STATE OF CALIFORNIA—HEALTH AND WELFARE AGENCY GEORGE DEUKMEJIAN, Governor

DEPARTMENT OF HEALTH SERVICES
714/744 P STREET
SACRAMENTO, CA 95814
(916) 445-1912

January 5, 1987

TO: All County Welfare Directors
All County Administrative Officers

ERRATA NOTICE

REFERENCE: All County Welfare Directors (ACWD) Letter 86-64

Due to much confusion created by the original instructions in ACWD 86-64, we are using the following clarification:

On page 2 of ACWD Letter 86-64 the first paragraph is replaced by the following:

> For individuals who have their Medicare Part B premium deducted from their Title II benefit check a two step rounding down process must be followed to accurately determine the new benefit amount.
>
> Step 1-
>
> Add the 1986 Medicare Part B premium ($15.50) to the net 1986 Title II benefit check to obtain the 1986 gross benefit amount. Multiply this 1986 gross amount by the 1987 cost of living increase (1.013) and round the remaining cents down to the nearest $0.10 to obtain the 1987 gross benefit amount.
>
> Step 2-
>
> Subtract the 1987 Medicare Part B premium ($17.90) from the 1987 gross benefit amount and round down to the nearest dollar. The remainder will be the January 1987 net benefit amount used to compute the share of cost.

Example:

1986 net Title II benefit check	$400.00
Plus 1986 Medicare Part B premium	+15.50
1986 gross Title II benefit amount	415.50
multiply by COLA	X 1.013
1987 gross Title II benefit amount	420.90
subtract 1987 Medicare Part B premium	-17.90
January 1987 net benefit amount	403.00

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-

Same as Step 1 described above for all other Medi-Cal beneficiaries with Title II income.

Step 2-

Multiply the 1987 gross benefit amount by the Disregard Multiplier for January 1987 to determine the amount of countable Title II income.

Example:

1987 gross Title II benefit amount	$420.90
Disregard Multiplier (Dec. 1986 discontinuance)	x .0128
Disregard amount	5.39
	420.90
	- 5.39
round down to next lowest dollar	$415.51
Total countable income	$415.00

Any questions regarding this clarification should be directed to Kristi Banion at (916) 324-4961 ATSS 454-4961.

Sincerely,

Original signed by

Frank S. Martucci, Chief
Medi-Cal Eligibility Branch