STATE OF CALIFORNIA—HEALTH AND HUMAN SERVICES AGENCY

GRAY DAVIS, Governor

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TO: All County Welfare Directors
All County Administrative Officers
All County Medi-Cal Program Specialists/Liaisons
All County Public Health Directors
All County Pickle Coordinators

Letter No.: 99-66

JANUARY 2000 SOCIAL SECURITY TITLE II AND TITLE XVI COST OF LIVING ADJUSTMENTS (COLA) AND RELATED ISSUES

This letter is to provide all counties with the following information:

- Instructions for computing the January 2000 COLA for Title II (Retirement, Survivor's and Disability Insurance) benefits.
- The 2000 In-Kind Support and Maintenance (ISM) Values for Computing Pickle Eligibility. (Enclosure 1)
- The 2000 Supplemental Security Income/State Supplementary Payment (SSI/SSP) cash grant levels. (Enclosure 2)
- The 2000 Resource Limit for both Medi-Cal and Pickle cases. (Enclosure 3)
- The 2000 Pickle Disregard Computation Chart. (Enclosure 4)
- The 2000 Medicare Part B Premium of $45.50.
- The 2000 Federal Benefit Rate (FBR).

## I. Title II (RSDI) COLA

The Social Security Administration (SSA) has advised us that effective January 1, 2000, the Title II COLA increase is 2.4 percent. This percent increase applies to all Title II beneficiaries.

### A. 2000 Title II Benefit Amount - No Payment for Medicare Part B by Applicant/Beneficiaries

For Medi-Cal-only individuals who do not pay Medicare Part B premiums 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 current 1999 gross benefit amount should be multiplied by 1.024 to compute the 2000 benefit amount.

The new 2000 gross benefit amount is rounded down to the next lower dollar. This computation will produce the Title II benefit amount to be used in computing the Medi-Cal share of cost (SOC) for January 2000 and subsequent months. (Example: The current benefit amount is $210; multiplying by 1.024 equals $215.04, rounding down to the next lower dollar equals $215.) This process is the same for Pickle eligibles who do not have a Medicare Part B premium deduction from their Title II benefit check.

B. 2000 Title II Benefit Amount When a Medicare Part B Premium is Paid by the Applicant

The 2000 Medicare Part B Premium is $45.50. There has been no increase from the 1999 Medicare Part B premium of $45.50.

For individuals who have this premium deducted from their Title II benefit check, a two-step rounding down process must be followed to accurately determine the new benefit amount, for example:

**Step 1**

Add the 1999 Medicare Part B premium ($45.50) to the net 1999 Title II benefit check to obtain the 1999 gross benefit amount. Multiply this 1999 gross amount by the 2000 cost of living increase (1.024) and round the remaining cents down to the next lower $0.10 to obtain the 2000 gross benefit amount.

**Step 2**

Subtract the 2000 Medicare Part B premium ($45.50) from the 2000 gross benefit amount and round down to the next lower dollar. The remainder will be the January 2000 net benefit amount used to compute the SOC.

Example

**Step 1**

| | |
|---|---|
| 1999 net Title II benefit check | $650.00 |
| Plus 1999 Medicare Part B premium | +45.50 |
| 1999 gross Title II benefit amount | $695.50 |
| Multiply by COLA | x 1.024 |
| Total | $712.19 |
| | |
| Round down total to next lower $0.10 | $712.10 |
| 2000 gross Title II benefit amount | $712.10 |

**Step 2**

| | |
|---|---|
| 2000 gross Title II benefit amount | $712.10 |
| Subtract 2000 Medicare Part B premium | - 45.50 |
| Total | $666.60 |
| | |
| Round down total to next lower dollar | $666.00 |
| January 2000 net Title II benefit amount | $666.00 |

C. 2000 Title II Benefit Amount - Pickle Applicant Pays Medicare Part B Premium

To determine the countable Title II income for a Pickle applicant who has the Medicare Part B premium deducted, the following computation must be followed:

**Step 1**

a. Determine the 2000 gross Title II benefit amount for all other Medi-Cal beneficiaries with Title II income (same as Step 1 in B above).

b. Multiply the 2000 gross benefit amount by the January 1999 through December 1999 disregard multiplier. Round to the nearest dollar to determine the 2000 disregard amount.

