STATE OF WISCONSIN
Department of Health Services
Division of Medicaid Services

201 E. Washington Ave.
PO Box 309
Madison WI 53707-0309

Telephone: 608-266-8922
Fax: 608-266-1096

Date: November 25, 2025

DMS Operations Memo 25-21

To: Income Maintenance Supervisors
Income Maintenance Lead Workers
Income Maintenance Staff

Affected Programs:
- ☐ BadgerCare Plus
- ☐ Caretaker Supplement
- ☐ FoodShare
- ☐ FoodShare Employment and Training
- ☒ Medicaid
- ☐ SeniorCare

From: Jonelle Brom, Bureau Director
Bureau of Eligibility Operations and Training
Division of Medicaid Services

Autumn Arnold, Bureau Director
Bureau of Eligibility and Enrollment Policy
Division of Medicaid Services

2026 Cost-of-Living Adjustment (COLA) for Medicaid

CROSS-REFERENCE

Medicaid Eligibility Handbook

EFFECTIVE DATE

January 1, 2026

PURPOSE

This operations memo announces this year's Social Security Cost-of-Living Adjustment (COLA) and the resulting increase in some Medicaid financial eligibility limits, effective January 1, 2026.

BACKGROUND

As announced by the Social Security Administration, the COLA for calendar year 2026 is 2.8% for the Social Security Administration (SSA) Old Age, Survivors and Disability Insurance (OASDI or Title II) Program and the Supplemental Security Income (SSI or Title XVI) Program.

The Medicare Part B costs are also updated based on the yearly amount set in federal law.

The federal COLA increase will result in changes to some of the Medicaid income levels, allowances, and deductions in CARES. CARES eligibility redeterminations for January 2026 will occur as part of the annual mass change.

Note: SSI amounts will not be updated in CARES through the COLA mass change. SSI amounts will continue to be auto-updated on a weekly basis. The increase in federal SSI payments will appear as an auto-update after adverse action in December 2025 and will impact February 2026 benefits. The regular SSI auto-update action items will be generated when these amounts change.

There will not be a COLA increase in state SSI Supplement or Supplemental Security Income Exceptional Expense (SSI-E) payment amounts.

POLICY

MEDICAID DEDUCTIBLES

Per Medicaid Eligibility Handbook Section 24.6.1, increases in Social Security benefits due to the COLA may not result in increases to the amount of met or unmet deductibles. However, any increases in Medicare premiums must be used to adjust the amount of any remaining unmet deductibles.

NEW PROGRAM AMOUNTS FOR 2026

INSTITUTIONAL MEDICAID CATEGORICALLY NEEDY MONTHLY INCOME LIMIT

Cross Reference: Medicaid Eligibility Handbook, Section 39.4
Effective Date: January 1, 2026

ITEM	NEW AMOUNT	OLD AMOUNT
Categorically needy monthly income limit for a person in a medical institution	**$2,982**	$2,901

KATIE BECKETT MEDICAID MONTHLY INCOME LIMIT

Cross Reference: Medicaid Eligibility Handbook, Section 29.1
Effective Date: January 1, 2026

ITEM	NEW AMOUNT	OLD AMOUNT
Monthly income limit for Katie Beckett Medicaid	**$2,982**	$2,901

ELDERLY, BLIND, AND DISABLED (EBD) MEDICAID MONTHLY INCOME LIMITS AND ASSET LIMIT CHANGES

Cross Reference: Medicaid Eligibility Handbook, Section 39.4
Effective Date: January 1, 2026

ITEM	NEW AMOUNT	OLD AMOUNT
Categorically Needy Monthly Income Limits		
Group Size of 1	**$1,077.78**	$1,050.78
Group Size of 2	**$1,623.05**	$1,582.05
Categorically Needy Asset Limits		
Group Size of 1	**No Change**	$2,000
Group Size of 2	**No Change**	$3,000
Medically Needy Asset Limits		
Group Size of 1	**No Change**	$2,000
Group Size of 2	**No Change**	$3,000

Note: The Medically Needy monthly income limits will be updated in early 2026 when the Federal Poverty Level income guidelines are updated.

