

**Title of Proposed Rule: Old Age Pension and Aid to the Needy Disabled Colorado Supplement Cost of Living Adjustment (COLA) Increase for 2024**

**CDHS Tracking #: 23-10-03-01**

Office, Division, & Program:  
Office of Economic Security,  
Division of Economic and  
Workforce Support, Adult  
Financial

Rule Author:  
JoAnn Cole

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joann.cole@state.co.us

**RULEMAKING PACKET**

**Type of Rule:** *(complete a and b, below)*

a.  Board  Executive Director

b.  Regular  Emergency

**This package is submitted to State Board Administration as:** *(check all that apply)*

AG Initial Review

Initial Board Reading

AG 2<sup>nd</sup> Review

Second Board Reading / Adoption

This package contains the following types of rules: *(check all that apply)*

Number  
3 Amended Rules  
\_\_\_\_ New Rules  
\_\_\_\_ Repealed Rules  
\_\_\_\_ Reviewed Rules

What month is being requested for this rule to first go before the State Board?	December 2023
What date is being requested for this rule to be effective?	January 1, 2024
Is this date legislatively required?	Yes

I hereby certify that I am aware of this rule-making and that any necessary consultation with the Executive Director's Office, Budget and Policy Unit, and Office of Information Technology has occurred.

**Office Director Approval:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**REVIEW TO BE COMPLETED BY STATE BOARD ADMINISTRATION**

Comments:

Estimated Dates:	1st Board	December 2023	2nd Board	February 2024	Effective Date	1/1/2024 (Emer) 3/30/2024 (Permanent)
		_____		_____		_____

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**STATEMENT OF BASIS AND PURPOSE**

**Summary of the basis and purpose for new rule or rule change.**

*Explain why the rule or rule change is necessary and what the program hopes to accomplish through this rule. **1500 Char max***

On October 12th, 2023, the Social Security Administration (SSA) announced a 3.2% Cost of Living Adjustment (COLA) for all Social Security and Supplemental Security Income (SSI) recipients effective January 1, 2024. Colorado has a Maintenance of Effort (MOE) requirement with the SSA that requires the State to “pass through” the COLA increase to recipients in order to spend at least the same amount on these Adult Financial benefits in the current year as in the year prior. This means an increase is required in the Adult Financial grant payments for those receiving Old Age Pension (OAP) and Aid to the Needy Disabled - Colorado Supplement (AND-CS) assistance.

These rules react to the increase to the SSI maximum payment by twenty-nine dollars (\$29) ( $\$914 \times 3.2\% = \$29.24$ ; (SSA round down to the whole dollar \$29.00). This rule will increase the AND-CS grant standard to ( $\$914 + \$29 = \$943$ ) \$943 per month, and the OAP grant standard to ( $\$952 + 29 = \$981$ ) \$981 per month.

The SSA COLA also changes the maximum In-Kind Support and Maintenance (ISM) applied to some Adult Financial clients to align with the federal increase to that maximum unearned income type.

The Federal Poverty Guidelines also known as the Federal Poverty Level (FPL) change yearly. The FPL is mentioned in the Adult Financial rule and must be updated when these changes are made; the most current version will be added with this rule package.

An emergency rule-making (which waives the initial Administrative Procedure Act noticing requirements) is necessary:

- to comply with state/federal law and/or
- to preserve public health, safety and welfare

Justification for emergency:

20 CFR 416 et seq. requires a Maintenance of Effort (MOE) between the State of Colorado and the Social Security Administration (SSA). This MOE requires that Colorado spend at least the same amount in the current year as they did in the previous year for specific categories of assistance, which includes OAP and AND-CS recipients who receive SSI. Failure to pass along the COLA could impact the MOE agreement with the SSA. Failure to comply with the terms of the MOE could jeopardize Medicaid Federal Financial Participation (FFP) funds as the SSA could impose a sanction of no less than one full quarter FFP match (approximately \$300-350 million) for every month Colorado does not meet the MOE requirement.

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**State Board Authority for Rule:**

Code	Description
26-1-107, C.R.S. (2015)	State Board to promulgate rules
26-1-109, C.R.S. (2015)	State department rules to coordinate with federal programs
26-1-111, C.R.S. (2015)	State department to promulgate rules for public assistance and welfare activities.

**Program Authority for Rule:** *Give federal and/or state citations and a summary of the language authorizing the rule-making function AND authority.*

Code	Description
24-4-103, C.R.S. (2023)	Provides for emergency adoption of rules
26-2-111, C.R.S. (2023)	Describes eligibility for Old Age Pension and Aid to the Needy Disabled
26-2-114, C.R.S. (2023)	Provides state board authority to adjust the minimum award of Old Age Pension if living costs have changed sufficiently to justify such adjustment
Colorado Constitution, Article XXIV, Section 6	Provides the state board of public welfare, or such other agency as may be authorized by law power to adjust the basic minimum award for Old Age Pensions if living costs have changed sufficiently to justify that action

Does the rule incorporate material by reference?

