



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



EDMUND G. BROWN JR.
Governor

February 21, 2014

To: ALL COUNTY WELFARE DIRECTORS Letter No: 14-07
ALL COUNTY ADMINISTRATIVE OFFICERS
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS
ALL COUNTY PUBLIC HEALTH DIRECTORS
ALL COUNTY MENTAL HEALTH DIRECTORS

SUBJECT: 2014 MEDICARE PREMIUMS AND SUPPLEMENTAL SECURITY INCOME
STANDARD AND PARENT ALLOCATIONS AND PROPERTY LIMITS FOR THE
MEDICARE SAVINGS PROGRAMS AND OTHER PROGRAMS
(Reference: All County Welfare Directors Letter (ACWDL) Nos. 99-73, 00-65,
01-66, 02-56, 03-57, 04-39, 05-38, 06-35, 06-35E, 07-25,
08-57, 09-51, 09-52, 11-04, 12-01, 13-02, 13-02E)

The purpose of this letter is to inform counties of the 2014 Supplemental Security Income Standard Allocation, Parent Allocation, property limits for the Medicare Savings Programs (MSP) which include Qualified Medicare Beneficiary/Specified Low Income Medicare Beneficiary/Qualifying Individual, and Medicare premium amounts to be used in determining eligibility and the cost of Medicare premiums.

These allocations are based on the annual federal benefit rate, which is based on the annual Cost of Living Adjustment (COLA). The Standard Allocation increased from \$356 to \$361 in 2014. The standard allocation is determined by the Couples Federal Benefit Rate (FBR) minus the Individual FBR.

Standard/Parent Allocation Amounts

The parent allocation amounts for 2014 are determined as follows.

When there is earned, unearned income, or a combination of income:

- The parent allocation (if one ineligible parent lives with a child) is \$721 (for an individual); and
- The parent allocation (if both ineligible parents live with a child) is \$1,082 (for a couple).

Medicare Part A and B Premiums

The 2014 Medicare Part A premium will decrease to \$426 for persons who do not receive free Medicare Part A. The reduced Medicare Part A premium will decrease to \$234 for persons with 30-39 quarters of Medicare covered employment. Both have a ten percent penalty for late enrollment.

The 2014 Part A deductible will be \$1,246 for the first 60 days of inpatient care and \$304 per day for days 61 through 90. For days 91 through 150, the deductible will be \$608 per day. In addition, there is a skilled nursing facility deductible of \$152 per day for days 21 through day 100. No skilled nursing facility deductible is assessed for the first 20 days of residency. The Medicare Part B monthly premium for all Medicare beneficiaries will be \$104.90 in 2014, the same as it was in 2013. The Medicare Part B annual deductible will also remain unchanged at \$147.

MSP 2014 Property Limits

Effective January 1, 2014, there will be an increase in the property limits used to determine MSP eligibility. The new limits are \$7,160 for an individual and \$10,750 for a couple. Federal law sets the MSP property limits at three times the Supplemental Security Income property limit plus an annual percentage increase equal to the increase in the Consumer Price Index.

Title II COLAs and Federal Poverty Levels

Counties are to disregard the Title II COLAs for all programs where eligibility is based on the federal poverty level (FPL) until the new FPLs are effective for the particular program. A separate ACWDL will be issued to address the FPLs.

If you have questions regarding this letter, please contact Ms. Tammy Kaylor at (916) 327-0406 or by email at Tammy.Kaylor@dhcs.ca.gov.

Original Signed By

Tara Naisbitt, Chief
Medi-Cal Eligibility Division