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

California Department of Health Services
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Director

ARNOLD SCHWARZENEGGER
Governor

November 26, 2003

TO: ALL COUNTY WELFARE DIRECTORS
ALL COUNTY ADMINISTRATIVE OFFICERS
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS
ALL COUNTY HEALTH EXECUTVES
ALL COUNTY MENTAL HEALTH DIRECTORS
ALL QMB/SLMB/QI COUNTY COORDINATORS

LETTER NO.: 03-57

SUBJECT: THE 2004 MEDICARE PREMIUMS AND SUPPLEMENTAL SECURITY INCOME STANDARD AND PARENT ALLOCATIONS FOR THE QUALIFIED MEDICARE BENEFICIARY/SPECIFIED LOW-INCOME MEDICARE BENEFICIARY/QUALIFYING INDIVIDUALS-1 AND OTHER PROGRAMS
(Ref: All County Welfare Directors Letter Nos. 99-73, 00-65, 01-66, 02-56)

This letter is to inform you of the 2004 "Supplemental Security Income Standard Allocation" and the "Parental Allocation" amounts to be used in various programs, such as the 250 Percent Working Disabled and Qualified Medicare Beneficiary/Specified Low-Income Medicare Beneficiary/Qualifying Individuals-1 (QMB/SLMB/QI-1) programs.

These allocations are based on the annual federal benefit rate (FBR) which is based on the Cost-of-Living Adjustment (COLA). The Standard Allocation increased from $277 to $282 (the couple FBR minus the individual FBR). The Parent Allocation for 2004 is determined as follows:

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

- The parent allocation (if one ineligible parent lives with a child) is $564 (for an individual); and
- The parent allocation (if both ineligible parents live with a child) is $846 (for a couple).

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The 2004 Medicare Part A premium will rise to $343 for persons who do not receive Medicare free Part A. The reduced Medicare Part A premium will rise to $189 for persons with 30 to 39 quarters of Medicare covered employment. Both have a ten percent penalty for late enrollment.

The Part A deductible will be $876 (for benefit period) for the first 60 days of impatient care and $219 a day for the 61st through 90th day. For days 91 though 150, the deductible will be $438. The skilled nursing facility deductible is $109.50 a day for the 21st through 100th day. (There is no deductible for day 1 through 20.)

The 2004 Medicare Part B premium will be $66.60. The annual deductible will remain at $100.

Disregard the Title II COLA for all programs where eligibility is based on the federal poverty level (FPL) except the Qualified Disabled Working Individuals program until the new FPLs are in effect on April 1, 2004. These programs include the Income Disregard program, 133 Percent, and 100 Percent program for children, the 250 Percent Working Disabled program, and the QMB/SLMB/QI-1 program.

If you have any questions regarding this letter, please call Ms. Vicki Partington of my staff at (916) 552-9496 or E-Mail Vparting@dhs.ca.gov.

Original signed by

Beth Fife, Chief
Medi-Cal Eligibility Branch