to enter other unearned pension income and deduction amounts.

Railroad Retirement Benefits

The Railroad Retirement Board often increases benefits when Social Security COLAs are made. The Department is not notified of the increase for each recipient, and there is no simple formula that can be applied.

Clients are required to report this change of income according to the policies of the program under which they receive benefits. The Railroad Retirement Board provides a notice of entitlement to the client with the first payment of the increased benefit. The client should provide this to you.

If the client is unable to provide verification, you may contact the Railroad Retirement Board to verify the new benefit amount. The client shall complete an *Authorization for Release of Information*, form 470-0461, before this contact. The Board's contact information link is included in the Manual Letter. The name of the person receiving benefits and the claim number must be provided when requesting the new benefit amount.

Civil Service Retirement Income

Civil Service Retirement pensions often increase effective January 1. The rate of increase is issued in a Manual Letter, when available. The Department is not notified of the increase for each recipient. Clients are required to report this change of income according to the policies of the program under which they receive benefits.

You may verify civil service pension amounts by writing to the Civil Service Commission at 1900 E St. NW, Washington, D.C. 20415. The client shall complete an *Authorization for Release of Information*, form 470-0461, before you contact the Commission.

Veterans Benefits

Veterans benefits often increase effective January 1. The rate of increase for the pensions is issued in a Manual Letter, when available. The increase can be estimated by multiplying existing annual pension benefits by the rate preceded by one (1.0xx), rounding down, and then dividing annual benefits by 12 and dropping the cents.

Recipients shall report and verify changes according to the policies of the program under which they receive benefits. If the client is unable to provide verification, obtain an *Authorization for Release of Information*, form 470-0461, before contacting the Veterans Administration.

Iowa Public Employment Retirement System Payments

If IPERS benefits are changed effective January 1, or if dividends will be paid, information on the change will be included in the Manual Letter.

Other Medical Insurance

Medical insurance premiums are often changed when Medicare premiums are changed. There is no system-generated processing for these premium changes. For facility and RCF records, COLA calculations are delayed to allow workers to enter changes to deduction data.