Yes

No

Does this rule repeat language found in statute?

Yes

No

If yes, please explain.

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**REGULATORY ANALYSIS**

**1. List of groups impacted by this rule.**

*Which groups of persons will benefit, bear the burdens or be adversely impacted by this rule?*

This rule change will impact all OAP and AND-CS recipients. OAP and AND-CS recipients will receive a maximum of twenty-nine dollars (\$29) increase to their monthly grant payment. OAP recipients maximum monthly grant payment will increase to \$981 ( $\$952 + \$29 = \$981$ ). AND-CS recipients maximum monthly grant amount will increase to \$943 ( $\$914 + \$29 = \$943$ ).

This rule change will also impact OAP and AND-CS recipients that have an In-kind Support Maintenance (ISM) calculation because they are not paying their fair share of shelter and utility costs. The ISM is applied as in-kind income in the calculation of benefits. The new maximum ISM amount is \$334.00 ( $\$943 \times 33.33\% = \$314.30 + \$20 = \$334.30$ ).

**2. Describe the qualitative and quantitative impact.**

*How will this rule-making impact those groups listed above? How many people will be impacted? What are the short-term and long-term consequences of this rule?*

The rule will result in an increase of \$29 to the OAP Grant Standard \$981 ( $\$952 + \$29 = \$981$ ) and will impact all OAP recipients, approximately 15,398 individuals. The rule will result in an increase of \$29 to the AND-CS Grant Standard to \$943 ( $\$914 + \$29 = \$943$ ) and will impact all AND-CS recipients, approximately 291 individuals.

This increase will provide these clients with increased means to meet their basic living needs. This change may impact the food assistance benefits received by these clients. As an approximation, for every three dollars (\$3) additional cash assistance received, clients may experience a decrease of their Supplemental Nutrition Assistance Program (SNAP) benefits by one dollar (\$1). If an individual receives the full increase of twenty-nine dollars (\$29), their SNAP benefits may decrease by ten dollars (\$10).

Long-term, increasing the grant standard will assist the State in meeting the SSA MOE. If the State fails to meet the provisions of the MOE, Medicaid Federal Financial Participation (FFP) funds will be placed in jeopardy.

The ISM adjustment only impacts those individuals who are not currently paying their fair share of shelter costs. Approximately 2% of the combined OAP and AND-CS caseload has any type of in-kind income, and not all of those will have the ISM deduction. In simplified terms, we will assume that the client has no income or resources and, up to this point, would qualify for the full OAP or AND-CS grant. However, the county then looks to see if the client is paying their fair share for shelter, which includes utilities. The total shelter cost is then divided by the number of people living in the home to determine each person's fair share for shelter costs. If the client is not paying a fair share, the ISM deduction may apply. The amount the client is charged as income for unpaid shelter costs is never more than the ISM amount set in rule.

**3. Fiscal Impact**

*For each of the categories listed below explain the distribution of dollars; please identify the costs, revenues, matches or any changes in the distribution of funds even if such change has a total zero effect*

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*for any entity that falls within the category. If this rule-making requires one of the categories listed below to devote resources without receiving additional funding, please explain why the rule-making is required and what consultation has occurred with those who will need to devote resources. **Answer should NEVER be just “no impact” answer should include “no impact because....”***

State Fiscal Impact (Identify all state agencies with a fiscal impact, including any Colorado Benefits Management System (CBMS) change request costs required to implement this rule change)

The cost to the State for the increase for non-SSI OAP recipients (approximately 5,877) will be a maximum of \$29 per client per month. This cost will be paid using 100% OAP cash funds. The increase results in total expenditures by the State to non-SSI OAP clients of an estimated \$2,045,196 for 2024.

The cost to the State for the increase to OAP clients that are also receiving SSI (approximately 9,521) is estimated to increase the expenditures to \$3,313,308 for 2024.

The total estimated increased expenditures to the State through the OAP cash fund for SSI and non-SSI OAP recipients is estimated at \$5,358,504 for 2024.

The cost to the State for the increase for AND-CS recipients (approximately 291) will be a maximum of \$29 per client per month. The increase results in total expenditures by the State to AND-CS clients of an estimated \$101,268 for 2024.

The cost to the State will not increase as a result of changing the ISM calculation. The maximum ISM amount is tied directly to the SSI grant.

