

TO: Local District Commissioners, Medicaid Directors

FROM: Lisa Sbrana, Director
Division of Eligibility and Marketplace Integration

SUBJECT: 2021 Federal Poverty Levels

EFFECTIVE DATE: January 1, 2021

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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, 2021, as published in the Federal Register.

The new FPLs should be used for all transactions with a Medicaid Budget Logic (MBL) eligibility "From" date of January 1, 2021, or later. The revised figures will be available on MBL on April 19, 2021. For all new and pending applications, income must be compared to the 2021 FPLs.

Due to the ongoing Public Health Emergency (PHE), Phase 1 of Mass Re-Budgeting (MRB), including the systematic update of the 1.3 percent (%) Cost of Living Adjustment (COLA), was not run. Districts will be informed of any updates regarding MRB.

Due to the increase in the FPLs, some Specified Low-Income Medicare Beneficiaries (SLMB) may be income eligible for the Qualified Medicare Beneficiary (QMB) benefit and some Qualified Individuals (QI) may become eligible for SLMB. In such cases, staff must complete a 99-change transaction on the eMedNY Buy-in span, with the effective date of January 1, 2021, and change the Medicare Savings Program (MSP) code appropriately. For NYC, the change in MSP level can be transmitted via an undercare case transaction.

Medicare Part B Premium

In 2021, there is a COLA of 1.3% for Social Security benefits. Under a "hold-harmless" provision of federal law, a beneficiary's Medicare Part B premiums in any year cannot rise higher than that year's COLA.

In 2021, most beneficiaries will pay the full Part B premium. In other words, the 1.3% COLA will generate enough increased income for them to pay \$148.50 without reducing their net Social Security benefits.

If an individual's Social Security benefit does not increase enough for them to pay the \$148.50 without their benefit decreasing, the "hold harmless" provision will limit the Part B premium increase to the amount of their 2021 Social Security benefit increase.

The "hold-harmless" provision does not apply to all beneficiaries. The Medicare Part B premium for individuals in the following categories will increase to \$148.50 (or higher) in 2021:

- Individuals whose income is above \$88,000, or a married individual when the couple's combined income is over \$176,000, 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 2020, 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 an individual has chosen to pay the Medicare Part B premium to reduce a spenddown obligation, 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 \$2,178.00. The maximum monthly FMA increased to \$726. All spousal impoverishment cases involving a family member entitled to the family member allowance, with a budget effective date of January 1, 2021 or later, and which were budgeted using the 2020 Family Member Allowance, must be re-budgeted using the 2021 Family Member Allowance.

If a district determines that a previously budgeted case with a “From” date of January 1, 2021 or greater, has been negatively affected due to use of 2020 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 because of an improper calculation must be reimbursed pursuant to 10 OHIP/ADM-9, “Reimbursement of Paid Medical Expenses Under 18 NYCRR §360-7.5(a).”

Charts with the 2021 FPLs for the various categories of Medicaid eligibility are attached to this GIS.

Please direct any questions to your local district liaison.