STATE OF CALIFORNIA—HEALTH AND HUMAN SERVICES AGENCY GRAY DAVIS, *Governor*

DEPARTMENT OF HEALTH SERVICES
714/744 P Street
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April 3, 2001

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

Letter No.: 01-22

ERRATA TO ALL COUNTY WELFARE DIRECTORS LETTER No. 01-04: CORRECTED JANUARY 2001 SOCIAL SECURITY TITLE II AND TITLE XVI COST OF LIVING ADJUSTMENTS AND RELATED ISSUES LETTER AND ENCLOSURES.

Ref.: All County Welfare Directors Letter (ACWDL) No. 01-04

This Errata letter transmits a corrected copy of the January 2001 Social Security Title II and Title XVI Cost of Living Adjustments (COLA) and Related Issues letter and the four enclosures.

The January 2001 Social Security Title II and Title XVI COLA and Related Issues letter gave the correct written instructions on page 2, 3 and 4 for determining the appropriate Title II benefit amount.

However, an inaccurate amount for the 2000 Medicare Part B Premium was used, which impacted all amounts used on pages 3 and 4. The correct Medicare Part B Premium is $45.50. The examples on pages 3 and 4 have been changed to reflect the correct amounts.

The January 2001 Social Security Title II and Title XVI COLA and Related Issues letter has an error in that on page 5, item II Supplemental Security Income/State Supplementary Payment (SSI/SSP Payment Levels) identified Enclosure 2 as page 16-1c of the Pickle Handbook. The correct page number of Enclosure 2 is page 16-1a.

The 2001 SSI/SSP Chart was in error in that it identified the wrong dollar amount under the SSI portion for a couple under the NMOHC2/ Household of Another with In-Kind Room and Board. The correct amount is $530.67. In addition, the dollar amounts for Personal and Incidental needs under Nonmedical Board and Care are incorrectly positioned and did not reflect the correct dollar amounts for the totals. The enclosed corrected SSI/SSP Chart rectifies these issues.

The 2001 Pickle Person Title II Disregard Computation Chart, item 3 incorrectly identified the wrong time period to determine the multiplier to be used as the "last SSI/SSP check was received." The correct time period is when the "individual was last eligible for SSI/SSP." The enclosed chart reflects the correct information.

If you have questions regarding this ACWDL and the Pickle program, please contact Ms. Cecilia Kelley at (916) 657-0168; any questions concerning share-of-cost issues and this ACWDL, contact Mr. Craig Yagi at (916) 657-1182.

Sincerely,

ORIGINAL SIGNED BY

SHAR SCHROEPFER, Chief
Medi-Cal Eligibility Branch

Enclosures

ENCLOSURE

STATE OF CALIFORNIA—HEALTH AND HUMAN SERVICES AGENCY

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Letter No.: 01-04E

JANUARY 2001 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 2001 COLA for Title II (Retirement, Survivor's and Disability Insurance) benefits.
- The 2001 In-Kind Support and Maintenance (ISM) Values for Computing Pickle Eligibility. (Enclosure 1)
- The 2001 Supplemental Security Income/State Supplementary Payment (SSI/SSP) cash grant levels. (Enclosure 2)
- The 2001 Resource Limit for both Medi-Cal and Pickle cases. (Enclosure 3)
- The 2001 Pickle Disregard Computation Chart. (Enclosure 4)
- The 2001 Medicare Part B Premium of $50.
- The 2001 Federal Benefit Rate (FBR).

I. Title II (RSDI) COLA

The Social Security Administration (SSA) has advised us that effective January I, 2001, the Title II COLA increase is 3.5 percent. This percent increase applies to all Title II beneficiaries.

A. 2001 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 2000 gross benefit amount should be multiplied by 1.035 to compute the 2001 benefit amount.

The new 2001 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 2001 and subsequent months. (Example: The current benefit amount is $210; multiplying by 1.035 equals $217.35, rounding down to the next lower dollar equals $217.) 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. 2001 Title II Benefit Amount When a Medicare Part B Premium is Paid by the Applicant

The 2001 Medicare Part B Premium is $50. There has been an increase from the 2000 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 2000 Medicare Part B premium ($45.50) to the net 2000 Title II benefit check to obtain the 2000 gross benefit amount. Multiply this 2000 gross amount by the 2001 cost of living increase (1.035) and round the remaining cents down to the next lower $0.10 to obtain the 2001 gross benefit amount.

Step 2

Subtract the 2001 Medicare Part B premium ($50) from the 2001 gross benefit amount and round down to the next lower dollar. The remainder will be the January 2001 net benefit amount used to compute the SOC.

Example

Step 1

2000 net Title II benefit check	$650.00
Plus 2000 Medicare Part B premium	+45.50
2000 gross Title II benefit amount	$695.50
Multiply by COLA	x 1.035
Total	$719.84
Round down total to next lower $0.10	$719.80
2001 gross Title II benefit amount	$719.80

Step 2

2001 gross Title II benefit amount	$719.80
Subtract 2001 Medicare Part B premium	-50.00
Total	$669.80
Round down total to next lower dollar	$669.00
January 2001 net Title II benefit amount	$669.00

B. 2001 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 2001 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 2001 gross benefit amount by the January 2000 through December 2000 disregard multiplier. Round to the nearest dollar to determine the 2001 disregard amount.

Step 2

Subtract the computed disregard amount from the 2001 gross Title II benefit amount. Then round down the total to the next lower dollar.

