



Policy Memo	
KDHE-DHCF POLICY NO: 2017-04-02	From: Jeanine Schieferecke
Date: April 26, 2017	KEESM Reference: KFMAM Reference:
RE: Implementation of SSA COLA	Program(s): All Medical Assistance Programs

The purpose of this memo is to provide implementation instructions for the 2017 Social Security Cost of Living Adjustment (COLA) mass change and the new Federal Poverty Level Standards. Social Security announced that recipients of OASDI and SSI benefits will receive a .3% increase in benefit levels for 2017. CMS will be increasing the standard Medicare Part B premium at the same time. Although these increases were effective January 1, 2017, implementation of the new benefit amounts are being implemented effective June 1, 2017. As a result, Medicaid eligibility must be redetermined for all recipients who receive these benefits.

This change is expected to impact over 80,000 Medicaid recipients and household members who receive SSI or Social Security benefits. The mass change process systematically computes and budgets new income amounts, benefit levels and other changes related to the COLA. The systematic update will allow for more efficient processing and will also enable KDHE to focus manual effort on high priority cases.

1. EFFECTIVE DATE

Although the increase in Social Security and other COLA-related changes will take effect January 1, 2017, the change will be implemented for Medical Assistance Programs effective June 1, 2017. Benefits for January-May 2017 will be determined using the 2016 amounts. See KDHE Policy Memo 2017-03-02 for specific instructions regarding eligibility determination for these months.

2. BACKGROUND

COLA Mass change has been an automated process for over 20 years. Historically, the new Social Security amounts have been automatically computed and benefits recalculated. The process in KEES will be similar. These include:

- A. Social Security benefit increase
- B. KEES tables updated with new limits
- C. Update SSI income Records
- D. Create Medical Condition Records
- E. Other Income and Expense Changes
- F. Specific Processing Instructions/ Batch EDBC – recalculating benefits
- G. Coordination with Reviews
- H. Generate Notices – Delayed Mailing
- I. Facility and LTC Provider Notification Process
- J. Manual Processing

KEES will execute the mass change over the weekend of April 22-23, 2017. The process will identify and update all cases with new or changing SSI, medical conditions records, Social Security income amounts, and Medicare expense amounts. All cases impacted will then be selected for batch EDBC. All program blocks impacted on the case will be impacted. Note that some cases will be excluded from the batch EDBC, as indicated below. Only those cases that have a change identified because of the COLA changes will be pulled; cases that are not impacted by the COLA will not be redetermined. Pending program blocks will not be impacted.

Keep in mind that data in KEES will significantly impact the outcome of the resulting redetermination. Cases that have not undergone conversion cleanup since KEES implementation, have experienced an overridden EDBC, or have incomplete data records may be adversely impacted by the mass change and will require special attention. These include cases with overdue action. It is especially important to note cases that haven't been redetermined since conversion may experience a loss or reduction in coverage because the case was originally ineligible. When the KEES rules execute the new determination may result in ineligibility.

Reports will be issued to identify cases where an incorrect outcome is likely. However, in order to minimize the negative or unexpected impact of a large batch job, it is crucial that staff follow instructions issued by KDHE Policy and the KEES BST when processing cases in KEES.

3. SSI CHANGES

Social Security will adjust SSI benefit levels by .3% for individuals and couples beginning January 1, 2017. The following are the new benefit amounts:

Type	Previous Benefit	Benefit Eff 01-01-17
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Eligible Individual in Own Home	\$733.00	\$735.00
Eligible individual with Spouse in Own Home	\$1,100.00	\$1,103.00
Eligible Individual in Medicaid-approved Institution	\$30.00	\$30.00
Eligible Individual with Eligible Spouse both in Medicaid –Approved Institution	\$60.00	\$60.00
Eligible Individual in Household of Another	\$488.67	\$490.00
Eligible Individual with Eligible Spouse both in Household of Another	\$733.34	\$735.33

This will also adjust the 300% SSI limit for LTC from \$2199 to \$2205.

A. KEES INCOME RECORDS – SSI

As part of the Mass Change process, SSI income records will be automatically updated with information from the SDX COLA file. This file, received from Social Security in late November 2016, provides income amounts for all SSI recipients in the state. KEES will use the information to update income information using the following rules:

1. PERSONS WITH AN ACTIVE SSI INCOME RECORD AND A NEW SSI INCOME AMOUNT ARE ON THE FILE.

The income amount will be updated with the new income amount detail record effective 06-01-2017.

Note: As all of these individuals should be currently eligible with an SSI aid code, no change in coverage level is expected.

2. PERSONS WITHOUT AN ACTIVE SSI INCOME RECORD AND AN SSI INCOME AMOUNT ARE ON THE FILE:

A new SSI income record will be created with an effective date of 06-01-2017. A new Medical Condition of 'SI' will also be created with an effective date of 06-01-2017.

