

TO: Local District Commissioners, Medicaid Directors

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

SUBJECT: 2020 Federal Poverty Levels

EFFECTIVE DATE: January 1, 2020

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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, 2020, 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, 2020, or later. The revised figures will be available on MBL on March 7, 2020. For all new and pending applications, income must be compared to the 2020 FPLs.

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, 2020, and change the Medicare Savings Program (MSP) code appropriately. For NYC, the change in MSP level can be transmitted via an undercare case transaction.

The 2020 FPLs will be applied to upstate budgets for existing cases per the bullets below.

- Budget Types 01 and 04 – 10 with a "To" date of April 1, 2020 or later that utilize FPL levels will be mass re-budgeted. These budgets will be overlaid with a budget "From" date of April 1, 2020 and a budget store date of March 7, 2020.
- Budget Types 07 – 10 with a Medicare Savings Program (MSP) indicator or Buy-In Code will be recalculated without a Cost of Living Adjustment (COLA) increase, because the COLA was applied during Mass Re-budgeting (MRB) Phase One.
- Cases with a budget store date prior to December 14, 2019 will get the 2020 COLA increase.
- Cases with a budget "To" date of March 31, 2020 or earlier, and a budget store date of December 14, 2019 or greater, will not be recalculated, and no COLA will be applied.
- Cases with a Budget Type 04 that have Office equal to "ABD," "MSP" or "QI1", Unit as "Recert" and Worker ID of "NYDOH," will have a COLA applied to the case regardless of the store date (these cases are administratively renewed).

New York City will perform an MRB on April 11, 2020 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 2020, there is a COLA of 1.6% 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 2020, most beneficiaries will pay the full Part B premium. In other words, the 1.6% COLA will generate enough increased income for them to pay \$144.60 without reducing their net Social Security benefits.

If a person's Social Security benefit does not increase enough for them to pay the \$144.60 without their benefit decreasing, the "hold harmless" provision will limit the Part B premium increase to the amount of their 2020 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 \$144.60 (or higher) in 2020:

- 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 2019, 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 in order 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 \$2,155. The maximum monthly FMA increased to \$719. All spousal impoverishment cases involving a family member entitled to the family member allowance, which were active on or after January 1, 2020, and which were budgeted using the 2019 Family Member Allowance, must be re-budgeted using the 2020 Family Member Allowance. In addition, the increased Family Member Allowance must be used effective January 1, 2020, 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.

Districts should review cases with a budget store date of December 13, 2019 or greater and recalculate the budget using the 2020 Social Security income amount effective January 1, 2020.

If a district determines that a previously budgeted case with a "From" date of January 1, 2020 or greater, has been negatively affected due to use of 2019 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)."

Charts with the 2020 FPLs for the various categories of Medicaid eligibility are attached to this GIS.

Please direct any questions to your local district liaison.