

## DEPARTMENT OF HEALTH SERVICES

714/744 P STREET  
SACRAMENTO, CA 95814  
(916) 445-1797



April 29, 1980

To: All County Welfare Directors

Letter No. 80-15

TITLE II (OASDI) COST OF LIVING INCREASES EFFECTIVE JULY 1980

This is to advise you of the increase in the Title II (OASDI) benefit and Medicare Part B premium amounts effective July 1980 and to instruct you as to the use of these increases in share-of-cost computations effective with the July 1980 month of eligibility and continuing.

Background

Again this year, due to the uncertainties surrounding Proposition 9, we are not able to announce the cost of living increases in AFDC, SSI/SSP and Medi-Cal levels at the same time as we advise you of Title II increases. We intend, through a series of Medi-Cal Letters, to advise you at the earliest possible date of decisions reached regarding eligibility and share-of-cost determinations for July 1980 month of eligibility and continuing.

Title II Increase

The OASDI increase under Title II of the Social Security Act, announced by the Social Security Administration, is 14.3 percent. This is a firm increase figure applicable to all but a small number of Social Security recipients. Counties are to use the 14.3 percent figure to compute July 1980 share-of-cost amounts for all Medi-Cal-Only cases (both new applications and continuing cases) in which there is Title II income. Counties must notify persons of any change in their share of cost or eligibility status by June 20. If at all possible, the resulting Notice of Action should instruct the individual to notify the county if the 14.3 percent income increase calculation differs from the increase actually received in the July OASDI check. In calculating the new benefit amounts, eligibility staff should raise cents to the next highest increment of ten. For example, a new benefit amount calculated to be \$253.53 based on the 14.3 percent increase will be raised to \$253.60.

Verification of July 1980 Title II Income

The BENDEX Report, reflecting the July 1980 Title II payments to Medi-Cal eligibles with Medicare buy-in status, should be delivered to counties

by June 15, 1980. This report should be used to verify Title II income of clients who advise you that the newly computed income figure is not correct. Social Security district office contact should be made only if the client advises you that the amount shown on the BENDEX Report is not correct, or the client is not shown on the BENDEX Report.

#### Medicare Part B

The premium for Part B Medicare will be \$9.60, effective July 1980. This amount shall be deducted as a health insurance payment for those months in which the beneficiary actually pays the premium (CAC, Title 22, Section 50555.2(c)).

#### Next Decisions Anticipated

We expect to be able to provide you with the following information by mid-May:

1. The SSI/SSP payment levels which will be in effect July 1980 for use in computing the Special Deduction pursuant to CAC, Title 22, Section 50555.4. (At this point, it is not known whether these amounts will remain the same or increase.)
2. Updated procedures regarding Title II Disregard eligibility determinations pursuant to CAC, Title 22, Section 50564. The most important issue yet to be decided is whether we will continue no cost Medi-Cal on the basis of Title II Disregard eligibility from a listing provided to use by SSA (as we did in 1979) or whether all persons discontinued from SSI/SSP effective July 1980 will have to apply at the county for eligibility staff to determine Title II Disregard eligibility.

#### Medi-Cal Maintenance Needs

At this point, it appears that if there will be a Medi-Cal maintenance need increase due to cost of living increases, the amount of increase will not be determined sufficiently in advance to avoid retroactive share-of-cost adjustments. (This is the same situation as occurred last year.) In anticipation of such retroactive adjustments, the following actions have been selected to maximize the advantages of retroactive maintenance need increases for share-of-cost beneficiaries while keeping increased county workload time to a minimum.

1. The Department will prepare and deliver to counties a stuffer to be included with July 1980, and later, Record of Health Care Costs forms (MC 177). The stuffer will advise persons who meet only a portion of their share of cost to keep the MC 177 forms as they may later on be entitled to an adjustment. (Draft wording is attached.)

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2. The Department will print an MC 239 Notice of Action for distribution to counties in the event an increase is granted retroactive to July. The notice will explain the manner in which beneficiaries can receive adjustments. (A copy of the language used last year is attached.)

If you have any questions regarding this information, contact your Medi-Cal Field Representative.

Sincerely,

Original signed by

Barbara Carr, for  
Doris Z. Soderberg, Chief  
Medi-Cal Eligibility Branch

Enclosures

cc: Medi-Cal Liaisons  
Medi-Cal Field Representatives

Expiration Date:

- If you meet only part of the share-of-cost amount shown on the enclosed Record of Health Care Costs form this month, be sure to keep the form with your providers' signatures on it anyway.
- If you meet all of the share cost amount shown on the enclosed Record of Health Care Costs form this month, be sure to tear off and keep your copy before sending the form to the county welfare department.