Note: These are likely new SSI recipients and coverage will likely be adjusted.

3. PERSONS WITH AN ACTIVE SSI INCOME RECORD AND NO SSI RECORD OR AN SSI RECORD INDICATING \$0 INCOME IS ON THE FILE:

No adjustments will be made to the SSI income record for these individuals. A report will be created and cases must be manually reviewed. These individuals must be reviewed to determine if they are still considered SSI recipients.

Note: These are likely people who will lose eligibility for SI-related medical.

If a new Income Record is added, it is added with an Income Type of 'Family Medical'. If it is updating an existing record, the current Income Type will be used. The current record will be automatically end dated with an effective date of 05-31-17 and the new record will begin 06-01-2017.

Any New Medical Condition is added as 'SSI – Disabled'. The effective date of the new Medical Condition will be 06-01-2017.

Because the file used to create SSI income updates was developed for execution in January, 2017, it is possible the SSI status is no longer valid. Creating the income record in these cases could result in an error. KDHE Central Office has identified cases where it appears the information on the SDX file is no longer valid and has eliminated these cases from the SSI income update. No manual action on these cases is necessary.

4. SOCIAL SECURITY BENEFIT ADJUSTMENT

Any Social Security benefit amount listed on a current, active program or program person will be automatically updated with the COLA mass change update. The process will automatically calculate the new Social Security benefit amount based upon the amount is active in the KEES system. The amount will be increased by the COLA increase, .03% and the resulting amount truncated. For cases selected for an EDBC run (see Section C below), this amount will be used for subsequent benefit calculations. The following specifics apply to the SSA income adjustment:

- a. The new amount will be calculated for each active income record on KEES. Note the automated adjustment will not be updated for an individual who is not an active MEM or FRI on an active Program Block in KEES.
- b. Policy directed staff to continue to use the 2016 income amount until implementation of the COLA. However, cases have been identified where staff incorrectly updated the SSA income record with the 2017 amount. COLA is designed to update all SSA records, regardless of the effective date of the income record. If a case is identified where an update was made to an incorrectly entered income record, the case should be recorded on the Overpayment Spreadsheet. However, a report of these cases is being produced and will be provided to the Clearinghouse.

- c. For cases processed after the COLA run, the 2017 amount is used for all benefit months. In other words, if processing a new application received on May 1 the 2017 amount would be used for 2017. If the application was received on March 20 and the client requested prior medical, the 2016 amount would be used for December, but the 2017 amount is used effective 01-01-17.
- d. In the event a case is missed with the mass COLA SSA update for 2017, staff are responsible for ensuring the income record has been updated with the new amount. Although staff are not required to routinely check all cases for update, if a case is encountered the income record must be updated. Income should be obtained through normal verification processes, including TPQY. Or, if a current TPQY is not available immediately following the mass change, staff can calculate the new amount by multiplying the current SSA benefit amount by 1.03 and truncating to the whole dollar. For example, the current benefit on KEES is 895. $895 \times 1.003 = \$897.85$. The amount to be entered on KEES is \$897.00

5. OTHER INCOME CHANGES

Income from other sources may also change. These changes must be effected and budgeted according to the date of report and the effective date of the change. This includes changes to Civil Service Retirement benefits, pensions, Veterans Administration benefits, Railroad Retirement benefits and other unearned income.

If new income is budgeted for June 2017, staff must take care to follow the special Notice instructions in section 10 below. Any notice created from the COLA batch must be reviewed and, if incorrect, deleted and a new notice issued.

A. RAILROAD RETIREMENT BENEFITS

KDHE has requested and received verification of new benefit amounts from the Railroad Retirement Board (RRB) for consumers receiving these benefits. Individual benefit letters that verify the new RRB amounts have been imaged to the case file with an Income Document Type. In addition, a new income detail record amount was updated with an effective date of 04-01-2017. EDBC was not run following the update and, unless EDBC was executed before the mass change, the COLA EDBC will include the new income in the budget.

B. VETERANS INCOME

KDHE also requested verification of new Veterans benefit levels from the Veterans Administration. However, VA has not yet provided updated benefit amounts for 2017. KDHE continues to work with the VA to obtain the information in the future.

When processing a case following the mass change, any change reported by the consumer must be acted upon according to *KDHE Policy Memo 2017-03-02*. If the information has not been provided, it must be requested from the consumer. However, because KDHE is still working with the VA to obtain the information, and expect to obtain a comprehensive report of the new income amount, it is not necessary to obtain the verification until the next scheduled review.

6. MEDICARE EXPENSE UPDATES

The new Part B Medicare premiums will automatically be adjusted as part of the COLA update. The batch will replace any existing Medicare premiums with the base premium amount that is most consistent with the premium amount on the record – either \$109/month or \$134.00/month. All batch records will be created as ‘State Pay’.

