

DATE: November 20, 2023

TO: ALL COUNTY WELFARE DIRECTORS Letter No.: 23-25  
 ALL COUNTY WELFARE ADMINISTRATIVE OFFICERS  
 ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS  
 ALL COUNTY HEALTH EXECUTIVES  
 ALL COUNTY MENTAL HEALTH DIRECTORS

SUBJECT: 2024 MEDICARE PREMIUMS AND SOCIAL SECURITY TITLE II COST OF LIVING ADJUSTMENTS  
 (Reference: [ACWDL 22-29, 20-18, 17-03](#))

Effective January 1, 2024, this All County Welfare Directors Letter (ACWDL) revises the Medicare premium amounts to be used in determining eligibility and the cost of Medicare premiums and the Social Security Title II benefit amount adjustments. The Statewide Automated Welfare System (SAWS) will make programming changes for the 2024 Medicare premium amounts and Social Security Title II adjustments in December 2023 for the January 2024 benefit month.

**Medicare Part A and B Premiums**

	<u>Medicare Part A</u>	
	<b>2023</b>	<b>2024</b>
Premium	\$506.00	\$505.00
Reduced premium	\$278.00	\$278.00
<u>Inpatient care deduction</u>		
Days 1 – 60	\$1,600.00	\$1,632.00
Days 61 – 90	\$400.00	\$408.00
Days 91 – 150	\$800.00	\$816.00
<u>Skilled Nursing Facility deductible</u>		
Days 1 – 20	N/A	N/A
Days 21 – 100	\$200.00	\$204.00

	<u>Medicare Part B</u>	
	<b>2023</b>	<b>2024</b>
Premium	\$164.90	\$174.70
Annual Deductible	\$226.00	\$240.00

The Social Security Administration (SSA) has advised the Department of Health Care Services (DHCS) that there is 3.2 percent cost of living adjustment (COLA) for Social Security benefits in 2024. Because of this COLA, some Medicare beneficiaries, who were “held harmless” against Medicare Part B premium increases in prior years will see an increase in their 2024 monthly Medicare Part B premium. The Medicare premium increase will be based on the amount of the individual’s COLA increase.

### **2024 Social Security Title II Benefit Amount**

#### *Medicare Part B Premium is Not Paid by Applicant/Beneficiary*

For individuals who only have Medi-Cal and do not pay the Medicare Part B premium, 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 2023 SSA gross benefit amount should be multiplied by 3.2 percent or 1.032 to compute the 2024 SSA benefit amount.

To calculate the new benefit amount after the 2024 COLA, multiply the 2023 SSA gross benefit amount by the 2024 COLA 1.032 and round the remaining cents down to the next lower whole dollar to obtain the 2024 SSA gross benefit amount. This computation produces the Title II benefit amount to be used in calculating the Medi-Cal share of cost (SOC).

#### Example:

2023 gross Title II benefit check amount:	\$ 1,450.00
Multiply by COLA:	<u>x 1.032</u>
Total:	\$1,496.40
Round down total to next lower whole dollar:	\$1,496.00
2024 gross Title II benefit amount:	\$1,496.00

#### *Medicare Part B Premium is paid by the Applicant/Beneficiary*

For individuals who have the Medicare Part B premium deducted from their Title II benefit check, follow the two-step rounding down process to accurately determine the new benefit amount.

Two-Step Rounding Process:

- Step 1:

Add the 2023 Medicare Part B premium to the net 2022 Title II benefit check to obtain the 2023 SSA gross benefit amount. Multiply this 2023 SSA gross amount by the 2024 COLA 1.032 and round the remaining cents down to the next lower \$0.10 increment to obtain the 2024 SSA gross benefit amount.

- Step 2:

Subtract the 2024 Medicare Part B premium (\$174.70 in this example) from the 2024 SSA gross benefit amount and round down to the next lower whole dollar. The remainder will be the January 2023 SSA net benefit amount used to calculate the SOC.

Example:

Step 1:

2023 net Title II benefit check amount:	\$1,496.00
Plus 2023 Medicare Part B premium:	+ \$164.90
2023 gross Title II benefit amount:	\$1,660.90
Multiply by COLA:	<u>x 1.032</u>
Total:	\$1,714.05
Round down total to next lower increment of \$0.10:	\$1,714.00
2024 gross Title II benefit amount:	\$1,714.00

Step 2:

2024 gross Title II benefit amount:	\$1,714.00
Subtract 2024 Medicare Part B premium:	<u>-\$174.70</u>
Total:	\$1,539.30
Round down to the next lower whole dollar:	\$1,539.00
2024 net Title II benefit amount:	\$1,539.00

The link below provides more information on the Medicare Part A and B premiums:

[2024 Medicare Parts A & B Premiums and Deductibles](#)

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## **Processing the 2024 SSA COLA for Non-MAGI Eligibility Groups**

The 2024 SSA COLA will be disregarded from the eligibility determination for the Aged, Blind, and Disabled Federal Poverty Level (ABD FPL), and Medicare Savings Programs (MSPs) until the 2024 FPL rates take effect on April 1, 2024 (see WIC § 14005.40(f)). All medically needy cases with Title II income must have the SOC adjusted to reflect the COLA, effective January 1, 2024. DHCS would also like to remind counties to assess Medi-Cal members for Pickle, Disabled Adult Child (DAC), and Disabled Widower (DW) programs, as they are on the Mega Mandatory list per [ACWDL 17-03](#).

## **Medicare Part B Disregard Reminder**

Effective December 1, 2020, counties must disregard income equal to the amount of the individual's Medicare Part B premium when determining eligibility for the ABD FPL program, regardless of the state's payment of the premium. Previous policy required counties to apply an income deduction for the Medicare Part B premiums, only if the individual was paying for the premium. An individual does not need to pay for the premium when enrolled in or applying for the ABD FPL program. This income disregard is applied to the budget for as long as the individual's countable income remains within the ABD FPL program limits. Individuals in the Medically Needy program must still pay for the premium before receiving the health insurance premium deduction. For more information, please refer to [ACWDL 20-18](#).

Effective April 1, 2023, the Continuous Coverage Unwinding began and counties are instructed to follow the policy guidance outlined in [ACWDL 22-18](#) and the [Medi-Cal Eligibility Division Information Letter 23-02](#) regarding the unwinding process and resumption of redeterminations.

If you have questions regarding this letter, please contact Andrey Bodrov by email at [Andrey.Bodrov@dhcs.ca.gov](mailto:Andrey.Bodrov@dhcs.ca.gov) or by phone at (916) 345-8675.

Original Signed By

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