County Fiscal Impact

OAP will require no additional appropriation as it is included within existing appropriations for this grant increase. The Aid to the Needy Disabled program has a county contribution of 20%. The \$29 grant increase means that counties will contribute a maximum additional \$5.80 per month per client. The anticipated county contribution is much lower since all clients on AND-CS receive at least a portion of their income in SSI. The AND-CS grant is reduced based on the SSI amount.

Federal Fiscal Impact

No impact because there are no federal funds utilized.

Other Fiscal Impact (such as providers, local governments, etc.)

No impact because there are no other providers or local governments involved.

**4. Data Description**

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*List and explain any data, such as studies, federal announcements, or questionnaires, which were relied upon when developing this rule?*

The SSA issued a press release on October 12th, 2023, announcing the 3.2% cost of living adjustment (COLA). This information can be found at <https://www.ssa.gov/cola/>

**5. Alternatives to this Rule-making**

*Describe any alternatives that were seriously considered. Are there any less costly or less intrusive ways to accomplish the purpose(s) of this rule? Explain why the program chose this rule-making rather than taking no action or using another alternative. Answer should NEVER be just “no alternative” answer should include “no alternative because...”*

Taking no action could adversely impact the health, safety, and welfare of OAP and AND-CS recipients. This could also potentially cause the State to be unable to meet the MOE requirements with the Social Security Administration. Because of the penalties associated with not meeting the MOE, there are no other viable options.

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**OVERVIEW OF PROPOSED RULE**

Compare and/or contrast the content of the current regulation and the proposed change.

Rule section Number	Issue	Old Language	New Language or Response	Reason / Example / Best Practice	Public Comment No / Detail
7.000	<i>Incorrect Statutory Reference</i>	<i>Section 26.5.103 C.R.S.</i>	<i>Section 26.5-101(3) C.R.S.</i>		
3.530	Update amounts of components to reflect the increased grant standard and ISM amount effective January 1, 2024	The Old Age Pension (OAP) program provides financial assistance and may provide health care benefits for low-income Colorado residents who are sixty (60) years of age or older who meet all financial and non-financial eligibility requirements. A. The total monthly OAP grant standard, as set by the State Board of Human Services, is \$952.00, effective January 1, 2023. B. Effective January 1, 2023, the maximum monthly In-Kind Support and Maintenance (ISM) deduction amount for shelter costs is \$325.00	The Old Age Pension (OAP) program provides financial assistance and may provide health care benefits for low-income Colorado residents who are sixty (60) years of age or older who meet all financial and non-financial eligibility requirements. A. The total monthly OAP grant standard, as set by the State Board of Human Services, is <del>\$952.00</del> \$981.00 effective January 1, 20234. B. Effective January 1, 20234, the maximum monthly In-Kind Support and Maintenance (ISM) deduction amount for shelter costs is <del>\$325.00</del> \$334.00	To implement the \$29 COLA increase and adjust the ISM amount.	
3.546	Update amounts of components to reflect the increased grant standard and ISM amount effective January 1, 2024	The Aid to the Needy Disabled-Colorado Supplement (AND-CS) program provides a supplemental payment for client's age zero (0) to fifty-nine (59) who are receiving SSI due to a disability or blindness, but are not receiving the full SSI benefit standard, as defined in Section 3.510. A. The total AND-CS grant standard is \$914.00, effective January 1, 2023.	The Aid to the Needy Disabled-Colorado Supplement (AND-CS) program provides a supplemental payment for client's age zero (0) to fifty-nine (59) who are receiving SSI due to a disability or blindness, but are not receiving the full SSI benefit standard, as defined in Section 3.510. A. The total AND-CS grant standard is <del>\$914.00</del> 943.00, effective January 1, 20234. B. The grant standard for AND-CS shall be adjusted as needed to remain within available appropriations. Appeals shall not be allowed for grant standard adjustments necessary to stay	To implement the \$29 COLA increase and adjust the ISM amount.	

