

**TO:** Local District Commissioners, Medicaid Directors

**FROM:** Judith Arnold, Director  
Division of Coverage and Enrollment

**SUBJECT:** 2009 Federal Poverty Levels, Treatment of the 5.8% Cost of Living Adjustment (COLA) for Medicare Savings Program (MSP)

**EFFECTIVE DATE:** February 1, 2009

**CONTACT PERSON:** Local District Liaison  
Upstate (518)474-8887 NYC (212)417-4500

This is to inform local departments of social services of the 2009 Federal Poverty Levels (FPLs) which were published in the Federal Register on January 23, 2009. The revised FPLs reflect a 3.8% increase from 2008 levels. Also addressed is the treatment of the 5.8% cost of living adjustment (COLA) for the Medicare Savings Program (MSP).

The new FPLs are effective for cases with budget "From" dates of February 1, 2009 or later. The revised figures will be available on MBL effective February 19, 2009 in NYC and February 23, 2009, upstate. For all new and pending applications or renewals, effective 2/1/09, income may be compared to the revised FPLs. Budgets must be compared manually prior to changes being available on MBL. A chart with the new FPLs is attached to this GIS.

Those individuals whose eligibility may be affected are:

Children under 19 Pregnant Women/Infants
Family Health Plus applicants and recipients
Medicaid Buy-In for Working People with Disabilities Medicare Savings Programs: (QMB, SLIMB, QI-1, QDWI)
Qualified COBRA Continuation Beneficiaries AIDS Health Insurance Program (AHIP)
Family Planning Benefit Program
Transitional Medical Assistance

**Note:** The Medicaid income standards, the Medically Needy income levels and the resource standards, which were effective January 1, 2009, remain the same as described in GIS 08 MA/035 and previously programmed in MBL.

Phase II of mass rebudgeting which was referenced in GIS 08 MA/035, and is effective on MBL February 19, 2009 in NYC and February 23, 2009 upstate, will occur as follows:

**Phase II - Update of Federal Poverty Levels and MRB of Community Cases with Social Security Benefits** (available for use February 19, 2009 in NYC and February 23, 2009 upstate)

Effective February 1, 2009 mass rebudgeting (MRB) of all the non-chronic care cases (budget types 01, 02, 04-06) will be performed using:

- new FPLs
- January 1, 2009 Medicaid standard (S-CC, LIF)
- January 1, 2009 Medically Needy level
- 5.8% COLA for remaining cases with Social Security income (MRB Phase I only rebudgeted chronic care cases with Social Security income)

**Note:** Phase II will not include Budget Types 08, 09, and 10. However effective February 1, 2009 social services districts must use \$1,822 to calculate a family member allowance (FMA). The maximum FMA is \$608. Spousal impoverishment cases that involve a FMA and are active on or after February 1, 2009 must be (re)computed using the new FMA formula.

**Upstate MBL Exception Reports**

- a) Upstate districts will be provided for manual review an exception report of cases with a MBL budget effective "From" date equal to or greater than January 1, 2009.
- b) Upstate districts will also be provided for manual review an exception report of cases with a MBL budget effective "From" date equal to or greater than January 1, 2009 and an EEC and/or BUY-IN field that is filled, not blank.

Further instructions will follow in the forthcoming MBL transmittals.

**Medicare Savings Program**

Federal regulations state that the COLA cannot be used in budgeting MSP cases until the FPLs are released. Therefore, if the MBL budget effective "From" date is January 1, 2009, the 5.8% COLA increase is to be disregarded in the budget for the month of January only and the 2008 FPL is to be used. The 2009 FPLs and the 5.8% COLA increase are to be used in calculating MSP eligibility effective 2/1/2009.

**MSP Only Cases**

For new applications or for renewals with a budget "From" date of January 1, 2009, the 5.8 % COLA increase is to be disregarded. The FPLs for 2008 are to be used for budgets in the month in January. In order to disregard the 5.8% COLA increase, the amount can be calculated by dividing the 2009 monthly Social Security income amount by 1.058.

For example, if the 2009 monthly Social Security income amount is \$741, the amount to be used in the budget may be calculated as follows:

\$741 divided by 1.058 = \$700. Therefore, the monthly Social Security amount to be used in the budget would be \$700.

For budgets with a "From" date of February 1, 2009 or later, the 2009 COLA increase and the 2009 FPLs are to be used in calculating MSP eligibility for both new applications and renewals.

#### **Medicaid/MSP Cases**

For individuals applying or renewing in January 2009, who are eligible for both Medicaid and MSP, the MSP budget calculation must also disregard the COLA increase. Therefore it may be necessary to perform a budget calculation for Medicaid including the COLA increase and a separate MSP budget disregarding the COLA increase in the January budget.

#### **Review of Exception Reports for MSP**

Districts must review these cases to make sure both that the COLA increase has been disregarded and the 2008 FPLs have been used to determine eligibility for the month of January 2009. Districts must also review the list to ensure that the 2009 COLA increase and 2009 FPLs are used for budget calculations effective 2/1/09 or later. Cases that have already been budgeted may need to be re-calculated according to the instructions in this GIS, as eligibility may be affected. Proper notices must be sent.