MONTHLY EBD DEEMING AMOUNT TO AN INELIGIBLE MINOR

Cross Reference: Medicaid Eligibility Handbook, Sections 1.1.3.3, 15.1.2 and 39.4
Effective Date: January 1, 2026

ITEM	NEW AMOUNT	OLD AMOUNT
Monthly EBD Deeming Amount to an Ineligible Minor	**$497**	$483

MONTHLY PARENTAL LIVING ALLOWANCE

Cross Reference: Medicaid Eligibility Handbook, Sections 1.1.3.3, 15.1.2 and 39.4
Effective Date: January 1, 2026

ITEM	NEW AMOUNT	OLD AMOUNT
Monthly Parental Living Allowance – 1 Parent	**$994**	$967
Monthly Parental Living Allowance – 2 Parents	**$1,491**	$1,450

SPOUSAL IMPOVERISHMENT INCOME ALLOCATION AND ASSET SHARE

Cross Reference: Medicaid Eligibility Handbook, Sections 18.6.2, 18.4.3, and 39.4.4
Effective Date: January 1, 2026

ITEM	NEW AMOUNT	OLD AMOUNT
Income allocation maximum (monthly)	**$4,066.50**	$3,948.00
Community Spouse Asset Share (CSAS) maximum	**$162,660**	$157,920

If the total countable assets of the couple are:	Then the CSAS is:	MA eligibility limit
$325,320 or more	$162,660	$164,660
Less than $325,320, but greater than $100,000	half the total countable assets of the couple	½ + $2,000
$100,000 or less	$50,000	$52,000

Income Allocation and Allowance:

Community Spouse Allocation	The maximum allocation is the lesser of **$4,066.50**, or **$3,525.00** plus excess shelter allowance. (The lower allocation limit does not change with the COLA increases. This amount will be updated on July 1.) "Excess shelter allowance" means shelter expenses above **$1,057.50**. Shelter expenses are mortgage, rent, taxes, maintenance fees, and a utility allowance. (The excess shelter allowance does not change with the COLA increases. This amount will be updated on July 1.)
Dependent Family Member Income Allowance Standard	**$2,643.75** (This amount does not change with the COLA increases. This amount will be updated on July 1.) The maximum allowance per dependent family member is **$881.25**.
Personal Needs Allowance	**$55** for institutionalized individuals (no change)
Community Waivers Allowance	**$1,174** to **$2,982** for a person in community waivers

Note: The dollar amounts for income allocation and allowance are monthly amounts.

SPOUSAL IMPOVERISHMENT FACT SHEET

IM workers and members can access the Wisconsin Medicaid Spousal Impoverishment Protection fact sheet, P-10063 at dhs.wi.gov/library/collection/p-10063.

2026 MEDICARE PART B PREMIUM AMOUNT BASED ON INCOME

The 2026 standard monthly Medicare premium amount is $202.90. Some people who get Social Security benefits will pay less than the standard monthly premium amount.

The people who pay the standard monthly premium or higher amounts shown in the chart below are those who fall into one of these groups:

- Individuals enrolled in Part B for the first time in 2026.
- Individuals who do not receive Social Security benefits.
- Individuals who are directly billed for Part B premiums.
- Individuals who have Medicare and Medicaid, and Medicaid pays their premiums (the state of Wisconsin will pay the standard premium amount).
- Individuals whose modified adjusted gross income as reported on their IRS tax return from 2024 is above a certain amount.

Cross Reference: None
Effective Date: January 1, 2026

Yearly Income (as Reported on the 2024 IRS Tax Return)			
Single	**Married (Filing Jointly)**	**Married (Filing Separately)**	**Monthly Premium**
$109,000 or less	$218,000 or less	$109,000 or less	$202.90
$109,001 – $137,000	$218,001 - $274,000		$284.10
$137,001 – $171,000	$274,001 - $342,000		$405.80
$171,001 – $205,000	$342,001 - $410,000		$527.50
$205,001 – $499,999	$410,001 – $749,999	$109,001 – $390,999	$649.20
$500,000 and above	$750,000 and above	$391,000 and above	$689.90

More information on Part B premiums is available at cms.gov/newsroom/fact-sheets/2026-medicare-parts-b-premiums-deductibles.

SSI-E MONTHLY PAYMENT LEVEL

Cross Reference: Medicaid Eligibility Handbook, Section 39.4
Effective Date: No change

ITEM	NEW AMOUNT	OLD AMOUNT
State SSI-E Supplement monthly payment	**No Change**	$95.99

HOME MAINTENANCE MAXIMUM ALLOWANCE

Cross Reference: Medicaid Eligibility Handbook, Sections 15.7.1 and 39.4
Effective Date: January 1, 2026

ITEM	NEW AMOUNT	OLD AMOUNT
Home maintenance maximum allowance	**$1,173.77**	$1,146.77

COMMUNITY WAIVERS MONTHLY BASIC NEEDS ALLOWANCE

Cross Reference: Medicaid Eligibility Handbook, Sections 28.6.4.1 and 39.4
Effective Date: January 1, 2026

ITEM	NEW AMOUNT	OLD AMOUNT
Monthly Basic Needs Allowance	**$1,174**	$1,147
EBD Maximum Monthly Personal Maintenance Allowance	**$2,982**	$2,901

COMMUNITY WAIVERS SPECIAL INCOME LIMIT (GROUP B)

Cross Reference: Medicaid Eligibility Handbook, Sections 28.6.3 and 39.4
Effective Date: January 1, 2026

