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Director

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



ARNOLD SCHWARZENEGGER
Governor

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TO: ALL COUNTY WELFARE DIRECTORS Letter No.:04-39
ALL COUNTY ADMINISTRATIVE OFFICERS
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS
ALL COUNTY HEALTH EXECUTIVES
ALL COUNTY MENTAL HEALTH DIRECTORS
ALL COUNTY QMB/SLMB/QI COORDINATORS

SUBJECT: THE 2005 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, 03-57)

This letter is to inform you of the 2005 "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 \$282 to \$290 (the couple FBR minus the individual FBR). The Parent Allocation for 2005 is determined as follows:

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

- The parent allocation (if one ineligible parent lives with a child) is \$579 (for an individual); and
- The parent allocation (if both ineligible parents live with a child) is \$869 (for a couple).

The 2005 Medicare Part A premium will rise to \$375 for persons who do not receive Medicare free Part A. The reduced Medicare Part A premium will rise to \$206 for persons with 30-39 quarters of Medicare covered employment. Both have a ten percent penalty for late enrollment.

The Part A deductible will be \$912 (for benefit period) for the first 60 days of inpatient care and \$228 a day for the 61st through 90th day. For days 91 through 150, the deductible will be \$456. The skilled nursing facility deductible is \$114 a day for the 21st through 100th day (there is no deductible for day 1 through 20).

The 2005 Medicare Part B premium will be \$78.20. The annual deductible will increase to \$110.

Disregard the Title II COLA for all programs where eligibility is based on the federal poverty level (FPL) until the new FPLs are in effect on April 1, 2005. These programs include the Income Disregard program, 133 Percent, and 100 Percent program for children, the 250 Percent Working Disabled program, the 1931(b) program, Aged and Disabled FPL program and the QMB/SLMB/QI-1 and Qualified Working Disabled programs.

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

Original signed by

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Medi-Cal Eligibility Branch