



TOBY DOUGLAS
Director

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



EDMUND G. BROWN JR.
Governor

February 9, 2015

TO: ALL COUNTY WELFARE DIRECTORS Letter No.: 15-08
ALL COUNTY WELFARE ADMINISTRATIVE OFFICERS
All COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS
ALL COUNTY HEALTH EXECUTIVES
ALL COUNTY MENTAL HEALTH DIRECTORS
ALL COUNTY MEDS LIAISONS
ALL COUNTY PICKLE COORDINATORS

SUBJECT: JANUARY 2015 SOCIAL SECURITY TITLE II AND TITLE XVI COST OF LIVING ADJUSTMENTS AND RELATED ISSUES

The purpose of this letter is to provide counties with guidance for processing the above-referenced 2015 Cost of Living Adjustment (COLA) in the Statewide Automated Welfare System (SAWS). The application of the COLA to the Title II, Retirement, Survivor's and Disability Insurance (RSDI) eligibility group has not changed and is provided in this letter. Please proceed with processing the 2015 COLA in accordance with the policy of this letter.

The processing of the 2015 COLA will not affect the new Modified Adjusted Gross Income (MAGI) eligibility groups. The California Healthcare, Eligibility, Enrollment and Retention System (CalHEERS) will not run Social Security Administration (SSA) COLA for MAGI beneficiaries at this time. Once 2015 FPLs are updated in CalHEERS, CalHEERS and Saws will run batch eligibility back to January 1, 2015 to redetermine eligibility for individuals whose initial eligibility or renewal was based on 2014 FPLs.

This letter provides the counties with the following:

- Section I. Instructions for computing the January 2015 COLA for Title II Retirement, Survivor's, and Disability Insurance benefits.
- Section II: Supplemental Security Income/State Supplementary Payment (SSI/SSP) Payment Levels
- Section III: 2015 Resource Limits
- Section IV: The 2015 Federal Benefits Rate
- Section V: 2014 Pickle Disregard Computation Chart

Enclosures:

- Enclosure 1:** Social Security - What's New In 2015?
- Enclosure 2:** The 2015 In-Kind Support and Maintenance Values for computing Pickle eligibility
- Enclosure 3:** The effective SSI/SSP cash grant levels for determining Pickle eligibility from January 1, 2015 through December 31, 2015
The 2015 Resource Limit for both Medi-Cal and Pickle cases
- Enclosure 4:** The 2015 Pickle Disregard Computation Chart

The 2015 Medicare Part B Premium remains at \$104.90 for 2015; however, see Enclosure 1 for additional information concerning Medicare Part B premiums.

Section I. Title II Retirement Survivors and Disability Insurance COLA

Monthly Social Security and SSI benefits for nearly 64 million Americans increases To 1.7 percent in 2015.

More than 58 million Social Security beneficiaries receive the 1.7 percent COLA beginning January 2015. Increased payments to more than 8 million SSI beneficiaries begin on December 31, 2014.

Category A 2015 Title II Benefits Amount – No Payment for Medicare Part B by Applicant/Beneficiaries

For Medi-Cal only individuals who do not pay Medicare Part B premiums 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 premiums), the current 2014 gross benefit amount should be multiplied by the 1.017 COLA to compute the 2015 benefit amount.

Round down the new 2015 gross benefit amount to the next lower dollar. This computation produces the Title II benefit amount used in computing the Medi-Cal share-of-cost (SOC). This process is the same for Pickle eligible individuals who do not have Medicare Part B premiums deducted from their Title II benefit check.

Category B 2015 Title II Benefit Amount - Medicare Part B Premiums paid by the Applicant/Beneficiary

The 2015 Medicare Part B premium is \$104.90. See Enclosure 1 for additional details of the 2015 Medicare Part B premiums rate.

For individuals who have this premium deducted from their Title II benefit check, you must follow a two-step rounding down process to determine accurately the new benefit amount.

For example:

Step 1 for Category B

Add the 2014 Medicare Part B premiums to the net 2014 Title II benefit check to obtain the 2014 gross benefit amount. Multiply this 2014 gross amount by the 2015 COLA (1.017) and round the remaining cents down to the next lower \$0.10 to obtain the 2015 gross benefit amount.

Step 2 for Category B

Subtract the 2015 Medicare Part B premiums \$104.90 from the 2014 gross benefit amount and round down to the next lower dollar. The remainder will be the January 2015 net benefit amount used to compute the SOC.

