

DEPARTMENT OF HEALTH SERVICES

714/744 P STREET
SACRAMENTO, CA 95814

November 10, 1983

To: All County Welfare Directors

Letter No. 83- 71

JANUARY 1984 SOCIAL SECURITY TITLE II AND TITLE XVI COST OF LIVING ADJUSTMENTS
(COLA) AND MEDICARE PREMIUM INCREASE

This letter is to provide you with the following:

- o Medicare Part B premium increase.
- o Instructions on computing the January 1984 COLA in Title II (Old Age, Survivors and Disability Insurance) benefits.
- o January 1984 Title XVI Supplemental Security Income COLA.
- o 1984 SSI/SSP cash grant levels.
- o Projected impact of Social Security COLAs in regard to Title II Disregard status.

Medicare Premium Increase

The Medicare Part B premium basic rate will increase to \$14.60 effective January 1, 1984.

Title II OASDI COLA

The Social Security Administration (SSA) has advised us that the COLA increase for Title II benefits is 3.5 percent. This percentage increase applies across the board to almost all Title II beneficiaries. Therefore, in all Medi-Cal-Only cases with Title II income, the current benefit amount should be multiplied by 1.035 to compute the new benefit amount.

For individuals who are not eligible for Medicare Part B coverage and for individuals on Buy-In (Medicare Part B premium is paid by the State), the new benefit amount is to be rounded down to the nearest dollar. This will produce the Title II amount to be used in SOC determinations for January. (Example: current benefit amount is \$195.00; multiplying 1.035 equals \$201.82, dropping to the next lowest increment of \$1.00 produces \$201.00 as the January 1984 benefit amount.)

For individuals who pay their own Medicare Part B premium (not currently on Buy-In) a two step rounding down process must be followed to determine the new benefit amount. First, after the current benefit amount has been multiplied by 1.035, any cents remaining should be dropped to the next lowest increment of \$.10. Second, the Medicare Part B premium is to be subtracted and the remainder rounded down to the nearest \$1.00. This will produce the benefit

amount to be received by these individuals in January, 1984. (Example: current benefit amount is \$350.00; multiplying by 1.035 equals \$362.25, dropping to the next lowest increment of \$.10 produces 362.20. The Medicare Part B premium of \$14.60 is then subtracted from \$362.20 producing \$347.60 which is rounded down to \$347.00. This will be January, 1984 benefit amount).

The Notice of Action you use should advise the beneficiary to contact the eligibility worker if the amount of Title II income computed by the county is different from the amount actually received in the January, 1984 check.

All cases with Title II income, including AFDC Medically Needy cases which contain Social Security Survivors Benefits, shall have the share of cost adjusted effective January 1, 1984. In the past, Title II COLAs have been a source of federal quality control (QC) errors. Because of the substantial lead time permitted by this letter, we expect counties to ensure that such QC errors are eliminated.

Title XVI Supplemental Security Income (SSI) COLA

In July 1983, federal SSI benefits were increased by specified dollar amounts. Effective January 1, 1984 these benefit amounts will be further increased by 3.5 percent.

Because the COLAs in both the Title II and Title XVI programs are the same, we anticipate that very few persons will be discontinued from SSI and entitled to Title II Disregard status. If there is to be any program impact, you will receive information in a future letter.

SSI/SSP Payment Levels

The SSI/SSP payment levels in effect from January 1, 1984 through December 31, 1984 are provided on the attached chart. The county should use these figures in allocating income to or from the SSI/SSP recipient and the Medi-Cal MFBU effective January 1, 1984. These budget computations should be performed at the same time the Title II COLAs are being processed.

If you have any questions, please contact Toni Bailey at (916) 324-4953.

Sincerely,

ORIGINAL SIGNED BY

Caroline Cabias, Chief
Eligibility Branch

cc: Medi-Cal Liaisons
Medi-Cal Program Consultants

Attachment

SSI/SSP PAYMENT LEVELS

January 1, 1984 through December 31, 1984

Category	Living Arrangements			
	Independent living arrangement	Residing in household of another and receiving room and board in kind	Independent living arrangement without cooking facilities	Nonmedical board and care
INDIVIDUAL:				
Aged or Disabled	\$477.00	\$372.34	\$528.00	\$539.00
Blind	535.00	430.34	---	539.00
Disabled Minor	378.00	273.34	---	539.00
COUPLE:				
Aged Or Disabled				
- per couple	886.00	728.67	989.00	1,078.00
- per person	443.00	364.34	494.50	539.00
Blind				
- per couple	1,041.00	883.67	---	1,078.00
- per person	520.50	441.84	---	539.00
Blind/Aged or Disabled				
- per couple	982.00	824.67	---	1,078.00
- per person	491.00	412.34	---	539.00