

TO: Local District Commissioners, Medicaid Directors

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

SUBJECT: 2017 Federal Poverty Levels

EFFECTIVE DATE: January 1, 2017

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The purpose of this General Information System (GIS) message is to inform local departments of social services of the revised 2017 federal poverty levels (FPLs). The revised FPLs are effective January 1, 2017, and are the actual poverty levels published in the Federal Register.

The new FPLs are effective for cases with a budget "From" date of January 1, 2017 or later. The revised figures will be available on MBL February 27, 2017. Once available, all new and pending applications must be processed using the 2017 levels.

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 and some Qualified Individuals - 1 (QI-1s) may become eligible for SLIMB. In such cases, staff must complete a 99 change transaction on the eMedNY Buy-In span, with an effective date of January 1, 2017, and change the Medicare Savings Program (MSP) code appropriately.

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

- Upstate will perform a limited Mass Re-Budget (MRB). The only cases that will be re-budgeted and have a 2017 Cost of Living Adjustment (COLA) applied are those that are included in the Aged, Blind, and Disabled or MSP Automated Renewal Process. Districts must manually update all other affected budgets. Budget adjustments should be made at next contact or renewal.
- New York City will perform a MRB on Budget Types 01 - 07 for qualified budgets on an 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"; 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.

If a district determines that a previously budgeted case has been negatively affected due to use of the 2016 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)."

- As a result of the increase in the 2017 FPLs, the amount used in the Family Member Allowance (FMA) formula increased to \$2,030. The maximum monthly FMA, which applies when the family member has no income of his or her own, increased to \$677. All spousal impoverishment cases involving a family member entitled to the FMA, which were active on or after January 1, 2017, and which were budgeted using the 2016 FMA, must be re-budgeted using the 2017 FMA. In addition, the increased 2017 FMA must be used effective January 1, 2017, 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.

Medicare Part B Premium

In 2017, there is a COLA of 0.3% 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, for individuals who were in receipt of Part B Medicare benefits in November or December of 2016, the increase to Part B premiums will increase by the dollar amount that their Social Security benefits increased.

The "hold-harmless" provision **does not** apply to all beneficiaries. The Medicare Part B premium for Individuals in the following categories will increase to \$134.00 in 2017:

- Individuals whose income is above \$85,000; or a married individual when the couple's combined income is over \$170,000;
- New Medicare Part B beneficiaries. Since these individuals did not pay the Medicare Part B premium in 2016, 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 on the Medicare Buy-In program. These individuals will not be directly affected, as the increased premium will be paid by Medicaid.

If a person has chosen to pay his or her own Medicare Part B premium in order to use the cost as a deduction from income to reduce a spenddown obligation, the actual premium that is paid must be used in calculating the individual's budget. Therefore, if an individual has newly applied for Medicare Part B in 2017, the premium deduction will be \$134.00. However, if the individual was newly enrolled in Medicare in 2016, the Part B premium deduction would be \$121.80 plus the COLA increase.

Charts with the 2017 FPLs for the various categories of Medicaid eligibility are attached to this GIS.