

TO: Local District Commissioners, Medicaid Directors

FROM: Gabrielle Armenia, Director
Division of Eligibility and Marketplace Integration

SUBJECT: 2025 Federal Poverty Levels

ATTACHMENT: 2025 FPL Chart

EFFECTIVE DATE: January 1, 2025

CONTACT PERSON: Local District Support Unit
Rest of State (ROS) (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, 2025, 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, 2025, or later. The updated levels will be available in MBL on February 17, 2025. For all new and pending applications, income must be compared to the 2025 FPLs. All redeterminations effective January 1, 2025, or later, must be re-budgeted retroactive to January 1, 2025, using the Medically Needy Income Level (MNIL) based on the 2025 FPLs. As a result of the increase in the MNIL, the personal needs allowance for certain waiver participants and Managed Long Term Care enrollees who are subject to spousal impoverishment budgeting increases to \$633 effective January 1, 2025.

Neither Phase 1 nor Phase 2 of Mass Re-Budgeting (MRB), including the systematic update of the 2.5 percent (%) Cost of Living Adjustment (COLA), was run. Districts will be informed of any additional 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. In such cases, staff must complete a 99-change transaction on the eMedNY Buy-in span, with the effective date of January 1, 2025, 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 2025, there is a COLA of 2.5% 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 2025, most beneficiaries will pay the full Part B premium. In other words, the 2.5% COLA will generate enough increased income for them to pay \$185.00 without reducing their net Social Security benefits.

If an individual's Social Security benefit does not increase enough for them to pay the \$185.00 without their benefit decreasing, the "hold harmless" provision will limit the Part B premium increase to the amount of their 2025 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 \$185.00 (or higher) in 2025:

- Individuals whose income is above \$106,000, or a married individual when the couple's combined income is over \$212,000, 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 2025, 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 \$2,644.00. The maximum monthly FMA increased to \$882. All spousal impoverishment cases involving a family member entitled to the family member allowance, with a budget effective date of January 1, 2025, or later, and which were budgeted using the 2024 Family Member Allowance, must be re-budgeted using the 2025 Family Member Allowance.

If a district determines that a previously budgeted case with a "From" date of January 1, 2025, or greater, has been negatively affected due to use of 2024 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 NYCRR §360-7.5(a)".

Congregate Care

Medicaid eligibility for SSI-related consumers is determined by comparing income, after appropriate deductions, to the MNIL or the Medicaid Standard (and MBL Living Arrangement Chart as appropriate) – and applying whichever income level is most beneficial. For individuals residing in Congregate Care living arrangements, the Congregate Care income levels, generally, are higher than the MNIL. Districts are reminded to apply the most beneficial income level.

Special Income Standard for Housing Expenses

The special income standard for housing expenses that is available to certain individuals who enroll in the Managed Long-Term Care program (See 12 OHIP/ADM-5 and GIS 14 MA/017 for further information) varies by region. The 2025 amounts for each region have been updated based on the FPLs for 2025.

Pickle Reduction Factors

The Pickle chart attached to this GIS has been updated with the most up-to-date Pickle reduction factors.

Charts with the 2025 FPLs for the various categories of Medicaid eligibility are attached to this GIS. Please direct any questions to your local district liaison.