



TOBY DOUGLAS
Director

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



EDMUND G. BROWN JR.
Governor

January 2, 2012

To: ALL COUNTY WELFARE DIRECTORS Letter No: 12-01
ALL COUNTY ADMINISTRATIVE OFFICERS
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS
ALL COUNTY PUBLIC HEALTH DIRECTORS
ALL COUNTY MENTAL HEALTH DIRECTORS

SUBJECT: 2012 MEDICARE PREMIUMS AND SUPPLEMENTAL SECURITY INCOME
STANDARD AND PARENT ALLOCATIONS AND PROPERTY LIMITS FOR
THE MEDICARE SAVINGS PROGRAMS AND OTHER PROGRAMS
(Reference: All County Welfare Directors Letter (ACWDL) Nos. 99-73,
00-65, 01-66, 02-56, 03-57, 04-39, 05-38, 06-35, 06-35E, 07-25, 08-57,
09-51, 09-52, 11-04)

The purpose of this letter is to inform counties of the 2012 Supplemental Security Income (SSI) Standard Allocation, Parent Allocation, property limits for the Medicare Savings Programs (MSP), which include Qualified Medicare Beneficiary/Specified Low Income Medicare Beneficiary/Qualifying Individual 1, and Medicare premium amounts to be used in determining eligibility and the cost of Medicare premiums. These allocations are based on the annual federal benefit rate, which is based on the annual Cost of Living Adjustment (COLA).

Standard/Parent Allocation Amounts

The parent allocation amounts for 2012 are determined as follows:

The county shall use earned and unearned income, or a combination of income. The parent allocation (if one ineligible parent lives with a child) is \$698 (for an individual) and the parent allocation (if both ineligible parents live with a child) is \$1,048 (for a couple).

Medicare Part A and B Premiums

The 2012 Medicare Part A premium will decrease to \$451 for persons who do not receive free Medicare Part A. The reduced Medicare Part A premium of \$248 will remain the same in 2012 for persons with 30-39 quarters of Medicare covered employment. Both have a ten percent penalty for late enrollment.

The 2012 Part A deductible will be \$1,156 for the first 60 days of inpatient care and \$289 per day for days 61 through 90. For days 91 through 150, the deductible will be \$578 per day. The skilled nursing facility deductible will be \$144.50 per day for days 21 through 100 (there is no deductible for days one through 20).

The Medicare Part B monthly premium for all Medicare beneficiaries will be \$99.90 in 2012, which is a \$15.50 decrease from the 2011 premium of \$115.40. Most Medicare beneficiaries were held harmless in 2011 and paid \$96.40 or \$110.50 per month. The Medicare Part B annual deductible will be \$140, which is a decrease of \$22 from 2011.

MSP 2012 Property Limits

Effective January 1, 2012, there will be an increase in the property limits used to determine MSP eligibility. The new limits are \$6,940 for an individual and \$10,410 for a couple. Federal law sets the MSP property limits at three times the SSI property limit plus an annual percentage increase equal to the increase in the Consumer Price Index.

Title II COLAs and Federal Poverty Levels (FPL)

Counties are to disregard the Title II COLAs for all programs where eligibility is based on the FPL until the new FPLs are effective for the particular program. A separate ACWDL will be issued to address the FPLs.

If you have questions regarding this letter, please contact Ms. Tammy Kaylor at (916) 327-0406 or by e-mail at Tammy.Kaylor@dhcs.ca.gov.

Original signed by Robert Sugawara for

René Mollow, MSN, RN, Chief
Medi-Cal Eligibility Division