This is important to note because many individuals will pay an individually established premium based on the amount of their 2017 COLA. The premium increase cannot exceed the amount of the SSA COLA for the individual beneficiary. So, if the amount of the COLA increase did not cover the entire premium increase, the premium will be reduced. Example: An individual with a premium of \$104.90 last year could have a standard premium of \$134/month in 2017. However, because she only received a \$2 COLA increase, the Medicare premium cannot increase more than \$2. She will have a Medicare Part B premium of \$106.90.

Although the new amounts will be updated on all cases with an active Medicare Expense record, because the Medicare premium amount only impacts the budget when Medicare Buy-In is not anticipated, this is expected to impact few cases. Staff are required to verify the correct Medicare Part B premium is allowed the next time the case is touched.

The Mass Change process will not impact the Part D premium on KEES. However, staff must ensure the correct Medicare Part D premium is allowed. The premium the individual will pay as an LIS eligible is allowable. When that amount is not available, the current premium less the Part D Benchmark is allowed. In 2017 the Part D Benchmark is \$30.27/month. This is allowable beginning with the first month the individual is eligibility for Medicaid or an MSP program.

7. OTHER INSURANCE PREMIUM CHANGES – INCLUDING BC/BS OF KS PREMIUMS.

KDHE has obtained and distributed the 2017 Medicare Supplemental rates for BCBS of KS. These rates will be implemented for all identified persons beginning April 1, 2017. A report of all cases with a BCBS premium will be provided. The premium is allowable prior to this date if it can be substantiated from the rate chart issued by KHDE Policy or verified by the client. The new premium is generally allowable beginning the month following the month of report.

KDHE has obtained and distributed the 2017 Medicare Supplemental rates for BCBS of KS. These rates will be implemented for all identified persons beginning June 1, 2017. If an applicant or recipient reports a change to their premium prior to the Mass Change run, the premium is

allowable prior to this date if it can be substantiated from the rate chart issued by KHDE Policy or verified by the client. It may be necessary to verify the specific Supplemental Plan the consumer has (Plan A – N) in order to determine the new premium amount. The new premium is generally allowable beginning the month following the month of report.

KDHE is also working with BCBS of Kansas to receive individual rate information. Premium information is expected to be available from BCBS prior to May 1, 2017. When received, the information will be recorded in KEES by KDHE staff. As a reminder to staff, information is to be recorded as a 'Health Insurance Premium' and Expense type of 'BC/BS'. The details of the exact type of coverage the individual has are then recorded in the description field (e.g. Plan F with Dental Rider). The specific rate information shall be recorded with an effective date of 05-01-17, unless the client has reported the information previously as described above. Please note BC/BS of Kansas City premiums will not be included. Those must be obtained from the consumer.

8. BATCH EDBC

The COLA Mass Change process will identify all Medical Program blocks impacted by the income and/or Medicare updates described above and process an automatic Batch EDBC. The Batch EDBC will run with a special EDBC run reason of 'COLA' for the month of June, 2017. As a result of the Batch EDBC, changes in coverage, including aid codes, base periods and cost sharing could result as follows:

A. NEW ELIGIBILITY:

New or different eligibility could occur as a result of the Mass Change. This could mean a change in Aid Code and/or Benefit Plan. Careful attention should be given to any case experiencing a change in either. A report of all cases meeting this criteria will be provided. Note: the batch should not result in brand new eligibility for any individual. For example, a person should not move from a FRI to a MEM due to the mass change.

B. CONTINUOUS ELIGIBILITY PERIOD:

Program blocks with expired CE periods are being excluded from the batch EDBC, so new CE periods should not result from the COLA batch EDBC. For programs within an existing CE, the Batch EDBC will execute, and any coverage change that occurs will follow existing KEES rules and is considered appropriate.

C. COST SHARING:

When income is recomputed, cost sharing responsibilities will likely change too. Cases could experience a change in spenddown amount, patient liability, client obligation, participant obligation, or premium. Cases with correctly entered Income Allocation, Medicare Expenses and other Medical Expenses may also impact cost sharing. New Cost sharing amounts are computed with the Batch EDBC and will be communicated to the member and LTC entity. Special attention should be given to any case that has a large cost sharing change. A report will be provided.

D. DISCONTINUANCE:

The EDBC should not result in any member being discontinued. All cases where a discontinued benefit would have resulted have been withheld from the automated EDBC process. In many instances, the discontinuance resulted from incorrect or inconsistent data in KEES. A report of these cases has been provided. Cases on this report are to be worked using the 'Conversion Clean-Up' instructions found in the *KEES User Manual* to ensure there are no data issues causing the case to fail. Persons and/or Programs may be discontinued, given timely and adequate notice. Discontinuance Report

9. NOTICES

As part of the EDBC Batch process, a notice will be generated for any identified change. These will include changes in aid code and benefit plan as well as new base periods and changes in cost sharing. The Batch EDBC should generate notices from the change only when there is a change in coverage. Notices are to be generated for the recipient as well as any appropriate Administrative Role when a change has occurred as a result of the mass change. Notices will not be generated for any facility, HCBS MCO or PACE entity (See Section 10.C below).

