



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



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 DIRECTOR

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November 23, 2022

TO: ALL COUNTY WELFARE DIRECTORS Letter No.: 22-29  
 ALL COUNTY ADMINISTRATIVE OFFICERS  
 ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS  
 ALL COUNTY HEALTH EXECUTIVES  
 ALL COUNTY MENTAL HEALTH DIRECTORS

SUBJECT: 2023 MEDICARE PREMIUMS AND SOCIAL SECURITY TITLE II COST  
 OF LIVING ADJUSTMENTS (Reference: [ACWDL 21-29](#))

Effective January 1, 2023, this letter revises the Medicare premium amounts to be used in determining eligibility and the cost of Medicare premiums and the Social Security Title II benefit amount adjustments. The Statewide Automated Welfare Systems (SAWS) will make programming changes for the 2023 Medicare premium amounts and Social Security Title II adjustments in December 2022 for the January 2023 benefit month.

**Medicare Part A and B Premiums**

	<u>Medicare Part A</u>	
	<b>2022</b>	<b>2023</b>
Premium	\$499.00	\$506.00
Reduced premium	\$274.00	\$278.00
 <u>Inpatient care deductible</u>		
Days 1 – 60	\$1,556.00	\$1,600.00
Days 61 – 90	\$389.00	\$400.00
Days 91 – 150	\$778.00	\$800.00
 <u>Skilled Nursing Facility deductible</u>		
Days 1 – 20	N/A	N/A
Days 21 – 100	\$194.50	\$200.00

	<u>Medicare Part B</u>	
	<b>2022</b>	<b>2023</b>
Premium	\$170.10	\$164.90
Annual Deductible	\$233.00	\$226.00

The Social Security Administration (SSA) has advised the Department of Health Care Services (DHCS) that there is 8.7 percent cost of living adjustment (COLA) for Social Security benefits in 2023. Because of this COLA, some Medicare beneficiaries, who were “held harmless” against Medicare Part B premium increases in prior years will see an increase in their 2023 monthly Medicare Part B premium. The Medicare premium increase will be based on the amount of the individual’s COLA increase.

**2023 Social Security Title II Benefit Amount**

*Medicare Part B Premium is Not Paid by Applicant/Beneficiary*

For individuals who only have Medi-Cal and do not pay the Medicare Part B premium, either because they are not eligible for Medicare or they are entitled to Buy-In (in which case the State pays the Medicare Part B premium), the 2022 SSA gross benefit amount should be multiplied by 8.7 percent or 1.087 to compute the 2023 SSA benefit amount.

To calculate the new benefit amount after the 2023 COLA, multiply the 2022 SSA gross benefit amount by the 2023 COLA 1.087 and round the remaining cents down to the next lower whole dollar to obtain the 2023 SSA gross benefit amount. This computation produces the Title II benefit amount to be used in calculating the Medi-Cal share of cost (SOC).

Example:

2023 gross Title II benefit check amount:	\$1,450.00
Multiply by COLA:	<u>x 1.087</u>
Total:	\$ 1,576.15
Round down total to next lower whole dollar:	\$1,576.00
2023 gross Title II benefit amount:	\$1,576.00

*Medicare Part B Premium is paid by the Applicant/Beneficiary*

For individuals who have the Medicare Part B premium deducted from their Title II benefit check, follow the two-step rounding down process to accurately determine the new benefit amount.

Two-Step Rounding Process:

- Step 1:

Add the 2022 Medicare Part B premium to the net 2021 Title II benefit check to obtain the 2022 SSA gross benefit amount. Multiply this 2022 SSA gross amount by the 2023 COLA 1.087 and round the remaining cents down to the next lower \$0.10 increment to obtain the 2023 SSA gross benefit amount.

- Step 2:

Subtract the 2023 Medicare Part B premium (\$164.90 in this example) from the 2023 SSA gross benefit amount and round down to the next lower whole dollar. The remainder will be the January 2023 SSA net benefit amount used to calculate the SOC.

Example:

Step 1:

2022 net Title II benefit check amount:	\$1,576.00
Plus 2022 Medicare Part B premium:	<u>+\$170.10</u>
2022 gross Title II benefit amount:	\$1,746.10
Multiply by COLA:	<u>x 1.087</u>
Total:	\$1898.01

Round down total to next lower increment of \$0.10:	\$1,898.00
2023 gross Title II benefit amount:	\$1,898.00

Step 2:

2023 gross Title II benefit amount:	\$1,898.00
Subtract 2023 Medicare Part B premium:	<u>-\$164.90</u>
Total:	\$1,733.10

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Round down to the next lower whole dollar:	\$1,733.00
2023 net Title II benefit amount:	\$1,733.00

The link below provides more information on the Medicare Part A and B premiums:

[2023 Medicare Parts A & B Premiums and Deductibles/2023 Medicare Part D Income-Related Monthly Adjustment Amounts | CMS](#)

### **Processing the 2023 SSA COLA for Non-MAGI Eligibility Groups**

The 2023 SSA COLA will be disregarded from the eligibility determination for the Aged Blind and Disabled Federal Poverty Level (ABD FPL), and Medicare Savings Programs (MSP) until the 2023 FPL rates take effect on April 1, 2023 (see WIC § 14005.40(f)). All medically needy cases with Title II income must have the SOC adjusted to reflect the COLA, effective January 1, 2023. DHCS would also like to remind counties to assess beneficiaries for Pickle, Disabled Adult Child (DAC), and Disabled Widower (DW) programs, as they are on the Mega Mandatory list per [ACWDL 17-03](#).

### **Medicare Part B Disregard**

DHCS would like to remind counties that effective December 1, 2020, counties must disregard income equal to the amount of the individual's Medicare Part B premium when determining eligibility for the ABD FPL program, regardless of the state's payment of the premium. Previous policy required counties to apply an income deduction for the Medicare Part B premiums only if the individual was paying for the premium. The new policy does not require the individual to pay for the premium when enrolled in or applying for the ABD FPL program. This income disregard is applied to the budget for as long as the individual's countable income remains within the ABD FPL program limits. Individuals in the Medically Needy program must still pay for the premium before receiving the health insurance premium deduction. For more information, please refer to [ACWDL 20-18](#).

Note: Per Medi-Cal Eligibility Division Information Letters (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 declared federal COVID-19 Public Health Emergency (PHE) for most beneficiaries. Counties shall continue to handle Medi-Cal eligibility as outlined in ACWDL [21-26](#) for case processing actions allowed during the COVID 19 PHE and ACWDL [22-18](#) for case processing during the COVID 19 PHE unwinding period. Counties shall process determinations or redeterminations for those individuals who would gain access to health care coverage and resolve barriers related to access to care.

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If you have questions regarding this letter, please contact Minel Tobertga by email at [Minel.Tobertga@dhcs.ca.gov](mailto:Minel.Tobertga@dhcs.ca.gov) or by phone at (916) 345-8075.

**Original Signed By**

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