Example

Step 1

2001 gross Title II benefit amount	$719.80
Disregard multiplier	x 0.0338
(January – December 2000 amount)	
Disregard computed amount	$24.33
Round to nearest dollar	$24.00
2001 gross Title II benefit amount	$719.80
Subtract Disregard (rounded amount)	-24.00
Total	$695.80
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 $100.

The Notice of Action you use should advise the beneficiary to contact his or her eligibility worker if the amount of Title II income computed by the county is different from the amount actually received in the January 2001 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, 2001. 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, 2001 through December 31, 2001 are provided on the enclosed chart (Enclosure 2 – page 16-1a 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, 2001. 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, 2001 for all Pickle eligibility determinations and redeterminations.

III. 2001 Resource Limits

Effective January 2001, 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 2001 Resource Limit in the Pickle Handbook, Procedures Section 15, page 15-12 (Enclosure 3).

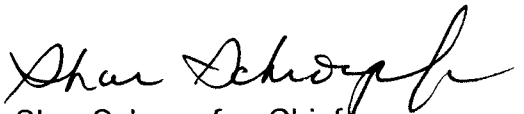
III. 2001 Federal Benefit Rate (FBR)

Individual	$530
Couple	$796

IV. 2001 Pickle Disregard Computation Chart

Effective January 1, 2001, the enclosed chart (Enclosure 4) is to be used when computing a Title II disregard amount for Pickle eligibles and applicants.

Any questions concerning Pickle program, contact Ms. Cecilia Kelley at (916) 657-0168, any questions concerning SOC issues should be directed to Mr. Craig Yagi at (916) 657-1182.



Shar Schroepfer, Chief
Medi-Cal Eligibility Branch

Enclosures

SSI/SSP
SECTION 16--PAYMENT STANDARDS
JANUARY 1, THROUGH DECEMBER 31, 2001

	Independent Living			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	712.00	530.00	182.00	545.00	353.34	191.66	787.00	530.00	257.00	872.00	530.00	342.00
Blind	771.00	530.00	257.00	617.00	353.34	263.66				872.00	530.00	342.00
Disabled Minor*	611.00	530.00	81.00	433.00	353.34	79.66				872.00	530.00	342.00
NMOHC2/				699.00	353.34	345.66						
COUPLE:												
Both are: Aged or Disabled												
Per Couple	1,265.00	796.00	469.00	1,036.00	530.67	505.33	1,415.00	796.00	619.00	1,744.00	796.00	948.00
BLIND:												
Couple-Both Are Blind Per couple	1,466.00	796.00	670.00	1,238.00	530.67	707.33				1,744.00	796.00	948.00
BLIND/AGED OR DISABLED:												
Couple One is Blind, the other is Aged or disabled Per couple	1,391.00	796.00	595.00	1,161.00	530.67	630.33				1,744.00	796.00	948.00
NMOHC2/												
Per Couple				1,437.00	530.67	906.33						

NONMEDICAL BOARD AND CARE

	Minimum	Maximum
TOTAL:	$872.00	$872.00
Board and Room	$374.00	$374.00
Care and Supervision	$319.00	$397.00
Personal and Incidental Needs	$179.00max	$101.00min.

FEDERAL BENEFIT RATE (FBR)

INDIVIDUAL: Aged, Blind, or Disabled	$530.00
COUPLE: Aged, Blind, or Disabled	$796.00

* 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/ NMOCH2/ – Nonmedical out-of-home care living in household of relative or guardian with In-Kind Room and Board.

2001
Department of Health Services
Current Year
Pickle Person Title II Disregard Computation Chart

LAST SSI/SSP Check Received Between	Multiplier
1/00 to 12/00	0.0338
1/99 to 12/99	0.0565
1/98 to 12/98	0.0686
1/97 to 12/97	0.0877
1/96 to 12/96	0.1134
1/95 to 12/95	0.1359
1/94 to 12/94	0.1594
1/93 to 12/93	0.1807
1/92 to 12/92	0.2046
1/91 to 12/91	0.2330
1/90 to 12/90	0.2723
1/89 to 12/89	0.3049
1/88 to 12/88	0.3317
1/87 to 12/87	0.3586
1/86 to 12/86	0.3668
1/85 to 12/85	0.3859
1/84 to 12/84	0.4067
7/82 to 12/83	0.4267
7/81 to 6/82	0.4662
7/80 to 6/81	0.5200
7/79 to 6/80	0.5800
7/78 to 6/79	0.6179
7/77 to 6/78	0.6412
4/77 to 6/77	0.6612

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 individual was last eligible for SSI/SSP.
3. Multiply the current benefit amount by the multiplier for the time period the individual was last eligible for SSI/SSP.
4. The result is the amount to be disregarded.

2001 ISM VALUES FOR COMPUTING PICKLE ELIGIBILITY

	Individual	Couple
VTR (not rebuttable)**	$176.66	$265.33
PMV (rebuttable)***	$196.66	$285.33

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 non-institutional 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.
8.	One member of an eligible couple lives in the household of another and receives both food and shelter from the householder while the second member lives in his/her home or a non-medical institution.	One-sixth of the FBR for a couple for the person living in the household of another. (VTR-not rebuttable.) One-sixth of the FBR for a couple for the person living in his/her own household. (VTR-not rebuttable.)

(Continued on next page)

RESOURCE ELIGIBILITY
2001 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.)