**NEW YORK STATE INCOME AND RESOURCE STANDARDS  
AND FEDERAL POVERTY LINES EFFECTIVE 2/1/2009**

HOUSE HOLD SIZE	MEDICAID STD S/CC - LIF		MEDICAID INCOME LEVEL		100% FPL		120% FPL		133% FPL		135% FPL		150% FPL		185% FPL		200% FPL		250% FPL		RESOURCES	
	ANNUAL	MONTHLY	ANNUAL	MONTHLY	ANNUAL	MONTHLY	ANNUAL	MONTHLY	ANNUAL	MONTHLY	ANNUAL	MONTHLY	ANNUAL	MONTHLY	ANNUAL	MONTHLY	ANNUAL	MONTHLY	ANNUAL	MONTHLY		
<b>ONE</b>	8,462	706	9,200	767	10,830	903	12,996	1,083	14,404	1,201	14,621	1,219	16,245	1,354	20,036	1,670	21,660	1,805	27,075	2,257	13,800	<b>1</b>
<b>TWO</b>	10,563	881	13,400	1,117	14,570	1,215	17,484	1,457	19,379	1,615	19,670	1,640	21,855	1,822	26,955	2,247	29,140	2,429	36,425	3,036	20,100	<b>2</b>
<b>THREE</b>	12,568	1,048	15,410	1,285	18,310	1,526			24,353	2,030			27,465	2,289	33,874	2,823	36,620	3,052			23,115	<b>3</b>
<b>FOUR</b>	14,593	1,217	17,420	1,452	22,050	1,838			29,327	2,444			33,075	2,757	40,793	3,400	44,100	3,675			26,130	<b>4</b>
<b>FIVE</b>	16,686	1,391	19,430	1,620	25,790	2,150			34,301	2,859			38,685	3,224	47,712	3,976	51,580	4,299			29,145	<b>5</b>
<b>SIX</b>	18,217	1,519	21,440	1,787	29,530	2,461			39,275	3,273			44,295	3,692	54,631	4,553	59,060	4,922			32,160	<b>6</b>
<b>SEVEN</b>	19,829	1,653	23,450	1,955	33,270	2,773			44,250	3,688			49,905	4,159	61,550	5,130	66,540	5,545			35,175	<b>7</b>
<b>EIGHT</b>	21,899	1,825	25,460	2,122	37,010	3,085			49,224	4,102			55,515	4,627	68,469	5,706	74,020	6,169			38,190	<b>8</b>
<b>EACH ADD'L PERSON</b>		99	2,010	168	3,740	312			4,975	415			5,610	468	6,919	577	7,480	624			3,015	<b>+</b>

SPOUSAL IMPOVERISHMENT	INCOME	RESOURCES
Community Spouse	\$2,739	\$109,560
Institutionalized Spouse	\$50	\$13,800
Family Member Allowance	\$1,822 is used in the FMA formula the maximum allowance is \$608	N/A