ITEM	NEW AMOUNT	OLD AMOUNT
Monthly income limit for a single person or spouse not applying	**$2,982**	$2,901

TUBERCULOSIS-RELATED MEDICAID MONTHLY INCOME LIMIT

Cross Reference: BadgerCare Plus Eligibility Handbook, Section 43.2
Effective Date: January 1, 2026

ITEM	NEW AMOUNT	OLD AMOUNT
Monthly income limit for one person	**$2,073**	$2,019
Monthly income limit for a married couple	**$3,067**	$2,985

MEDICARE SAVINGS PROGRAM ASSET LIMITS

Cross Reference: Medicaid Eligibility Handbook, Section 39.4.1
Effective Date: January 1, 2026

ITEM	NEW AMOUNT	OLD AMOUNT
Asset limit for one person	**$9,950**	$9,660
Asset limit for two persons	**$14,910**	$14,470

Applies only to Qualified Medicare Beneficiary (QMB), Specified Low-Income Medicare Beneficiary (SLMB), and Specified Low-Income Medicare Beneficiary Plus (SLMB+); does not apply to Qualified Disabled and Working Individuals (QDWI).

COST-OF-LIVING ADJUSTMENT (COLA) DISREGARD

Cross Reference: Medicaid Eligibility Handbook, Section 39.6
Effective Date: January 1, 2026

Month SSI Was Last Received	Multiply 2026 OASDI by:	Multiply 2025 OASDI by:
Jan 2025 - Dec 2025	0.027237	--
Jan 2024 - Dec 2024	0.050963	0.024390
Jan 2023 - Dec 2023	0.080391	0.054642
Jan 2022 - Dec 2022	0.153993	0.130305
Jan 2021 - Dec 2021	0.201127	0.178758
Jan 2020 - Dec 2020	0.211379	0.189298
Jan 2019 - Dec 2019	0.223798	0.202065
Jan 2018 - Dec 2018	0.244940	0.223798
Jan 2017 - Dec 2017	0.259745	0.239018
Jan 2016 - Dec 2016	0.261959	0.241294
Jan 2015 - Dec 2015	0.261959	0.241294
Jan 2014 - Dec 2014	0.274296	0.253976
Jan 2013 - Dec 2013	0.285021	0.265001
Jan 2012 - Dec 2012	0.296972	0.277287
Jan 2011 - Dec 2011	0.321402	0.302401
Jan 2010 - Dec 2010	0.321402	0.302401
Jan 2009 - Dec 2009	0.321402	0.302401
Jan 2008 - Dec 2008	0.358603	0.340644
Jan 2007 - Dec 2007	0.373023	0.355468
Jan 2006 - Dec 2006	0.393053	0.376058
Jan 2005 - Dec 2005	0.416957	0.400632
Jan 2004 - Dec 2004	0.432286	0.416390
Jan 2003 - Dec 2003	0.443962	0.428393
Jan 2002 - Dec 2002	0.451639	0.436285
Jan 2001 - Dec 2001	0.465535	0.450570
Jan 2000 - Dec 2000	0.483609	0.469150

Month SSI Was Last Received	Multiply 2026 OASDI by:	Multiply 2025 OASDI by:
Jan 1999 - Dec 1999	0.495712	0.481592
Jan 1998 - Dec 1998	0.502184	0.488245
Jan 1997 - Dec 1997	0.512423	0.498771
Jan 1996 - Dec 1996	0.526164	0.512897
Jan 1995 - Dec 1995	0.538172	0.525240
Jan 1994 - Dec 1994	0.550751	0.538172
Jan 1993 - Dec 1993	0.562135	0.549875
Jan 1992 - Dec 1992	0.574888	0.562985
Jan 1991 - Dec 1991	0.590056	0.578578
Jan 1990 - Dec 1990	0.611059	0.600169
Jan 1989 - Dec 1989	0.628519	0.618117
Jan 1988 - Dec 1988	0.642806	0.632805
Jan 1987 - Dec 1987	0.657204	0.647606
Jan 1986 - Dec 1986	0.661603	0.652128
Jan 1985 - Dec 1985	0.671778	0.662588
Jan 1984 - Dec 1984	0.682877	0.673998
Jul 1983 - Dec 1983	0.693601	0.685022
Jul 1982 - Jun 1983	0.714712	0.706724
Jul 1981 - Jun 1982	0.743446	0.736263
Jul 1980 - Jun 1981	0.775544	0.769259
Jul 1979 - Jun 1980	0.795763	0.790045
Jul 1978 - Jun 1979	0.808228	0.802859
Apr 1977 - Jun 1978	0.818912	0.813842

CONTACTS

DHS CARES Problem Resolution Team

DHS/DMS/BEEP/EB
DHS/DMS/BEOT/JN