



State of California—Health and Human Services Agency
Department of Health Care Services



GAVIN NEWSOM
GOVERNOR

Date: October 23, 2020

TO: ALL COUNTY WELFARE DIRECTORS Letter No.: 20-20
ALL COUNTY WELFARE ADMINISTRATIVE OFFICERS
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS
ALL COUNTY HEALTH EXECUTIVES
ALL COUNTY MENTAL HEALTH DIRECTORS
ALL COUNTY MEDS LIAISONS

SUBJECT: January 2021 Social Security Title II Cost of Living Adjustment

The purpose of this All County Welfare Directors Letter (ACWDL) is to provide counties with guidance for processing the 2021 Social Security Administration (SSA) Cost of Living Adjustment (COLA) in the Statewide Automated Welfare System (SAWS). The application of the COLA to current beneficiary eligibility groups discussed in this letter has not changed and is only updated with the details provided below in this annual letter. Counties shall proceed with processing the 2021 SSA COLA in accordance with the policy of this letter.

Title II Retirement, Survivors, and Disability Insurance COLA

The SSA has advised DHCS that there will be a 1.3 percent COLA increase for year 2021.

It should be noted, as in previous years, that the SSA applies the COLA to the actual, rather than the rounded benefit amount. This may result in a \$1 discrepancy in Title II benefits for some beneficiaries and therefore, a Share of Cost (SOC) that is \$1 less than the actual amount. In order to avoid the unnecessary expense of calculating every Title II case subsequently identified as having an incorrect SOC solely due to the COLA, counties are authorized instead to correct the SOC the next time the budget is recalculated due to a change-in-circumstance or at annual redetermination and will not be cited with Quality Control (QC) errors. Please refer to [ACWDL 14-18](#) for further information regarding processing changes-in-circumstance and annual redeterminations.

Processing the 2021 SSA COLA for Modified Adjusted Gross Income (MAGI) Eligibility Groups

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The processing of the 2021 COLA will not affect the MAGI eligibility groups. The California Healthcare, Eligibility, Enrollment and Retention System (CalHEERS) will not complete a batch run for the SSA COLA at this time. Once 2021 federal poverty levels (FPLs) are updated in CalHEERS, the process by which the 2021 FPL updates are implemented will be the same as in 2020. The Department of Health Care Services (DHCS) will send a mailer to MAGI beneficiaries potentially impacted by the change to inform them of the FPL increase and that they may request a redetermination backdated to January 1, 2021.

Processing the 2021 SSA COLA for Non-MAGI Eligibility Groups

The 2021 SSA COLA will be disregarded from the eligibility determination for the Aged and Disabled FPL, Blind FPL, and Medicare Savings Programs until the 2021 FPL rates take effect on April 1, 2021. For all medically needy cases with Title II income, counties are reminded that due to the Public Health Emergency (PHE), no negative action is to be taken on cases where the COLA would cause an increase in the SOC. DHCS would also like to remind counties to assess beneficiaries for Pickle, Disabled Adult Child (DAC), Disabled Widower (DW) programs as they are on the Mega Mandatory list per [ACWDL 17-03](#).

Information regarding Medicare Premiums for 2021, Pickle In-Kind Support and Maintenance Values (ISM), Supplemental Security Income/State Supplemental Payment (SSI/SSP) Payment Standards, Pickle Resource Eligibility, and Pickle Multipliers will be released in forthcoming ACWDLs.

Please Note: per MEDILs I 20-07, I 20-08, I 20-18, I 20-25, and I 20-26, counties must defer discontinuances and other negative actions based on the COVID-19 PHE. This ACWDL details policy and guidance for eligibility changes but counties shall not apply changes to eligibility that would result in a negative action until after the PHE is lifted. The county shall continue to process determinations or redeterminations for those individuals who would gain access to health care coverage and resolve barriers related to access to care.

If you have any questions or if we can provide further information, please contact Teresa Jones at (916) 345-8151 or by email at Teresa.Jones@dhcs.ca.gov

Original Signed By

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