



DAVID MAXWELL-JOLLY
Director

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



ARNOLD SCHWARZENEGGER
Governor

November 12, 2009

TO: ALL COUNTY WELFARE DIRECTORS Letter No.: 09-52
ALL COUNTY ADMINISTRATIVE OFFICERS
ALL COUNTY MEDI-CAL PROGRAM SPECIALIST/LIAISONS
ALL COUNTY HEALTH EXECUTIVES
ALL COUNTY MENTAL HEALTH DIRECTORS

SUBJECT: NEW PROPERTY LIMITS IMPACTING THE MEDICARE SAVINGS
PROGRAMS AND THE PART D LOW-INCOME SUBSIDY

The purpose of this letter is to inform counties that the property limits for the Medicare Savings Programs (MSPs) are changing. The MSPs affected by this change include the Qualified Medicare Beneficiary, Specified Low-Income Medicare Beneficiary, and the Qualifying Individual 1 programs. The new property limits will become effective January 1, 2010.

A provision of the Medicare Improvements for Patients and Providers Act of 2008 changes the property limits for the MSPs to match the Low Income Subsidy (LIS) property limits.

Currently, the property limits for the MSPs are \$4,000 for an individual and \$6,000 for a couple which is twice the limit for the Supplemental Security Income (SSI) program. Federal law sets the LIS property limits at three times the SSI property limit plus an annual percentage increase equal to the increase in the consumer price index (CPI). For 2010, the LIS and MSP property limits are \$6,600 for an individual and \$9,910 for a couple.

The Social Security Administration advertises a resource limit that includes \$1,500 for burial expenses as the LIS property limit, but the federal law does not add the \$1,500 for burial expenses when setting the LIS property limit. Burial expenses and items are exempted separately for the Supplemental Security Income/State Supplementary Payment and Medi-Cal programs. Medi-Cal program rules for these exemptions under Title 22, California Code of Regulations, Section 50477 and 50479 have not changed.

These limits may increase each year effective in January depending upon increases in the CPI pursuant to federal law to account for inflation. DHCS will notify counties annually of the changes in these amounts.

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DHCS encourages counties to work with their local consortia to facilitate the changes that need to be made in updating county eligibility systems to facilitate this change.

If you have questions regarding MSP eligibility, please contact Debra J. Hader at (916) 449-5280 or by email at Debra.Hader@dhcs.ca.gov. If you have questions about Medicare Part D or LIS, please contact Tammy Kaylor at (916) 552-9496 or Tammy.Kaylor@dhcs.ca.gov. If you have questions about burial exemptions, please contact Robert Laederich at (916) 552-9486 or Robert.Laederich@dhcs.ca.gov.

Original Signed By:

Vivian Auble, Chief
Medi-Cal Eligibility Division