



Iowa Department of Human Services

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MANUAL LETTER NO. 14-B(8)-29

ISSUED BY: Division of Adult, Children and Family Services

SUBJECT: Cost of Living Adjustments for 2012

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 2012, unless otherwise noted.

TYPE OF BENEFIT	PERCENTAGE INCREASE OR NEW AMOUNT	
SSI	Individual in own home	\$ 698.00
	Couple in own home	\$ 1,048.00
	Individual in medical institution	\$ 30.00
	Individual in household of another	\$ 465.34
	Couple in household of another	\$ 698.67
	Essential person increment	\$ 350.00
Medical institution income limit	\$2,094.00	
Social Security	3.6% increase	
Medicare Part B premium	\$99.90 (the standard amount deducted from social security benefits for people paying their Medicare premium)	
Minimum monthly maintenance needs allowance (MMMNA)	\$2,841.00	
Maximum community spouse resource allowance	\$113,640.00	
Civil Service	3.6% increase for Civil Service Retirement System (CSRS) benefits and Organization Retirement and Disability System (ORDS) benefits.	
Federal retirement	2.6% increase for Federal Employees Retirement (FERS) and FERS special benefits.	
Black Lung	Black Lung benefits will not have a COLA increase for 2012.	
Veterans Improved Pension	COLA information is not yet available.	

TYPE OF BENEFIT

PERCENTAGE INCREASE OR NEW AMOUNT

Railroad Retirement

Tier 1 benefits: 3.6% increase
Tier 2 benefits: 1.2% increase

Beneficiaries will be notified of their COLA increase by mail in late December 2011.

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*. Call 515-284-4344 for verification of amounts after January 1.

Local Railroad Retirement Boards should also be able to verify increased benefit amounts after January 1. You may send a list of the clients who have signed a release to the local Railroad Retirement Board to verify the amounts.

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, dividends will be paid to with the January 31 benefit check. A person must have been retired at least one full calendar year to be eligible for a dividend.

Verify the amount received individually.

Implementation

The 2012 COLA will include anyone on the ABC system as of October 24, 2011, with an active, pending, or recently canceled status. Refer to 14-B(8), [Manual Processing](#), for instructions for necessary desk reviews for noncalculated Medicaid cases.

Delay of Facility Calculations

Calculations from income records updated by COLA are delayed to allow you to enter other data. This results in only one notice being sent to the client, only one set of *Facility Cards* generated, etc. You are strongly encouraged to take advantage of this delay feature by entering any other changes before December 9.

This year the facility calculations are scheduled for December 9, 2011. If no income or deduction changes are entered on a case between the COLA run on November 23 and December 9, the client receives a notice after the facility calculations are run on December 9. The notice includes income from the COLA run.

If an income or deduction change is entered after November 23, but before December 9, 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 9.

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.

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 Food Assistance

For the Food Assistance program, use the new social security amount when determining prospective eligibility and benefits for January 2012 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 14-E, [Food Assistance 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 2012 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 and FMAP-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, and QDWP. See below for treatment of increased income due to COLA for those coverage groups.

IowaCare Cases

IowaCare cases with aid types of 60-E and 60-P will be included in the automated COLA run. This means that for anyone who receives social security, the person's new social security amount will be added to the BCW2s for the IowaCare case and any cases where the person is a considered person. The IowaCare premium will be recalculated with the new social security amount, but the premium will change if the new calculation is a lower amount.

IowaCare cases with an aid type other than 60-E or 60-P must be manually calculated to determine the impact of the increased social security amount, if applicable.

Desk Review of SSI-Related Medically Needy Ongoing Eligible Cases

To determine which Medically Needy clients are ongoing eligibles, refer to the 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 14-B(8), [Manual Processing](#).