A. SPECIAL PROCESSES

Special processes have been developed for notices generating from the COLA batch to provide for the following concerns:

1. The COLA is running in late April and the change is effective 06-01-17, additional changes may take place in the interim that require action. Multiple notifications may confuse the recipient.
2. Notices that are generated from the batch may be incorrect and require changes.

B. DELAYED MAILING

Notices produced from the batch run will not be mailed immediately. Notices will be held for a later release to give staff time review and delete any incorrect notices. This is similar to action taken with KAECSES in previous years. Although COLA notices will generate and be viewable on the Distributed Documents page, notice mailing will occur in March.

Notices generated from the batch will be placed in an 'ON HOLD' status. This will allow the user to review the notice and, if necessary, delete the notice and generate an appropriate notice. Staff will not be able to modify the COLA notice, but must delete a bad notice. Once deleted, a change notice will usually generate upon running EDBC and, if the resulting notice is appropriate, a COLA-specific fragment is added to the notice. The Standard Text for Copy

and Paste spreadsheet has been updated with the new fragment. Additional information regarding the specific steps will be provided in training material.

Staff will have through COB on Sunday, May 14 to delete any notice. After that date, any notice that is in On Hold status will be targeted for mailing. Staff cannot delete any notices after this date. Notices will be sent to the Central Printer for mailing. Mailing is expected to take several days, but will be complete prior to negative active deadline. Note that notices recreated through a 'normal' EDBC by a human will not be held. Those notices will be mailed according to the general mailing schedule.

C. FACILITY NOTICES

As indicated above, individual facility notices are not generated out of the batch. Facilities will be notified of any liability change through a special report. On or about May 20, a list of all recipients with a liability change as a result of Mass Change will be included on a special report. Each facility will receive a special report. The report will list the new liability for each resident and the effective date. A similar report will be provided for each MCO for HCBS and PACE cases. The reports will be mailed from Central Office. Because these reports are generated based on the LTC provider listed on the LTC Data Details page, it is critical that staff ensure the provider listed on the LTC Data Details page.

10. JOURNAL

As part of the COLA batch process, an automated journal entry will be written to the case. The journal entry reads:

'As part of the COLA Batch process, updates were made to the COLA specific Data Collection records and a Batch EBDC was ran, accepted and saved'.

Staff should create journal entries for any additional action taken that may be related to COLA.

11. SPOUSAL IMPOVERISHMENT/INCOME ALLOCATION

The cost-of-living adjustments may have an impact on the amount of income being made available to a community spouse through the spousal impoverishment/income allocation provisions. If the community spouse is also an OASDI recipient, the increase could impact the amount being made available if the maximum permitted income allowance amount has not been reached. KEES will re-compute the amount of the allocation automatically. However, there are a number of issues to consider:

- a. The SSA income of the community spouse must be adjusted with the mass change. However, the incomes may not all be adjusted with the mass change. Staff are responsible for ensuring the community spouse SSA income has been adjusted effective

06-01-17. The new amount can be obtained from EATSS, the case file or can be computed as per 4(c) above.

- b. If the community spouse has other income, staff should check the case record to determine if any new amounts have been reported and utilize those amounts in the budget. Other income must be verified at the next review.
- c. Cases where conversion clean-up has not been completed must be reviewed to ensure the correct information is recorded in KEES. The appropriate clean up steps must be completed at this time. For cases that don't appear to have requested income allocation, it is appropriate for staff to assume this is correct unless a non-zero patient liability/obligation results from the mass change. In these cases, it is necessary to research the case file, including OneNote, to determine if an allocation request was made.
- d. All cases potentially eligible for allocation must be manually reviewed by staff. A report is provided.
- e. The new spousal impoverishment standards were implemented earlier in the year. The following are currently in effect:
 - A. Maximum Community Spouse Income Allowance \$ 3,023
 - B. Excess Shelter Deduction \$ 237
 - C. Maximum Community Spouse Income Allowance: \$120,900
 - D. Minimum Community Spouse Income Allowance: \$ 24,180

12. PROGRAM SPECIFIC INSTRUCTIONS

A. PROTECTED MEDICAL GROUPS

KEES has been updated with new multipliers for the Protected Medical Groups for 2017. Cases that are correctly coded in KEES should be redetermined as part of the mass change. In addition, cases may be newly approved for a PMG group as part of the mass change. In these situations, any existing medically needy base period will end.

