



Memorandum	
To: EES Program Administrators & Staff KanCare Clearinghouse Staff	Date: December 10, 2015
From: Jeanine Schieferecke, KDHE Senior Manager Shannon Connell, DCF Benefits Director	RE: Mass Change Instructions for the January 2016 BC/BS Premium Rate Adjustments

The purpose of this memo is to provide implementation instructions for the January 2016 mass change. Unlike previous years, there will be no automated process associated with this mass change due to the absence of an OASDI/SSI COLA increase for 2016. The 2016 mass change will essentially be a manual update of cases identified with Blue Cross Blue Shield (BC/BS) supplemental insurance. As these instructions do not involve policy changes and are entirely procedural, they are being released as a memorandum rather than through the normal policy development process. Please make sure all appropriate staff receive this material.

1. **No OASDI/SSI Cost-of-Living Adjustment (COLA)** – The OASDI/SSI benefit levels are adjusted each year based on the increase in the Consumer Price Index (CPI). Since there was no increase in the CPI in 2015, there will be no change in the OASDI/SSI benefit levels for 2016. The SSI maximum benefit levels will continue at the 2015 levels: \$733.00/month for an individual, \$1,100.00/month for a couple, and \$367.00/month for an essential person.
2. **Medicare Premiums** - There will also be no change in the Medicare Part B premium for most individuals. The 2016 premium amount will remain at \$104.90/month for those individuals who had their premium withheld from their benefit in 2015. For individuals newly eligible for Medicare in 2016 or who did not have their premium withheld from their benefit in 2015, the premium will increase to \$120.70/month, plus a \$3.00/month surcharge for a total of \$123.70/month. The standard Medicare Part A premium in 2015 is \$407.00/month. This will increase to \$411.00/month in 2016.
3. **Mass Change Instructions** – As indicated earlier, there will be no automated COLA mass change on the KEES system for 2016. The automated process is designed to update the annual change in OASDI/SSI benefit amounts. Since the benefit levels for these payments are not changing in 2016, the automated process is unnecessary. However, staff will be responsible for manually updating other changes.
 - A. **Medical Assistance** – The following medical programs may be affected by the change in the 2016 BC/BS premium rates (which are increasing as indicated below). A chart containing the new 2016 BC/BS premium rates and the report listing cases that may require manual processing are attached to this

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State Self Insurance Fund:
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- (1) **Medically Needy Spenddown** – The new BC/BS premium amount should be reflected effective January 2016 on spenddown cases where the premium is being allowed to meet or reduce the spenddown amount. The new premium amount should be entered on the Expense List page in KEES for the month of January 2016 on forward for the remainder of the base period. The recipient should be notified of the change via the appropriate change notice.
- (2) **Long Term Care Medical (HCBS, PACE, and AC)** – The new BC/BS premium amount should be reflected effective January 2016 on HCBS, PACE, and AC cases with a monthly client obligation, participant obligation, or patient liability. Staff shall notify recipients of the change via the appropriate change notice. Changes to the HCBS client obligation should be sent to the HCBS care coordinator via the ES-3161 as soon as possible to ensure they are also able to timely notify the individual of the change in obligation.
- (3) **Spousal Impoverishment** – There will be no change in the spousal impoverishment income and resource limits effective January 2016. Normally, the maximum community spouse income allowance and the minimum and maximum community spouse resource allowances are adjusted every year in January based on the change in the consumer price index. However, there was no change in the consumer price index this year. Therefore, the income and resource limits will remain the same. The following spousal impoverishment income limits remain in effect:

(1) Maximum Community Spouse Income Allowance	\$2,981.00
(2) Minimum Community spouse Income Allowance	\$1,992.00
(3) Dependent Family Member Income Allowance	\$ 664.00
(4) Excess Shelter Deduction	\$ 229.00

The minimum community spouse income allowance, the dependent family member allowance and the excess shelter deduction do not change until April each year.

In addition, the minimum and maximum community spouse resource allowances (CSRA) are not changing. The minimum CSRA remains \$23,844 and the maximum CSRA remains \$119,220.

- (4) **Other Medical Programs** – No other medical programs should be affected by this limited mass change since health insurance premiums are not used to determine eligibility or the level of coverage. Other changes reported by the individual outside of the mass change process shall be investigated and acted upon by staff as necessary.

B. Cash Assistance – TANF cash cases should be unaffected by the 2016 mass change. Unless changes are reported by the individual, no action will be required by staff. Reported changes should be investigated and acted upon by staff as necessary.

C. Food Assistance – Other than cases involving allowable BC/BS premiums and HCBS and PACE obligations, Food Assistance cases should be relatively unaffected by the 2016 mass change.

