



NC DEPARTMENT OF  
**HEALTH AND  
HUMAN SERVICES**

**ROY COOPER** • Governor

**MANDY COHEN, MD, MPH** • Secretary

**JOYCE MASSEY-SMITH, MPA** •  
Director, Division of Aging and Adult Services

December 10, 2021

**DEAR COUNTY DIRECTOR OF SOCIAL SERVICES**

**ATTENTION:** SPECIAL ASSISTANCE AND ADULT SERVICES SUPERVISORS, PROGRAM ADMINISTRATORS, AND PROGRAM MANAGERS

**SUBJECT:** Social Security Cost-of-Living Adjustment (COLA) 2022 and Veteran Affairs (VA) Compensation and Benefits COLA 2022 for Special Assistance (SA) in a Facility

**REQUIRED ACTION:**  Information Only  Time Sensitive  Immediate

Effective January 1, 2022, SA beneficiaries will receive a 5.9% cost-of-living increase in their RSDI/SSI/VA benefits. This increase will affect SA benefits for individuals in facilities.

Special Assistance-In Home (SA-IH) cases are exempt from counting the COLA increase until April 2022, after the new Federal Poverty Levels are published. No action related to the COLA is needed for SA-IH cases until further notice.

This letter outlines the COLA automated process executed by NC FAST and provides counties with procedures for handling COLA mass change updates.

**SOCIAL SECURITY AND VETERANS' CHANGES DUE TO COLA ADJUSTMENT**

1. RSDI/SSI - Effective January 1, 2022, recipients of RSDI and/or SSI will receive a 5.9% COLA increase in their monthly benefits.
2. SSI Federal Benefit Rate (FBR) - Effective January 1, 2022, the SSI FBR for an individual will increase to \$841.00 per month.
3. VA Compensation and Benefits - Effective January 1, 2022, most recipients of VA compensation and benefits will receive a 5.9% COLA increase in their monthly benefit.

**MASS CHANGE AUTOMATED OVERVIEW**

1. NC FAST will create new RSDI/SSI/VA evidence with the start date of January 1, 2022 and update SA facility cases to reduce the SA payment effective January 1, 2022. This will terminate cases that exceed the income limit effective December 31, 2021.

NC FAST recalculates the SA payment by increasing the Social Security payment, SSI payment and/or VA payment amount by 5.9%. *The cents are dropped from Social Security, SSI, and VA payments.*

**NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF AGING AND ADULT SERVICES**

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2. NC FAST will automatically accept the changed decision for all cases except cases in an “On Hold” status. These exception cases will require the caseworker to review and manually accept the changed decision. Timely notices will be system generated on all updated SA cases, including exception cases. Required COLA mass change reports will be provided to the counties.
3. NC FAST will send a COLA communication to alert the counties that the mass change has been executed in the system.

## **COLA NOTICES**

### **1. Recipient Timely Notice of COLA Generated by NC FAST**

- NC FAST will generate and mail a NCF 20031, SA COLA Mass Change Timely Notice, for exception cases. This notice meets the federal requirements for a mass change.
- NC FAST will generate and mail a DSS-8110, Timely Notice, to SA facility cases automatically updated by NC FAST with the new reduced payment amount effective January 1, 2022.
- NC FAST will generate and mail a DSS-8110, Timely Notice, to SA facility cases that exceed income limits and will terminate effective December 31, 2021.
- The Income Support Case, Case Details Tab, Communication section will be updated to display the timely notice and the date sent.

### **2. Adequate Notice Requirement for Exception Cases**

Exception case review and manual redeterminations must be completed prior to the December 2021 processing deadline. After the exception case review and accepting the changed decision, the county must send a manual DSS-8110, Adequate Notice, to notify the recipient of the new SA payment amount effective January 1, 2022, or of termination effective December 31, 2021 (as applicable).

## **SA APPLICATIONS, REDETERMINATIONS AND EXCEPTION CASES**

### **1. Applications**

- Any pending SA applications entered into NC FAST, prior to NC FAST executing the COLA automated update, that is under an Income Support Case (ISC) **with** any active or pending closure product delivery case of any type, NC FAST will update the new 2022 RSDI/SSI/VA evidence.
- For any application entered into NC FAST, prior to NC FAST executing the COLA automated update, that is under an Income Support Case (ISC) **without** any type of active case or pending closure case, the county will need to add RSDI/SSI/VA evidence for the period prior to January 2022 and new RSDI/SSI/VA evidence that is effective January 1, 2022.

- Applications entered in NC FAST, after the COLA automated update is executed by NC FAST, will require RSDI/SSI/VA evidence to be entered in NC FAST for month(s) prior to January 2022 **and** the new RSDI/SSI/VA evidence effective January 1, 2022.