CATEGORY	INCOME COMPARED	HOUSEHOLD SIZE		RESOURCE LEVEL		SPECIAL NOTES
		1	2	1	2	
<b>PRESUMPTIVE ELIGIBILITY FOR PREGNANT WOMEN</b>	100% FPL	N/A	1,215	NO RESOURCE TEST		Qualified provider makes the presumptive eligibility determination. Cannot spenddown to become eligible for presumptive eligibility.
	200%FPL	N/A	2,429			
<b>PREGNANT WOMEN</b>	100% FPL	N/A	1,215	NO RESOURCE TEST		A woman determined eligible for Medicaid for any time during her pregnancy remains eligible for Medicaid coverage until the last day of the month in which the 60th day from the date the pregnancy ends occurs, regardless of any change in income, resources or household composition. If the income is above 200% FPL the A/R must spenddown to the Medicaid income level. The baby will have guaranteed eligibility for one year.
	200%FPL	N/A	2,429			
<b>CHILDREN UNDER ONE</b>	200%FPL	1,805	2,429	NO RESOURCE TEST		If the income is above 200% FPL the A/R must spenddown to the Medicaid income level. One year guaranteed eligibility if mother is in receipt of Medicaid on delivery. Eligibility can be determined in the 3 months retro to obtain the one year
<b>CHILDREN AGE 1 THROUGH 5</b>	133% FPL	1,201	1,615	NO RESOURCE TEST		If the income is above 133% FPL the A/R must spenddown to the Medicaid income level, resources will also be evaluated.
<b>CHILDREN AGE 6 THROUGH 18</b>	100% FPL	903	1,215	NO RESOURCE TEST		If the income is above 100% FPL the A/R must spenddown to the Medicaid income level, resources will also be evaluated.
<b>UNDER 21, ADC-RELATED AND FNP</b>	MEDICAID LEVEL	767	1,117	13,800	20,100	FNP parents cannot spenddown.
<b>SINGLES/CHILDLESS COUPLES</b>	MEDICAID STANDARD	706	881	13,800	20,100	The A/R cannot spenddown income or resources.
<b>LOW INCOME FAMILIES</b>	MEDICAID STANDARD	706	881	13,800	20,100	The A/R cannot spenddown income or resources.
<b>SSI-RELATED</b>	MEDICAID STANDARD	706	881	13,800	20,100	Household size is always one or two.
<b>Qualified Medicare Beneficiary (QMB)</b>	100%FPL	903	1,215	NO RESOURCE TEST		Medicare Part A & B, coinsurance, deductible and premium will be paid if eligible.
<b>COBRA CONTINUATION COVERAGE</b>	100%FPL	903	1,215	4,000	6,000	A/R may be eligible for Medicaid to pay the COBRA premium.
<b>AIDS INSURANCE</b>	185%FPL	1,670	2,247	NO RESOURCE TEST		A/R must be ineligible for Medicaid, including COBRA continuation.
<b>QUALIFIED DISABLED &amp; WORKING INDIVIDUAL</b>	200%FPL	1,805	2,429	4,000	6,000	Medicaid will pay Medicare Part A premium.
<b>SPECIFIED LOW INCOME MEDICARE BENEFICIARIES (SLIMBS)</b>	BETWEEN 100% BUT LESS THAN 120%	903	1,215	NO RESOURCE TEST		If the A/R is determined eligible, Medicaid will pay Medicare Part B premium.
		1,083	1,457			
<b>QUALIFIED INDIVIDUALS (QI-1)</b>	BETWEEN 120% BUT LESS THAN 135% FPL	1,083	1,457	NO RESOURCE TEST		If the A/R is determined eligible, Medicaid will pay Medicare Part B premium.
		1,219	1,640			
<b>FAMILY HEALTH PLUS PARENTS LIVING WITH CHILDREN SINGLES/CHILDLESS COUPLES</b>	150%	1,354	1,822	13,800	20,100	The A/R must be ineligible for Medicaid. The A/R cannot spenddown to become eligible for Family Health Plus.
	100%	903	1,215			
<b>FAMILY PLANNING BENEFIT PROGRAM</b>	200%	1,805	2,429	NO RESOURCE TEST		Provides Medicaid coverage for family planning services to persons of childbearing age with incomes at or below 200% FPL. Potentially eligible individuals will be screened for eligibility for Medicaid and FHPlus, unless they specifically request to be screened only for FPBP eligibility.
<b>MEDICAID BUY-IN Program-MBI-WPD for Working People with Disabilities</b>	250%	2,257	3,036	13,800	20,100	A/R's with a net income that is at least 150% but at or below 250% FPL will pay a premium. Currently, there is a moratorium on premium payment collection.

## Reduction Factors for Calculating Medicaid Eligibility Under the Pickle Amendment During 2009

If the last month in which a person received SSI while, or immediately prior to, receiving Social Security was in any of the periods below, multiply the present amount of her Social Security by the corresponding factor.

<i>If SSI was terminated during this period:</i>	<i>Multiply 2009 Social Security income by:<sup>1</sup></i>	<i>If SS was terminated during this period:</i>	<i>Multiply 2009 Social Security income by:</i>	<i>If SSI was terminated during this period:</i>	<i>Multiply 2009 Social Security income by:</i>
May – June 1977	.267	Jan. 1988 – Dec. 1988	.526	Jan. 1999 – Dec. 1999	.742
July 1977 – June 1978	.282	Jan. 1989 – Dec. 1989	.547	Jan. 2000 – Dec. 2000	.761
July 1978 – June 1979	.301	Jan. 1990 – Dec. 1990	.573	Jan. 2001 – Dec. 2001	.788
July 1979 – June 1980	.330	Jan. 1991 – Dec. 1991	.604	Jan. 2002 – Dec. 2002	.808
July 1980 – June 1981	.378	Jan. 1992 – Dec. 1992	.626	Jan. 2003 – Dec. 2003	.819
July 1981 – June 1982	.420	Jan. 1993 – Dec. 1993	.645	Jan. 2004 – Dec. 2004	.837
July 1982 – Dec. 1983	.451	Jan. 1994 – Dec. 1994	.661	Jan. 2005 – Dec. 2005	.859
Jan. 1984 – Dec. 1984	.467	Jan. 1995 – Dec. 1995	.680	Jan. 2006 – Dec. 2006	.894
Jan. 1985 – Dec. 1985	.483	Jan. 1996 – Dec. 1996	.698	Jan. 2007 – Dec. 2007	.924
Jan. 1986 – Dec. 1986	.498	Jan. 1997 – Dec. 1997	.718	Jan. 2008 – Dec. 2008	.944
Jan. 1987 – Dec. 1987	.505	Jan. 1998 – Dec. 1998	.733		

<sup>1</sup> Due to Social Security's rounding rules, the adjustment factors in the table produce an approximate, rather than exact, figure. Because a discrepancy of one cent may mean the difference between Medicaid eligibility as a Pickle case and no meaningful access to health care, advocates should obtain exact information from the Social Security Administration if the figure produced by the screening method results in a determination that the client is over the eligibility limit by a small amount (i.e., \$20 or less).