STATE OF CALIFORNIA—HEALTH AND WELFARE AGENCY

GEORGE DEUKMEJIAN, Governor

DEPARTMENT OF HEALTH SERVICES
714/744 P STREET
SACRAMENTO, CA 95814

January 9, 1989

TO: All County Welfare Directors
All County Administrative Officers

Letter No.: ~~88-107~~ 89-05

SUBJECT: THE 1989 MEDICARE PART B BUY-IN PREMIUM INCREASE

REFERENCE: ACWDL No. 88-95

We were recently notified that there will be two different Medicare Part B premiums for beneficiaries effective January 1, 1989. This is due to certain provisions of the Medicare Catastrophic Coverage Act of 1988 (MCCA) which require that beneficiaries enrolled in Medicare Part B pay an additional Part B premium for catastrophic coverage if they receive Part A (hospital coverage) with no premium.

As you may know, most individuals who are enrolled in Medicare Part B coverage also are eligible for Medicare Part A coverage without a premium. Thus, for 1989, for the majority of beneficiaries, the basic Part B premium will be $27.90 plus the standard catastrophic adjustment amount of $4.00, for a total premium of $31.90.

However, there are some beneficiaries who are enrolled in Part B but who are either <u>not</u> eligible for Part A or are only entitled to Part A if they pay a premium. Their Part B Buy-In premium will be $27.90.

This information will primarily be used when you compute the share of cost for new beneficiaries for whom Buy-In has not yet occurred and their Part B premium is a deduction from income. Therefore, for each of these beneficiaries, you must establish the amount of his/her Part B premium. This can be done by verifying the actual amount of the Part B premium or by verifying whether the beneficiary receives Part A coverage at no cost or upon payment of a premium.

We are sorry for any inconvenience this may have caused. If you have any questions, please contact Marge Buzdas at (916) 324-4972.

Sincerely,

Original signed by

Frank S. Martucci, Chief
Medi-Cal Eligibility Branch

cc: Medi-Cal Liaisons
Medi-Cal Program Consultants