## 2. Redeterminations

- NC FAST will update RSDI/SSI/VA evidence for SA cases where the certification period is ending prior to January 1, 2022.
- When the county completes a late SA redetermination, the 2022 RSDI/SSI/VA evidence will be present. (Note that a county responsible overpayment may be created on the case and recoupment of the overpayment is required.)
- Redeterminations with end dates on or before December 31, 2021, not completed prior to the execution of the 2022 COLA by NC FAST, will not be included in the automated system acceptance process and be put on hold. Caseworkers must complete the redetermination, reassess, accept the decision, and send an Adequate DSS-8110 notice.

## 3. Exception Cases

Exception cases, which includes “On Hold” cases, ineligible determination cases, cases with benefit evidence in ‘Edit’ or ‘Pending Deletion’, cases with future-dated benefit evidence, termination cases due to SSI/RSDI/VA income that has been rounded down, and FBR rounded down cents cases, are excluded from the NC FAST COLA automated update. These cases will require RSDI/SSI/VA evidence to be manually entered in NC FAST for month(s) prior to January 2022 **and** for the new RSDI/SSI/VA evidence to be manually entered in NC FAST effective January 1, 2022.

**Note:** Follow all NC FAST Communications and guidance regarding correct handling of the various types of Exception cases, and work all provided reports within timeframes relayed.

## SA TERMINATED CASES AND MEDICAID PASSALONG EVALUATION

- Special Assistance cases that exceed the income limit, resulting from the COLA increase, will be terminated and a DSS-8110, Timely Notice, will be system generated and sent to the beneficiary.
- During the COVID-19 Public Health Emergency, caseworkers must not terminate or reduce Medicaid eligibility. As a reminder, the following exceptions regarding Medicaid terminations are still applicable, as well as the other allowable reasons for changes and terminations stated in DHB Administrative Letter 07-21 Amended:
  - The beneficiary moves out of state,
  - The beneficiary voluntarily requests termination of Medicaid/NC Health Choice benefits,
  - Death of the beneficiary,

- Beneficiary no longer meets the citizenship/immigration status requirements (see DHB Administrative Letter 07-21 Amended III. D.)

**Note:** See DHB Administrative Letters 05-21 and 07-21, Amended, for additional guidance regarding allowable terminations and for allowable changes for dual eligible Medicaid beneficiaries.

- Local agencies will continue to follow the procedures in the DHB ADMINISTRATIVE LETTER NO: 07-21, AMENDED, MEDICAID/NC HEALTH CHOICE APPLICATION/RECERTIFICATION/CHANGE OF CIRCUMSTANCE PROCEDURES FOR COVID-19. Additional guidance will be provided to counties on how to manage these cases when the Public Health Emergency period ends.

## **ROUNDING CORRECTIONS**

1. NC FAST drops cents for Social Security, SSI, and VA benefits when executing the automated COLA updates for the mass change. Should an amount be incorrect due to dropping cents for cases automatically updated by NC FAST, it is not necessary to manually correct the amounts immediately following the mass change. Take action to correct Social Security, SSI and VA payment amounts at the next redetermination or change of circumstance, whichever occurs first, by entering the increased benefit amount on Benefit/Income evidence in NC FAST. The Start Date for the corrected evidence is January 1, 2022.
2. When corrections are needed, at the next redetermination or change of circumstance, and the corrected benefit amount results in a SA payment decrease, send a new timely DSS-8110 indicating the new SA payment. Correcting the Benefit/Income Evidence to the increased Social Security, SSI, or VA benefit amount will create an overpayment in NC FAST. The overpayment created when adding the corrected Benefit/Income Evidence at the next redetermination or change of circumstance, whichever occurs first, is a state responsible overpayment and charged to the State.

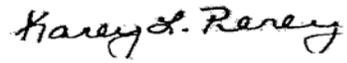
**Note:** Failure to add the corrected Benefit/Income Evidence at the next redetermination or change of circumstance, whichever occurs first, will result in a county responsible overpayment as of the new certification period or when the change in circumstances took place.

3. SA cases not automatically updated by the NC FAST Mass Change (Exception Cases) and require county caseworker manual updating and review, should be completed prior to the December 2021 NC FAST processing deadline to avoid county responsible overpayment(s) that require recoupment.

NC FAST will provide notification, further guidance, and reports related to COLA automation. All communication guidance and instructions must be followed timely and accurately to ensure appropriate actions are taken to avoid potential overpayments.

If you have any questions regarding this information, please contact the Special Assistance listserv at [specialassistance@dhhs.nc.gov](mailto:specialassistance@dhhs.nc.gov).

Sincerely,

A handwritten signature in black ink that reads "Karey Perez". The signature is written in a cursive, flowing style.

Karey Perez  
Adult Services Section Chief  
Division of Aging and Adult Services

KP/ap/wb/ctw

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