

TO: Local District Commissioners, Medicaid Directors

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

SUBJECT: 2016 Federal Poverty Levels

EFFECTIVE DATE: January 1, 2016

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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, 2016, which are the actual poverty levels published in the Federal Register on January 25, 2016.

The new FPLs are effective for cases with a budget "From" date of January 1, 2016 or later. The revised figures will be available on MBL on April 4, 2016. For all new and pending applications, income must be compared to the 2016 FPLs.

As a result of the increase in the FPLs, some Specified Low Income Medicare Beneficiaries (SLIMB) may be income eligible for the Qualified Medicare Beneficiary (QMB) benefit. In such cases, staff must complete a 99 change transaction on the eMedNY SLIMB Buy-in span with the effective day of January 1, 2016 and change the Medicare Savings Program (MSP) code from L to P.

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

- Upstate will not perform a mass re-budget. Budget Types 04 – 10 with a Buy-In Value and/or Family Member Allowance Code 23 that were created or modified between January 1 and April 4, 2016 will be available on the COGNOS MRB Eligibles report or the BICS que. Districts must evaluate and take appropriate action on these cases.
- New York City will perform a mass re-budget on Budget Types 01 - 07 for qualified budgets on open case type 20. 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";
 - 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 2016, there is no cost-of-living adjustment (COLA) 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. Therefore, a zero COLA means that the basic Part B premium (currently \$104.90 a month) must stay the same.

The intent of this policy is to protect the amount of the Social Security payment from being reduced by an increase in Part B premium costs. The "hold-harmless" policy gives this protection to the majority of people enrolled in Medicare Part B.

However, the "hold-harmless" provision does not apply to the following beneficiaries whose Part B premium will increase to \$121.80 in 2016:

- Individuals whose income is above \$85,000 or a married individual when the couple's combined income is over \$170,000, will pay the higher premium.
- New Medicare Part B beneficiaries will pay the higher premium. Since they did not pay the premium the previous year, the "hold harmless" provision does not apply to them.
- Individuals who do not have the Part B premium deducted from their Social Security benefit. This includes individuals who are on the Medicare Buy-In program. These individuals will not be directly affected, as the increased premium will be paid by the State.

If a person has chosen to pay their own Medicare premium in order to use the cost as a deduction from income or to meet a spenddown obligation, the actual premium that they must pay would be used in the budget. Therefore, if they have newly applied for Medicare Part B in 2016, their premium deduction will be \$121.80. However, if they have been enrolled in Medicare the previous year, their premium deduction will be \$104.90.

As a result of the increase in the FPLs, the amount used in the Family Member Allowance (FMA) formula increased to \$2,003. The maximum monthly FMA increased to \$668. All spousal impoverishment cases involving a family member entitled to the family member allowance, which were active on or after January 1, 2016, and which were budgeted using the 2015 Family Member Allowance, must be re-budgeted using the new Family Member Allowance. In addition, the increased Family Member Allowance must be used effective January 1, 2016, 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.

A chart with the new FPLs is attached to this GIS.