Cases where conversion clean-up has not been completed or with improper KEES coding may experience a change in coverage. This will generally require manual processing. Although the mass change results may have placed them in a new aid code, this result is incorrect in most cases. Staff must review these cases and ensure KEES is properly updated. For converted cases, information regarding the original determination will be necessary to complete this step. A report, *PMG Cases that switched aid code or lost PMG coverage as a result of the Mass Change* will be provided.

B. MEDICARE SAVINGS PROGRAMS

For all MSP, the amount of the COLA increase is not included in any determination for the first quarter of the calendar year, or until the new poverty levels are implemented for the calendar year. KEES accommodates this policy and will apply a disregard for any MSP budget determined through an online or batch EDBC. However, because of the simultaneous implementation of both the COLA and the poverty level, the disregard should not be a factor.

The new poverty levels will change the income levels for MSP cases. When the case is selected for COLA and EDBC is executed, the new poverty levels will be used for the determination. This could result in a consumer changing coverage or even losing eligibility for an MSP completely. Cases losing eligibility will appear on the *Discontinued - Needing Review Report* and must be reviewed.

C. WORKING HEALTHY

Except at review, increases in income do not impact a Working Healthy case. Because of this, changes to Working Healthy cases due to the COLA are rare. However, the poverty level increases the Working Healthy upper income standard as well as the premium income levels. When cases are selected for the batch EDBC the income standards based on the new FPL's will be used. This could result in some Working Healthy cases with a decrease in premium. Because the notice informing the client of the new premium may not be accurate, all Working Healthy cases must be reviewed. Eligibility will need to be adjusted for cases with a premium increase. A new notice will need to be created for cases with a premium decrease. A report, *Working Healthy cases with a premium change*, will be provided.

D. MEDICALLY NEEDY

Income and Medicare expense records will be updated for all Medically Needy cases. However, cases that do not have a current Medically Needy base are excluded from the EDBC portion of the batch. This is done to avoid establishing a new base period. Any case with an active Medically Needy program and a base period that expires on or before May 31, 2017 will appear on the *Medically Needy Exclusion* report and must be reviewed. Staff must determine if a new base period is appropriate for these cases using existing rules and processes. Some cases may also be up review in May.

Note regarding the Medical RMT: Any program block for an MSP only case that has an RMT of 'Medical' would likely have a new base period established when the Batch EDBC runs. Prior to COLA execution, KDHE Central Office reviewed and changed the RMT on several hundred MSP-only cases to avoid this problem. Staff must take extra care to ensure the correct RMT is in place when completing any processing to avoid a similar change in the future.

All other Medically Needy cases should be updated by the batch and a new spenddown amount will be established. The new amount will include the new SSA benefit as well as any Medicare premium updates.

It is possible that some cases will actually be redetermined in the Medically Needy group following the execution of the EDBC. If the case was properly coded in KEES, this would be a rare occurrence. Because of this cases with a change to a Medically Needy program must be reviewed. These cases will appear on the report *Suspect Cases*.

E. LONG TERM CARE

When the COLA processes a long term care case, the EDBC process will recalculate both eligibility and the Patient Liability/client obligation/participant obligation. Most individuals are eligible under a 300 Aid Code and will have a new obligation established with the COLA updates. A case is identified as LTC by the presence of an active LTC record on the LTC Data Details page in KEES. If the information on this page is inaccurate or incomplete, unexpected changes could result. Medical expenses listed on KEES will also impact the outcome of both the EDBC and any resulting liability change.

- a. **MN3 Aid Codes:** For cases previously determined eligible under this group, the automated mass change process is expected to calculate correctly. Cases with incomes in excess of the 300% limit will recalculate and, if the cost of care listed on the LTC Data Details page exceeds the resulting liability, the case will continue eligibility with only a liability update. However, if, after the mass run, the liability is now greater than the cost of care, the case undergo a change in coverage. These will most likely convert to a straight medically needy program. Staff must review each of these cases to ensure the action is correct.

Note: For these programs, it is critical that a Facility NOA/Form be sent by the worker as the special process noted above regarding the Facility Lists will not include cases that do not have a patient liability.

Cases newly determined eligible for the MN3 code are considered accurate if the cost of case on the LTC Data Details page is correct. However, because staff were not required to obtain this information for cases under 300% income threshold, it is highly unlikely the case is accurate. Therefore, it is necessary to review all cases newly determined eligible for MN3 aid code.

Lists of cases that are impacted by either issue will be included on a special *MN3 Report*. Staff must review these cases and make updates as necessary.