- (1) **BC/BS Premiums** – The attached BC/BS premium rates for 2016 and report listing cases with

BC/BS coverage shall be used by staff to identify cases potentially needing adjustment. Individuals are not required to report changes in medical expenses for the Food Assistance program, but these premium rate changes are known to the agency and must be reflected in determining the January 2016 benefit amounts.

- (2) **HCBS/PACE Obligation** – HCBS and PACE cases with a monthly obligation may change where a BC/BS premium is being allowed to reduce the obligation. This change in the amount of obligation also needs to be reflected in any companion Food Assistance case effective January 2016 where the obligation is being allowed as a medical expense.
- (3) **Medicare Premiums** – It is anticipated that the Medicare Part B premium for most, if not all, individuals will not change for 2016. Any changes in the Part B premium or in Medicare Part D and Medicare Advantage plans need not be acted upon unless reported by the individual.

4. **Changes in Other Benefits and Expenses** – The following instructions have been included for required staff actions concerning other benefits and expenses which may change in 2016:

- A. **Other Government Payments** – As with OASDI/SSI, the increase in other government benefits is based on the change in the CPI. Accordingly, it is anticipated there will be no COLA increase for 2016 in Veterans Affairs (VA), Railroad Retirement Board (RRB), or Civil Service Retirement (CSR) benefits. Any change in these benefits reported by the recipient must be investigated for possible action.
- B. **Medicare Premiums** – The Medicare Part B premium amount should not change for most current recipients. Only those individuals who will begin receiving Medicare coverage after 12-2015 or who did not have their premium withheld from their benefit will be subject to the increased premium. For purposes of this memo, staff may assume that the premium amount for current recipients will not change. However, any changes reported by the recipient must be investigated for possible action.
- C. **Blue Cross Blue Shield (BC/BS) Premiums** – Premium amounts for Blue Cross Blue Shield (BC/BS) of Kansas Plan 65 will increase effective January 1, 2016. These changes can impact the spenddown, patient liability, client obligation, or participant obligation for medical purposes as indicated above. These new 2016 premium amounts are included with this memo as a separate attachment. This information is considered reliable. **Staff shall not contact BC/BS of Kansas directly to verify individual premium amounts.** If the new premium amount is questionable, it is to be verified by the individual.

To help identify cases with BC/BS coverage, a report has been provided identifying individuals who have BC/BS listed on the Third Party Liability – Other Health Insurance List page in KEES or on the iCMMIS Third Party Liability screen.

- D. **Medicare Part D and Medicare Advantage Premiums** – Premiums for both Medicare Advantage plans (Part C or Medicare Managed Care) may change in 2016. These changes could impact some medical assistance cases. No automated processing will occur for these changes as the premiums and level of coverage vary significantly based on the carrier, plan, level of coverage, etc. However, individuals may report changes in premiums which must be considered. The individual is responsible for verification of any changes.
5. **Notices** – The usual notices associated with the annual COLA mass change adjustments are not applicable to the changes described in this memo. Since no mass change run will be created, no mass change notices will be created on the system. Recipients should be notified by staff of any changes to medical assistance

eligibility via the regular KEES change notices. Notification of any changes to Food Assistance benefits should be via the regular KAECSES change notices. No special notices have been created or updated for these changes.

6. **Time in Which Action Must be Taken** – Since there is no automation involved with mass change this year, no special timelines have been created. Staff must still follow the regular timely and adequate notification process. It is anticipated that few, if any, cases will involve negative action. Action to close a case effective 12-31-2015 must be taken by **12-17-2015**. Action to make a negative change effective 1-1-2016 must be taken by **12-18-2015**. It is anticipated that the report listing cases which may require manual processing (described below) will be available on or after **11-29-2015**. This should allow staff sufficient time to complete the required case changes identified in this memo.
7. **Mass Change Report** – The only report created this year for mass change is the attached “Cases That May Require Manual Processing For 2016”. The report is still under development and will be issued as soon as it is available. The report will only include the following categories:

TPL-BC – BC/BS coverage listed on the KEES Third Party Liability – Other Health Insurance List page. This should identify medical assistance cases which may need to be updated with the new 2016 BC/BS premium amount.

MC-SUP – Active Medicare Supplemental policy listed on the iCMMIS TPL file. This should identify medical cases with a Medicare Supplemental policy – which could include BC/BS coverage.

ME-BC – BC/BS coverage listed on the KAECSES EXNS screen. This should identify Food Assistance cases which need to be updated with the new 2016 BC/BS premium amount.

ME-HC – HCBS client obligation listed on the KAECSES EXNS screen. This should identify Food Assistance cases which may need to be updated with a new client obligation amount effective January 2016 due to a change in the BC/BS insurance premium.

No other reports will be created for this limited manual mass change. This report in conjunction with the attached 2016 BC/BS premium rate chart shall be used to identify and process cases potentially requiring adjustment for January 2016.

If you have any questions concerning this memo or the mass change process, please contact one of us or the appropriate program manager:

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