

TO: Local District Commissioners, Medicaid Directors

FROM: Judith Arnold, Director
Division of Eligibility and Marketplace Integration

SUBJECT: 2018 Federal Poverty Levels

EFFECTIVE DATE: January 1, 2018

CONTACT PERSON: Local District Support Unit
Upstate (518) 474-8887 NYC (212) 417-4500

The purpose of this General Information System (GIS) message is to inform local departments of social services (LDSS) of the revised federal poverty levels (FPLs). The revised FPLs are effective January 1, 2018, as published in the Federal Register.

The new FPLs should be used for all transactions with a January 1, 2018 MBL/eligibility "From" date. The revised figures will be available on MBL on March 19, 2018. For all new and pending applications, income must be compared to the 2018 FPLs.

Due to the increase in the FPLs, some Specified Low-Income Medicare Beneficiaries (SLIMB) may be income eligible for the Qualified Medicare Beneficiary (QMB) benefit and some Qualified Individuals-1 (QI-1) may become eligible for SLIMB. In such cases, staff must complete a 99-change transaction on the eMedNY Buy-in span, with the effective date of January 1, 2018, and change the Medicare Savings Program (MSP) code appropriately. For NYC, the change in MSP level can be transmitted via an undercare case transaction.

To assist districts with evaluating possible necessary changes, the following will occur:

- Upstate will perform a limited Mass Re-Budget (MRB) on March 17, 2018. The cases to be re-budgeted and have a 2018 Cost of Living Adjustment (COLA) applied are those that are included in the Aged, Blind, Disabled (ABD) or Medicare Savings Program (MSP) Automated Renewal Process. Upstate will not perform a MRB on any other budgets. Districts are required to manually update all other affected budgets at next contact or at renewal.
- New York City will perform a MRB on April 7, 2018 on Budget Types 01 - 07 for qualified budgets on open Case Type 20. The MRB will only impact cases with Social Security income. A closing transaction will be established for cases as appropriate. The MRB Reports of Exclusions and Exceptions will be created for the following budgets:
 - Budget 01 with EEC Code of "M";
 - Budget 04 with EEC codes of "E", "A", "H";
 - Budget 04, 05, 06, 07 with Buy-In Indicator = "A"; and
 - Budget 04 for MBI-WPD cases with MA RESP area code = "WD" or "PD".

The Human Resources Administration must evaluate and take appropriate action on these cases.

Medicare Part B Premium

In 2018, there is a COLA of 2% for Social Security benefits. Under a “hold-harmless” provision of federal law, basic Medicare Part B premiums in any year cannot rise higher than that year’s COLA.

Many people were held harmless in 2017 because the COLA for that year (0.3%) was not large enough to cover the full amount of the increased Part B premium (\$134.00).

In 2018, most of those who will be held harmless, will pay the full Part B premium. In other words, the 2% COLA will generate enough increased income for them to pay \$134.00 without reducing their net Social Security benefits.

For the remainder of those held harmless, their 2% Social Security COLA increase will not be sufficient to cover the entire Part B premium. They will pay a range of smaller Part B premiums, based on their 2018 COLAs.

The “hold-harmless” provision does not apply to all beneficiaries. The Medicare Part B premium for individuals in the following categories will pay the standard premium of \$134.00 (or higher) in 2018:

- Individuals whose income is above \$85,000, or a married individual when the couple’s combined income is over \$170,000, will pay the standard premium and an Income Related Monthly Adjustment Amount (IRMAA);
- New Medicare Part B beneficiaries. Since these individuals did not pay the Medicare Part B premium in 2017, the “hold harmless” provision does not apply; and
- Individuals who do not have the Medicare Part B premium deducted from their Social Security benefit. This includes individuals who are enrolled in the Medicare Savings Program. These individuals will not be directly affected; the increased premium will be paid by Medicaid.

If a person has chosen to pay the Medicare Part B premium to reduce excess income, the actual premium that is paid must be used in calculating the individual’s budget.

Family Member Allowance

As a result of the increase in the FPLs, the amount used in the Family Member Allowance (FMA) formula increased to \$2,058. The maximum monthly FMA increased to \$686. All spousal impoverishment cases involving a family member entitled to the family member allowance, which were active on or after January 1, 2018, and which were budgeted using the 2017 Family Member Allowance, must be re-budgeted using the 2018 Family Member Allowance. In addition, the increased Family Member Allowance must be used effective January 1, 2018, in determining any requested contribution of income from a community spouse or from a spouse living apart from an SSI-related applicant/recipient. Budget adjustments should be made at next contact or renewal.

If a district determines that a previously budgeted case has been negatively affected due to use of the 2017 FPL, or a case is brought to the district’s attention, the case should be re-budgeted using the revised FPLs. If eligible, covered medical expenses paid by an individual as a result of an improper calculation, must be reimbursed pursuant to 10 OHIP/ADM-9, “Reimbursement of Paid Medical Expenses Under 18 NYCCR §360-7.5(a).”

Charts with the 2018 FPLs for the various categories of Medicaid eligibility are attached to this GIS.