**Step 2**

Subtract the computed disregard amount from the 2000 gross Title II benefit amount. Then round down the total to the next lower dollar.

Example

**Step 1**

| | |
|---|---|
| 2000 gross Title II benefit amount | $712.10 |
| Disregard multiplier | x .0234 |
| (January - December 1999 amount) | |
| Disregard computed amount | $16.66 |
| Round to nearest dollar | $17.00 |
| 2000 gross Title II benefit amount | $712.10 |
| Subtract Disregard (rounded amount) | -17.00 |
| Total | $695.10 |
| Round down total to next lower dollar | $695.00 |
| Total countable income | $695.00 |

It should be noted, as in previous years, the SSA applies the COLA to the actual, rather than the rounded, benefit amount. This may result in a $1 discrepancy in the Title II benefits for some beneficiaries and a $1 understated SOC.

In order to avoid the unnecessary expense of recomputing every Title II case subsequently identified as having an incorrect SOC solely due to the COLA, counties are authorized instead to correct the SOC the next time the budget is recomputed, when an income change is reported, or at the annual redetermination. Quality Control (QC) errors are not cited when the discrepancy between the budgeted income amount and the actual income received by the beneficiary is less than $50.

The Notice of Action you use should advise the beneficiary to contact his/her eligibility worker if the amount of Title II income computed by the county is different from the amount actually received in the January 2000 check.

All cases with Title II income, including Aid to Families with Dependent Children- Medically Needy (AFDC-MN) cases which contain Social Security Survivor's Benefits, must have the SOC adjusted effective January 1, 2000. In the past, the incorrect computation of Title II COLAS has been the source of federal QC errors.

## II. SSI/SSP PAYMENT LEVELS

The SSI/SSP payment levels in effect from January 1, 2000 through December 31, 2000 are provided on the enclosed chart (Enclosure 2 – page 16-1c to be added to your Pickle Manual). The county should use these figures in allocating income to or from the SSI/SSP recipient and the Medi-Cal Family Budget Unit effective January 1, 2000. These budget computations should be performed at the same time the Title II COLAS are being processed. These payment levels are also to be used effective January 1, 2000 for all Pickle eligibility determinations and redeterminations.

## III. 2000 Resource Limits

Effective January 2000, the resource limit for both Medi-Cal only and Pickle eligibles will remain the same - $2,000 for one person and $3,000 for two. Add the 2000 Resource Limit in the Pickle Handbook, Procedures Section 15, page 15-12 (Enclosure 3).

## IV. 2000 Federal Benefit Rate (FBR)

| | |
|---|---|
| Individual | $512 |
| Couple | $769 |

V. 2000 Pickle Disregard Computation Chart

Effective January 1, 2000, the enclosed chart (Enclosure 4) is to be used when computing a Title II disregard amount for Pickle eligibles and applicants.

Any questions concerning SOC issues in this letter should be directed to Mr. Craig Yagi at (916) 657-1182, or if there are Pickle program questions, call Ms.Cecilia Kelley of my staff at (916) 657-0168.

ORIGINAL SIGNED BY

ANGELINE MRVA, Chief
Medi-Cal Eligibility Branch

Enclosures

## 2000 ISM VALUES FOR COMPUTING PICKLE ELIGIBILITY

| | Individual | Couple |
|---|---|---|
| VTR (not rebuttable)** | $170.66 | $256.33 |
| PMV (rebuttable)*** | $190.66 | $276.33 |

The VTR is the payment level to be used in situations 1, 2, and 3 below. The PMV is the unearned income amount to be added in other situations. The following chart provides the method that must be used for determining Pickle eligibility for individuals and couples in various living arrangements.