- b. **SSI Recipients**

The following LTC Populations will be impacted by COLA:

- i. Some residents of state institutions or nursing facilities who receive SSI income may also have patient liability if their income is above the \$62 PIL. Primarily, residents of NF MH facilities who are between the ages of 22 and 64. The SSI income record will be updated and eligibility will be recomputed for these individuals. However, due to an existing issue in KEES, a notice will not be generated for these individuals. Staff must generate a client notice following the mass update. However, a facility notice is not necessary as these individuals will appear on the special facility reports referenced in item 9 above. A report of all *Nursing Facility Residents with an SSI program* is provided.
- ii. Persons in HCBS, MFP or Community-Based PACE who receive SSI do not have a client obligation. However, an existing defect in KEES will determine an obligation if income exceeds the PIL. These cases must be evaluated to ensure a Client Obligation is not established. In addition, if an obligation was previously set, an underpayment must be considered. A report, *SSI recipients in HCBS or TC*, is provided and must be processed.
- iii. Persons in a Temporary Care arrangement who receive SSI do not have a patient liability. An existing defect in KEES will determine a liability if income exceeds the appropriate PIL. These cases must be evaluated to ensure a Client Obligation is not established. In addition, if an obligation was previously set, an underpayment must be considered. A report, *SSI recipients in HCBS or TC*, is provided and must be processed.

13. CASES WITH UNEXPLAINED AID CODE OR COST SHARING CHANGES

For most cases, changes as a result of COLA will be relatively minor – small adjustments in Patient Liability or spenddown or a minor change in aid code. However, some cases will experience a significant change following execution of COLA. This may be a large change in cost share of hundreds, or even thousands, of dollars, incorrect eligibility or unexplained notices. These changes usually indicate a problem with data on the case. As previously indicated, this could be the result of incomplete conversion clean up. However, several other factors may also cause a case to experience unexplained changes. A report of Suspect Cases is provided. When reviewing these cases, several items must be explored to determine if additional action is needed:

- a. A case that experienced data changes but EDBC was not executed. This could include cases with expired expenses, income changes, updated medical conditions, etc. If this is the first time EDBC was executed following those updates, changes to coverage could be significant. In many instances, the resulting eligibility is correct based on the data. However, the notice of action may not fully explain the change.

In these cases, it may be necessary to send a supplemental notice of make other adjustments.

- b. Incorrect RMT. If the RMT is set as medical for a case, all programs will be considered and may actually be authorized from the mass change.
- c. Cases in Progress. Although the mass change will not execute against a pending case, cases that have incomplete process changes may be mass changed. These may include cases transitioning living arrangements, undergoing a change brought on by the new Protected Filing Date policy or other changes. Two actions are taken to help mitigate issues for cases in progress:
 - KEES will exclude from processing all cases in the E and D State Queue to avoid shifts in coverage prior to authorization. State staff must ensure they are considering the changes related to mass change when processing actions on or after April 22. *Work in Progress* report is provided.
 - An indicator has been added to all manual reports to show if there is an active task on the case. This will help identify work in progress by Maximus staff.
 - A similar indicator has been added to show if a case was in the OSW queue at the time processing.

14. OTHER CASES THAT REQUIRE MANUAL PROCESSING

The following sections outline additional cases that will require manual processing:

- a. Overridden Budgets. Cases with overridden budgets will fail the mass change. All cases must be manually processed. In instances where the override is no longer needed, simply reauthorizing coverage may be sufficient to properly work the case. However, if the override is still needed to ensure accurate results, the case must be manually processed. A report of *Overridden Budgets* is included.
- b. Skipped Cases: Cases may be skipped by the Mass Change if there are issues with the date on the case that will prevent the EDBC from executing. Staff must review these cases to determine the issue and correct it. Manual processing is required and a report, *Skipped Cases*, will be provided.

15. COORDINATION WITH REVIEWS COLA CHANGES – COORDINATION WITH REVIEWS

May reviews (where coverage expires May 31, 2017) were processed on April 17, 2017. Notices and forms were mailed to consumers and administrative roles as required. Passive and Super Passive reviews were given updated information regarding June 2017 coverage. Pre-Populated reviews were instructed to return their review by May 1 or coverage would end May 31, 2017.

The review batch was processed BEFORE COLA mass change. This means the reviews were processed using the old income amounts – prior to the income update. When the COLA batch executed and new income amounts were determined, a new notice may have resulted. This will likely be different than the notice generated from the review batch.

The following outlines specific instructions for processing reviews associated with the COLA mass change.

A. PASSIVE REVIEWS

Passive Reviews are processed using the 2016 SSA income amounts, as the new income amounts will not have been added to the case prior to the Passive Review being processed in KEES. This could cause an increase in Passive Review Responses, as the consumers call to report the change in their SSA income amount.

If the only thing that the consumer is calling to report is a change in the SSA income amount, then it isn't necessary to record this as a PR Response because the income has now been updated in the system for 6/2017, processed, and a change notice sent to the consumer if applicable. A separate task is not required.

If other changes are reported in addition to the SSA income change, then it shall be recorded as a PR Response. In KEES, the Document Status on the Review and IR record must be updated from 'Sent' to 'Received' in order for it to be reported as a Passive Review Response. All changes reported shall be processed in the month of June 2017 to be consistent with the COLA change. However, if a change is reported prior to the end of April that will result in a positive change to the consumer then it shall be processed in the benefit month of May 2017 to be consistent with current policy.