Social Security COLA Disregard for QMB, SLMB, E-SLMB, or QDWP Eligibility

Social Security COLA increases are not counted as income for QMB, SLMB, E-SLMB, or QDWP or until the month following the month when the revised federal poverty level is published. Therefore, in determining initial and ongoing eligibility for these cases, exclude income attributable to the social security COLA for (at least) the months of January and February. Central office will send a SPIRS note if the COLA increase is to also be excluded for March.

NOTE: When there is QMB or SLMB eligibility concurrent with eligibility for other coverage groups, the COLA increase must be used to determine eligibility for the other coverage groups.

If the client has income other than social security that increases, change the poverty level indicator to reflect the non-social security increase. However, do not change the poverty level indicator to reflect the social security COLA increase until it is countable for QMB or SLMB.

Social Security Overpayment Deductions

According to policy, the Food Assistance, 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 Food Assistance, 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 Food Assistance and an SSI-related Medicaid program.

The social security benefit used as income for Food Assistance 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 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 COLA run:

00-0	02-7	14-0	14-3	37-E	64-0	64-3	90-0
02-1	02-8	14-1	14-6	60-0	64-1	64-6	90-2
02-3	10-0	14-2	24-6	60-M	64-2	73-4	

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.

Special COLA Processing

The following aid types have SSI and social security income added with the automated COLA run, but eligibility is not recalculated and a *Notice of Decision* is not issued:

37-0	FMAP, transitional or extended Medicaid
38-0	FMAP, automatic redetermination
14-4	SSI-A, automatic redetermination
64-4	SSI-D, automatic redetermination

COLA WARS

No.	ABC Wording	Instructions
971	NIS CASE	This case has a person with an OHP code of 1 (NIS indicator). 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.
972	NO SOURCE CODE A	Unearned income source code "A" (SSI income) was missing for COLA processing. The system placed the code "A" and the amount in the BCW2 record and recalculated the case.
973	NO SOURCE B OR T	Unearned income source code "B" (SSA income) or "T" (Black Lung income) was missing for COLA processing. The ABC system placed the code and amount in BCW2 and recalculated the case.
974	TOO MANY BCWS	<p>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.</p> <p>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.)</p>
975	SSA/BL NO COLA	<p>The person's BCW2 record has SSA or Black Lung 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 or Black Lung benefits.◆ Birth date did not match.◆ Person or case was approved after the deadline for exchanges with the Social Security Administration.
976	SSI BUT NO COLA	<p>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.
980	INV FS INCOME	For Food Assistance, COLA processing requires a BCW income record that contains both "E" and "B" income indicators. Either the "E" or "B" indicator was not found.
981	INV FIP INCOME	For FIP, COLA processing requires a BCW income record that contains both "E" and "B" income indicators. Either the "E" or a "B" indicator was not found.

982	INV MED INCOME	For Medicaid, COLA processing requires a BCW income record that contains both "E" and "B" income indicators. Either the "E" or a "B" indicator was not found.
983	INV FAC INCOME	For facilities, COLA processing requires a BCW income record that contains both "E" and "B" income indicators. Either an "E" or a "B" indicator was not found.
984	MILLER TR/MAIT	A person on the case has Miller trust/medical assistance income trust (MAIT) income. ABC COLA processing does not occur for Medicaid or facility cases if a person on the case has such income. Make entries for Medicaid or facility income records that reflect the new Miller trust/MAIT amount.
985	FIP/FMAP SSI INC	SSA sent a COLA record for a person who has a FIP or FMAP status of "A," "B," "C," "E" (FIP only), "H," "F," or "I." No FIP or FMAP income record was created or updated.
986	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.
987	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.
988	DUAL/TRIPLE SSA	This case has a person with dual or triple entitlement for social security. Social security may not have updated correctly during COLA. Review BENDEX and update ABC if needed.
989	UNEARNED 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, 2012

Material Superseded

This letter replaces Manual Letter No. 14-B(8)-28, dated November 14, 2008, in Employees' Manual, Title 14, Chapter B(8).

Additional Information

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