| HOUSEHOLD SITUATION (LIVING ARRANGEMENT) | PRINCIPLE |
|---|---|
| 1. Living in household of another throughout a month and receiving both food and shelter from someone in the household. | Reduce the applicable payment level by one-third the Federal Benefit Rate (FBR). Use the VTR. |
| 2. Living in household of another who is providing both food and shelter and also receiving ISM from a third party. | Reduce the FBR payment level by one-third (VTR). Exclude third party ISM. |
| 3. Living with a responsible relative (deemor) who lives in the household of another and the householder is not a responsible relative but is supplying both food and shelter. | Add VTR from the householder to deemed income from the responsible relative and add to other unearned income. |
| 4. Living in own household (ownership or rental liability) and receiving ISM from someone outside the household. | Add PMV to other unearned income. |
| 5. Living in noninstitutional care* situation or group home and receiving ISM from someone outside the household. | Add PMV to other unearned income. |
| 6. Living with a responsible relative (deemor) who lives in the household of another and the householder is not a responsible relative but is supplying food or shelter. | Add PMV from the householder to deemed income from the responsible relative and add to other unearned income. |
| 7. Living in household of another and sharing partial or total household expenses. | If pro rata share is contributed, we use the SSI/SSP payment level for a person in an "independent living arrangement." If pro rata share is not contributed, add PMV. |

(Continued on next page.)

# PICKLE HANDBOOK

SSI/SSP
SECTION 16--PAYMENT STANDARDS
JANUARY 1, THROUGH DECEMBER 31, 2000

| | Independent Living Arrangement | | | Household of Another with In-Kind Room and Board | | | Independent Living Arrangement Without Cooking Facilities (RMA) 1/ | | | Nonmedical Board and Care Licensed Facility/Household of Relative Without In-Kind Room & Board | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Total | SSI (FBR) | SSP | Total | SSI (FBR) | SSP | Total | SSI (FBR) | SSP | Total | SSI (FBR) | SSP |
| **INDIVIDUAL:** | | | | | | | | | | | | |
| Aged or Disabled | 692.00 | 512.00 | 180.00 | 529.00 | 341.34 | 187.66 | 765.00 | 512.00 | 253.00 | 847.00 | 512.00 | 335.00 |
| Blind | 749.00 | 512.00 | 237.00 | 599.00 | 341.34 | 257.66 | | | | 847.00 | 512.00 | 335.00 |
| Disabled Minor* | 593.00 | 512.00 | 81.00 | 421.00 | 341.34 | 79.66 | | | | 847.00 | 512.00 | 335.00 |
| NMOHC 2/ | | | | 679.00 | 341.34 | 337.66 | | | | | | |
| **COUPLE:** | | | | | | | | | | | | |
| Both are: | | | | | | | | | | | | |
| Aged or Disabled | | | | | | | | | | | | |
| Per Couple | 1,229.00 | 769.00 | 460.00 | 1,006.00 | 512.67 | 493.33 | 1,375.00 | 769.00 | 606.00 | 1,694.00 | 769.00 | 925.00 |
| **BLIND:** | | | | | | | | | | | | |
| Couple--Both | | | | | | | | | | | | |
| are blind | | | | | | | | | | | | |
| Per couple | 1,424.00 | 769.00 | 655.00 | 1,202.00 | 512.67 | 689.33 | | | | 1,694.00 | 769.00 | 925.00 |
| **BLIND/AGED OR DISABLED:** | | | | | | | | | | | | |
| Couple One is blind, the other is aged or disabled | | | | | | | | | | | | |
| Per Couple | 1,351.00 | 769.00 | 582.00 | 1,128.00 | 512.67 | 615.33 | | | | 1,694.00 | 769.00 | 925.00 |
| **NMOHC 2/** | | | | | | | | | | | | |
| Per Couple | | | | 1,396.00 | 512.67 | 883.33 | | | | | | |

**NONMEDICAL BOARD AND CARE**

| | Minimum | Maximum |
|---|---|---|
| **TOTAL:** | $ 847.00 | $ 847.00 |
| Board and Room | $ 363.00 | $ 363.00 |
| Care and Supervision | $ 310.00 Min. | $ 386.00 Max. |
| Personal and Incidental Needs | $ 174.00 Max. | $ 98.00 Min. |