As indicated above, two notices may be generated for a consumer regarding June benefits. The COLA notice will be the last one sent out and will be the most current, so no action is necessary on these cases unless the consumer has a change or there is another issue with the case. However, the consumer may receive two notices.

16. PRE-POPULATED REVIEWS

The Pre-Populated Review form was generated prior to the COLA change and therefore will display to the consumer their old SSA income amount. We should expect to see consumers reporting these changes when they return their review form.

It shall be a priority to process the returned review forms for any case that is included in COLA Mass Change. A list of cases will be provided.

If the Review is processed prior to the release of the COLA Mass Change notices, then a new notice is created and the consumer is notified of any applicable change as part of their Review notices. The COLA mass change notices can then be deleted.

If the COLA Mass Change notices have been sent prior to the processing of the review, and there is a change that impacts June 2017, it will be necessary to address this difference in a special notification to the consumer. An explanation can be appended to the Review notice.

17. PRE-POPULATED REVIEWS – REVIEW NOT RETURNED

Pre-Populated reviews that are not returned by the consumer may be processed manually for discontinuance. During the week of May 8-12, staff will be provided with a report of cases with a June review, affected by mass change that have not returned their review form. These programs will be discontinued effective 05/31/17, for failure to return the review form. Staff will then delete the Mass Change notice generated for the case.

18. GENERAL PROCESSING GUIDELINES

When accessing a case that has been impacted by COLA, it is important that staff evaluate the updates made by COLA. The following general steps are applicable to cases subject to manual processing where a specific Job Aid is not available as well as other situations where action is taken on a case updated by COLA:

1. Evaluate changes in eligibility – the specific aid code(s) which the client was eligible as well as any change in coverage. Determine if the change is logical and is supported by the action. This information can be obtained from the Case Summary page.
2. Evaluate the income page to determine if new or changing updated SSI records were created. Because the SSI income was generated in December it may be out of date. If more recent information is available from EATSS or is in the case file, it is likely the SSI income record is incorrect and must be updated.
3. Evaluate the income page to determine if the SSA income amount is correct. If the 2017 amount was entered on the income page prior to COLA, the amount of SSA income budgeted is likely incorrect and it must be updated. It is also possible the original SSA amount was incorrect and would still be incorrect following COLA. The record is dated 06-01-2017.
4. The Medical Condition page may have been updated by COLA if the individual was identified as an SSI recipient. This page should also be reviewed.
5. Ensure all Post-Conversion Clean-Up has been completed on the case. Refer to the *KEES User Manual* for instructions. Pay special attention to LTC data and the PMG questions on the income page.
- 6 Check the Medicare Expense page. COLA is updating the Medicare expense records for cases that have one of the two standard Part B premiums. These records are set with a payer of 'State'.

This means the Medicare premium will not be allowed as an expense in the medical budget. If the worker is expecting an allowance, the payer must be adjusted.

7. Ensure the expense page correctly captures all expenses. If any expenses are listed on the Medical Expense page, staff should refer to the *Medical Expenses Job Aid*.

8 .Check EDBC. Pay close attention to any base period as well as the eligibility that results. Staff may need to run EDBC to effect any changes made during the above review/clean up.

9 Always check the Notice of Action. Any incorrect notice must be deleted prior to 05-14-17 and a correct notice generated.

10. Journal any actions – especially any changes that were made as part of the review.

19. SUMMARY – CASES EXCLUDED FROM COLA BATCH PROCESSING

The following is a complete list of all cases excluded from COLA Batch processing. Cases may be completely excluded or excluded only from one of the updates. Issues that require manual processing by staff are noted in Section 15 below.

- a. Medically Needy with an Expired Base Period: Cases that have a Medically Needy base expiring on or before 05-31-16 will be updated with all steps (SSA income, SSI income, Medicare, Medical Condition) but will be excluded from the Batch EDBC. These cases will require manual processing.
- b. Cases with An Expired CE Period: Cases that have an expired CE period will be excluded from the batch to avoid an incorrect change in coverage. All steps (SSA income, SSI income, Medicare, Medical Condition) will be executed. Only the final Batch EDBC will be eliminated. No Manual Processing is required.
- c. Cases on the SDX income File with an Income Change: Cases that are on the SSI income file in December and have been identified as a non-SSI recipient will be excluded from the SSI and Medical Condition updates. This is not an all-inclusive list. The SSA update and the Batch EDBC will execute on these cases. No manual processing is required.
- d. SSI Cases That Require Attention: These cases do not appear to be eligible for SSI. However, they are receiving SSI under an SSI medical aid code. Cases with Social Security may have had an SSA update completed. These are excluded from all components of the batch. Manual Processing is required.
- e. SSI Cases Receiving HCBS or in a TC Living Arrangement: Because of an existing defect in the system that will incorrectly determine a liability/obligation, these cases will be withheld from the EDBC Batch update. Manual Processing is required.