The reason for this advice is that if the Legislature decides to increase the amount of money you may keep under the Medi-Cal program, you may, in the future, be eligible to have your share of cost for this month reduced. If this happens, Medi-Cal could pay part of your medical bills that end up on your Record of Health Care Costs for this month; or your future share-of-cost amounts could be reduced instead. You will be notified by mail in three or four months if you may be eligible for this reduction. Until then, keep a copy of your form so you can then help the county determine if you are eligible for one of these bonuses.

(County Stamp)

MEDI-CAL  
NOTICE OF ACTION  
CHANGE IN SHARE OF COST

State No.: \_\_\_\_\_

District: \_\_\_\_\_

Change in Share of Cost for: \_\_\_\_\_

(Names)

Your share of cost has been changed to \$ \_\_\_\_\_ per month, beginning \_\_\_\_\_, because: State law increased the Medi-Cal maintenance needs effective July 1, 1979.

Therefore, your revised, lower share of cost for past months is:

July 1979: \$ \_\_\_\_\_ August 1979: \$ \_\_\_\_\_ Sept. 1979: \$ \_\_\_\_\_

If your medical bills in any of the above months were higher than your revised share of cost for that month, you may be eligible to have those medical bills reduced, or to have your future share-of-cost amounts reduced. If your medical bills were higher than your revised share of cost, and you want a share of cost or medical bill reduction, contact your eligibility worker.

The regulations which require this action are California Administrative Code, Title 22, Section(s): 50653

Your new share of cost was determined as follows:

[Monthly gross income	\$ _____]
Monthly net nonexempt income	\$ _____
Maintenance need	— \$ _____
Monthly share of cost	\$ _____

(Eligibility Worker)

(Phone Number)

(Dated)

PLEASE READ THE REVERSE SIDE OF THIS NOTICE

## IMPORTANT INFORMATION

### REPORTING RESPONSIBILITY

You are responsible for notifying the county welfare department of any changes in income, property, other health care coverage, or any changes in your family's circumstances within ten days. You may be responsible to repay the Department for any overpayment of benefits due to your failure to report changes promptly. Failure to tell the county welfare department about other health care coverage or failure to use other coverage available to you is a misdemeanor.

If you have any questions about this action or if there are additional facts relating to your circumstances which you have not reported to us, please write or telephone. We will answer your questions or make an appointment to see you in person.

### RIGHT TO A FAIR HEARING

If you are dissatisfied with this action, you may request a conference with representatives of the county welfare department. You also have the right to request a fair hearing if you are dissatisfied with any action taken by the county welfare department regarding your eligibility, or any action taken by the Department of Health Services regarding the benefits you are entitled to receive.

Should you request a conference, you or your authorized representative will be given an opportunity to discuss your situation, obtain an explanation of reasons for the action being taken, and present information on your behalf. The opportunity for a conference does not change your right to a fair hearing. If you want a conference, you must contact the county welfare department within ten days of the date this notice was mailed.

If you request a fair hearing, you will be given adequate notice of the time, date, and place. Fair hearings are conducted by impartial referees and hearing officers, and you will have the opportunity in advance to examine all documents and records to be used at the hearing, and may represent yourself or be represented by legal counsel, by a friend, or others. The county welfare department can advise you of free legal services which may be available in your community. You or your representative may bring witnesses, establish pertinent facts, make arguments, cross-examine witnesses, and refute testimony or evidence. Following the hearing, the Department of Health Services will issue its written decision. A request for a fair hearing must be made in writing. You must state that you want a hearing and tell why you are dissatisfied. A request for a hearing should be sent to one of the following addresses:

Office of the Chief Referee  
State Department of Social Services  
744 P Street  
Sacramento, California 95814  
Telephone: 916/445-8525

Los Angeles County Residents send to:  
Fair Hearing Section  
P.O. Box 10280  
Glendale, California 91209

A request for a fair hearing must be received within one year of the date of this action. If a fair hearing is requested within ten days of the mailing date of this notice, and if the State determines that the issues concern facts or judgment relating to your individual case, rather than State policy, the action will not be effective until the fair hearing decision is rendered.

State regulations governing fair hearings are available at the county welfare department. Your county worker will assist you, if you wish, in preparing and submitting your request for a fair hearing.