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		B. The grant standard for AND-CS shall be adjusted as needed to remain within available appropriations. Appeals shall not be allowed for grant standard adjustments necessary to stay within available appropriations.	within available appropriations. C. In addition to the regular monthly AND-CS grant payments, supplemental payments necessary to comply with the Federal MOE requirements, as incorporated by reference in Section 3.531.D, may be provided. These payments are supplements to regular grant payments, are not entitlements, and do not affect grant standards. Appeals shall not be allowed for MOE payment adjustments. D. Effective January 1, 2023 <del>4</del> , the maximum ISM amount for shelter costs is <del>\$325.00</del> \$334.00.		
3.510	To update the date of the most current FPL adjustment	“Federal Poverty Guidelines” also called Federal Poverty Level (FPL) means the income level for a household as set forth in the Federal Register 87 FR 3315, as of January 12, 2022. This rule does not contain any later amendments or editions. These guidelines are available for no cost at <a href="https://www.federalregister.gov/">https://www.federalregister.gov/</a> . These guidelines are also available for public inspection and copying at the Colorado Department of Human Services, Director of the Employment and Benefits Division, 1575 Sherman Street, Denver, Colorado, 80203, or at any State publications library during regular business hours.	“Federal Poverty Guidelines” also called Federal Poverty Level (FPL) means the income level for a household as set forth in the Federal Register <del>87 FR 3315, as of January 12, 2022</del> 89 FR 4562 as of January 24, 2024. This rule does not contain any later amendments or editions. These guidelines are available for no cost at <a href="https://www.federalregister.gov/">https://www.federalregister.gov/</a> . These guidelines are also available for public inspection and copying at the Colorado Department of Human Services, Director of the Employment and Benefits Division, 1575 Sherman Street, Denver, Colorado, 80203, or at any State publications library during regular business hours.	To update the date of the most current FPL adjustment to 2024.	



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**STAKEHOLDER COMMENT SUMMARY**

**Development**

*The following individuals and/or entities were included in the development of these proposed rules (such as other Program Areas, Legislative Liaison, and Sub-PAC):*

None.

**This Rule-Making Package**

*The following individuals and/or entities were contacted and informed that this rule-making was proposed for consideration by the State Board of Human Services:*

Finance Sub-PAC, Economic Security Sub-PAC and Economic Security PAC, Colorado Department of Human Services Food & Energy Assistance Division, Colorado Department of Health Care Policy & Financing

**Other State Agencies**

Are other State Agencies (such as HCPF or CDPHE) impacted by these rules? If so, have they been contacted and provided input on the proposed rules?

Yes  No

If yes, who was contacted and what was their input?

**Sub-PAC**

Have these rules been reviewed by the appropriate Sub-PAC Committee?

Yes  No

Name of Sub-PAC	Finance & Economic Security		
Date presented	November 2, 2023		
What issues were raised?	None		
Vote Count	<i>For</i>	<i>Against</i>	<i>Abstain</i>
	F(17) ES (14)	F(0) ES (0)	
If not presented, explain why.	1 absent from F sub-PAC, 3 absent from ES sub-PAC		

**PAC**

Have these rules been approved by PAC?

Yes  No

Date presented	November 2, 2023		
What issues were raised?	None.		
Vote Count	<i>For</i>	<i>Against</i>	<i>Abstain</i>
	Unanimous		
If not presented, explain why.			

**Other Comments**

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Comments were received from stakeholders on the proposed rules:

Yes     No

*If "yes" to any of the above questions, summarize and/or attach the feedback received, including requests made by the State Board of Human Services, by specifying the section and including the Department/Office/Division response. Provide proof of agreement or ongoing issues with a letter or public testimony by the stakeholder.*

(9 CCR 2503-5)

**3.510 DEFINITIONS**

“Federal Poverty Guidelines” also called Federal Poverty Level (FPL) means the income level for a household as set forth in the Federal Register ~~87 FR 3315, as of January 12, 2022~~ **89 FR 4562 AS OF JANUARY 24, 2024**. This rule does not contain any later amendments or editions. These guidelines are available for no cost at <https://www.federalregister.gov/>. These guidelines are also available for public inspection and copying at the Colorado Department of Human Services, Director of the Employment and Benefits Division, 1575 Sherman Street, Denver, Colorado, 80203, or at any State publications library during regular business hours.

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**3.530 OLD AGE PENSION (OAP) PROGRAM**

The Old Age Pension (OAP) program provides financial assistance and may provide health care benefits for low-income Colorado residents who are sixty (60) years of age or older who meet all financial and non-financial eligibility requirements.

A. The total monthly OAP grant standard, as set by the State Board of Human Services, is ~~\$952.00~~ \$981.00 effective January 1, 20234.

B. Effective January 1, 20234, the maximum monthly In-Kind Support and Maintenance (ISM) deduction amount for shelter costs is ~~\$325.00~~ \$334.00.

\*\*\*\*\*

**3.546 AID TO THE NEEDY DISABLED-COLORADO SUPPLEMENT (AND-CS) PROGRAM**

The Aid to the Needy Disabled-Colorado Supplement (AND-CS) program provides a supplemental payment for clients age zero (0) to fifty-nine (59) who are receiving SSI due to a disability or blindness, but are not receiving the full SSI benefit standard, as defined in Section 3.510.

A. The total AND-CS grant standard is ~~\$944.00~~ \$943.00, effective January 1, 20234.

D. Effective January 1, 20234, the maximum ISM amount for shelter costs is ~~\$325.00~~ \$334.00.

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