- f. Work In Progress – State Queue: Cases in the State E and D queue will be updated by all phases of the batch (SSA income, SSI, Medicare, Medical Condition) except the EDBC Batch update. Manual Processing is required.
- g. Cases Targeted to be discontinued: Any case or person that would have discontinued by the batch EDBC will be excluded from automatic EDBC update. Coverage is to remain in effect until the case is reviewed. Some cases will indeed result in discontinuance following the review. Manual Processing is required.

20. SUMMARY - CASES THAT REQUIRE MANUAL PROCESSING

The following types of cases will require some form of manual processing. Reports will be providing along with instructions for processing. Additional instructions are provided as noted.

- a. Medically Needy with Expired Base Periods – These cases must be processed to determine if a new base period is appropriate. Staff should use existing processes to determine if a new base period is to be established. Although the SSA income should be updated as part of the COLA process, staff should check the income budgeted on the case when processing.
- b. Protected Medical Group Cases – These cases are currently eligible for a PMG benefit or are potential PMG cases. For current PMG cases, staff must ensure a valid ES-3104 is on file and ensure all coding in KEES is accurate. *PMG and Using ES-3104 Instructions* are used for this process.
- c. Allocated Income – This report identifies all cases with a current income allocation. These cases must be reviewed to determine if the allocation is correct. The *Income Allocation Instructions*, is used for this process.
- d. Cases Where EDBC processed with Override – These cases will not execute properly out of the EDBC Batch due to an Overridden EDBC. These cases must be reviewed and manually processed to ensure correct eligibility is provided. The Job Aid, *EDBC Overridden Instructions*, is used for this process.
- e. Cases with Income Over 300% SSI (MN3) – These are cases that are currently receiving coverage under the MN3 Aid Code or need to be considered for coverage under this category. These cases must be reviewed to ensure coding is correct, including the Cost of Care on the LTC Data Details page. The Job Aid, *Income over 300% Instructions*, is used for this process
- f. Skipped Cases/Read Only EDBC – These cases were skipped by the EDBC batch process due to an issue with the case. Staff must research the cases using existing tools and information and correct the case as necessary. Staff must ensure the income

and other elements are updated appropriately. Notices must be generated if any change occurs as a result. Coverage shall continue at previous levels until these cases are processed.

- g. Cases Targeted for Discontinuance – The COLA Batch will not discontinue coverage for any individual or case. The Batch EDBC will not execute when discontinuance would result. Cases identified as a probable discontinuance from the resulting EDBC must be researched and processed manually. In some instances, the discontinuance is appropriate and must be processed by staff. In other cases, a data issue may be causing the issue. Staff must use existing tools and resources to process these cases. Ensure the income and other elements were updated appropriately by batch and send correct notices. Coverage shall continue at previous levels until these cases are processed.
- h. SSI Cases with HCBS or in Temporary Care – These cases are incorrectly determined with a liability or obligation. Staff must review and process to ensure the case does not have a liability. Use the Instructions attached to this memo.
- i. Working Healthy With a New Premium – Working Healthy Premiums cannot increase outside of a review period and some cases may have incorrectly changed. In addition, the FPL caused a reduced premium for some cases. Staff must review all cases with a Working Healthy change.
- j. SSI Cases That Appear to be Losing SSI – This report identifies cases that appear to be losing SSI based on information received from SSA. Staff must research these cases and take appropriate action. These cases will continue to receive coverage at previous levels until action is taken
- k. Suspect Cases: Those with unexplained aid code changes, large liability fluctuations or other suspect results from the Mass Change. All cases must be researched to determine if changes must be processed.
- l. State Queue Cases – These cases were withheld from the Batch EDBC because action is necessary by State Staff. Process according to existing instructions.
- m. SSI cases in an NF with and Obligation – Although the EDBC batch will generate a liability for these cases, a notice is not being produced due to an existing KEES defect. Staff must ensure a client notice is generated on these cases.
- n. BC/ BS Recipients: A report of Medicaid recipients and their total premium who are currently enrolled in a BC/BS of Kansas Medicare supplemental plan will be generated. Staff must update the Expense page, as indicated above, with the new information. Updates based on the report are effective May 1, 2017.

- o. Pre-Populated Review Cases: A report of cases with a pre-populated review that have been impacted by the batch update will be provided. These cases should be prioritized when processing reviews that expire in May. This is to avoid incorrect notices if a change occurs during the review process.

21. CONCLUSION

For questions or concerns related to this document, please contact one of the KDHE Medical Policy Staff listed below.

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Questions regarding any KEES issues are directed to the KEES Help Desk at KEES.HelpDesk@ks.gov