**FEDERAL BENEFIT RATE (FBR)**

| | |
|---|---|
| **INDIVIDUAL:** | $ 512.00 |
| Aged, Blind, or Disabled | |
| **COUPLE:** | $ 769.00 |
| Aged, Blind, or Disabled | |

* Independent living arrangement for a disabled minor means living in the home of his/her parents. Household of another is used if both the disabled minor and his/her parents live in the household of someone else, i.e., grandparents, etc.

1/ RMA - Restaurant Meals Allowance

2/ NMOHC[2] - Nonmedical out-of-home care living in household of relative or guardian with In-Kind Room and Board.

RESOURCE ELIGIBILITY
2000 Resource Limits
$2,000--Individual
$3,000--Couple

Pickle persons must be within the resource limit at 12:01 a.m. on the FIRST DAY OF THE MONTH for which eligibility is being determined. If a person is not eligible on the first, he/she is not eligible for the ENTIRE MONTH.

Using information from the MC 210, SAWS 2 or MC 210B, complete the Pickle Resource Worksheet (DHS 7037) to determine resource eligibility. Instructions for completion of the DHS 7037 are attached to the form.

Refer to the following for determining resource eligibility.

- Resource charts.
- Life estate and remainder interest tables.

Clarification

1. Possible Pickle Person Living With a Spouse

   If both members of the couple are eligible, apply the resource limit for two persons and consider the resources of BOTH spouses (whether owned separately or jointly).

2. Possible Pickle Child

   Allow the parents all of the resource exclusions for which they would be eligible if they were the applicants. Consider only the resources of the parent and his/her spouse. This includes, but is not limited to home, household goods, personal effects, automobile, etc.

   After the exclusions are applied, the remaining countable resources are deemed to the possible Pickle child. Where there is more than one possible Pickle child, the resources are deemed among those children:

   Example

   There are two possible Pickle children and $500 in parental resources must be deemed to them. Deem $250 to each child.

3. If applicant is ineligible as a possible Pickle person due to excess resources:

(Continued next page.)

2000
Department of Health Services
Current Year
Pickle Person Title II Disregard Computation Chart

| LAST SSI/SSP Check Received Between | Multiplier |
|---|---|
| 1/99 to 12/99 | 0.0234 |
| 1/98 to 12/98 | 0.0360 |
| 1/97 to 12/97 | 0.0558 |
| 1/96 to 12/96 | 0.0824 |
| 1/95 to 12/95 | 0.1057 |
| 1/94 to 12/94 | 0.1300 |
| 1/93 to 12/93 | 0.1521 |
| 1/92 to 12/92 | 0.1768 |
| 1/91 to 12/91 | 0.2061 |
| 1/90 to 12/90 | 0.2468 |
| 1/89 to 12/89 | 0.2806 |
| 1/88 to 12/88 | 0.3083 |
| 1/87 to 12/87 | 0.3362 |
| 1/86 to 12/86 | 0.3447 |
| 1/85 to 12/85 | 0.3644 |
| 1/84 to 12/84 | 0.3859 |
| 7/82 to 12/83 | 0.4067 |
| 7/81 to 6/82 | 0.4475 |
| 7/80 to 6/81 | 0.5032 |
| 7/79 to 6/80 | 0.5653 |
| 7/78 to 6/79 | 0.6045 |
| 7/77 to 6/78 | 0.6286 |
| 4/77 to 6/77 | 0.6493 |

Instructions
for
Current Year
Title II Disregard Computation Chart

This chart replaces and supersedes all previous Title II Disregard Computation charts. The steps to be taken to use this chart are outlined below.

1. Determine the current benefit amount.

2. Determine when the last SSI/SSP check was received.

3. Multiply the current benefit amount by the multiplier for the time period the last SSI/SSP check was received.

4. The result is the amount to be disregarded.