Example for Category B

Step 1

2014 net Title II benefit check amount	\$1,210.37
Plus 2014 Medicare Part B premiums	\$104.90
2014 gross Title II benefit amount	\$1,315.27
Multiply by COLA	1.017
Total	\$1,337.63
Round down total to next lower \$0.10	\$1,337.60
2015 gross Title II benefit amount	\$1,337.60

Step 2

2015 gross Title II benefit amount	\$1,337.60
Subtract 2014 Medicare Part B premiums	\$104.90
Total	\$1,232.70
Round down to the next lower dollar	\$1,232.00
January 2015 net Title II benefit amount	\$1,232.00

Category C 2015 Title II Benefit Amount – Pickle Applicant Pays Medicare Part B Premiums

To determine the countable Title II income for a Pickle applicant, who has the Medicare Part B premiums deducted follow the next computation:

Step 1

Determine the 2015 gross Title II benefit amount the same way as other Medi-Cal beneficiaries with Title II income. (Same as Step 1 in Category B above).

Multiply the 2015 gross benefit amounts by the January 2014 through December 2014 disregard multiplier. Round to the nearest dollar to determine the 2015 disregard amount.

Step 2

Determine the Pickle disregard and subtract from the 2015 gross Title II benefit amount. Round the difference down to the next lower dollar amount.

Example for Category C

Determine Pickle disregard:

2015 gross Title II benefit amount	\$1,230.00
2014 disregard multiplier	0.0167
0.0167 (Raw Disregard Amount)	\$20.54
Disregard rounded to the nearest dollar	\$20.00
2015 gross Title II benefit amount	\$1,230.00
Subtract disregard	\$20.00
Total	\$1,210.00
Total countable income	\$1,210.00

Please note, in previous years, SSA applied the COLA to the actual, rather than rounded, benefit amount. This sometimes results in a \$1 discrepancy in Title II benefits for some beneficiaries and, therefore, a \$1 understated SOC. In order to avoid the unnecessary expense of computing every Title II case subsequently identified as having an incorrect SOC solely due to the COLA, counties have authorization to correct the SOC the next time the budget is recomputed when an income change is reported or at annual redetermination. Quality Control (QC) will not cite errors when the discrepancy between the budgeted and actual income amounts received by the beneficiary is less than \$400.

All medically needy cases with Title II income must have the SOC adjusted effective January 1, 2015. In the past, incorrect computation of Title II COLA was the source of federal QC errors. The 2015 Social Security COLA would not apply to the Aged and Disabled and Blind FPL programs and Medicare Savings Programs. These cases should not have the SSA COLA applied until the publication of the 2015 FPL rates.

Section II. SSI/SSP Payment Levels

The SSI/SSP payment levels effective January 1, 2015, are included in Enclosure 3. Some rates used may be May 1, 2009 rates. SSI/SSP payment levels are available in your Pickle Manual page 16-1a.

Section III. 2015 Resource Limits

The resource limit for both Medi-Cal only and Pickle eligibility will remain the same (\$2,000 for one person and \$3,000 for two persons).

Section IV. 2015 Federal Benefits Rate

Individual	\$733
Couple	\$1,100

Section V. 2014 Pickle Disregard Computation Chart

Effective January 1, 2015, use the enclosed chart (Enclosure 4) when computing a Title II disregard amount for Pickle eligibles and applicants. The COLA disregard relates to individuals who terminated from SSI/SSP in December 2014.

If you have any questions concerning the Pickle program, please contact Sherilyn Walden at (916) 552-9472 or by e-mail at Sherilyn.Walden@dhcs.ca.gov.

Original Signed By:
Alice Mak,
Acting Chief Medi-Cal Eligibility Division
Enclosures

SOCIAL SECURITY-What's New in 2015?

We increased the Substantial Gainful Activity amount for individuals with disabilities, other than blindness, from \$1,070 to \$1,090 for 2015.

We increased the SGA amount for individuals who are blind from \$1,800 to \$1,820 for 2015.

The monthly earnings amount that we use to determine if a month counts for the Trial Work Period month is \$780 per month in 2015.

We increased the Supplemental Security Income Federal Benefit Rates from \$721 to \$733 per month for an eligible individual and from \$1,082 to \$1,100 per month for an eligible couple for 2015.

For 2015, the amount of earnings that will have no effect on eligibility or benefits for SSI beneficiaries who are students has increased from \$7,060 to \$7,180 a year. The amount of earnings that we can exclude each month, until we have excluded the maximum for the year, has increased from \$1,750 to \$1,780 a month.

For 2015, the monthly Medicare Part A Hospital Insurance Base Premium is \$407 and the 45 percent Reduced Premium is \$224. The Part B Supplemental Medical Insurance monthly Base Premium is \$104.90, the same as it was in 2014.

<http://www.socialsecurity.gov/redbook/newfor2015.htm>

PICKLE HANDBOOK

2015 ISM VALUES FOR COMPUTING PICKLE ELIGIBILITY <http://policy.ssa.gov/poms.nsf/lnx/0500835901>

	Individual	Couple
VTR (not rebuttable)*	\$244.33	\$366.67
PMV (rebuttable)**	\$264.33	\$386.67

The VTR is the payment level to use in situations 1, 2, and 3 below. The PMV is the unearned income amount to add in other situations. The following chart provides the method to use for determining Pickle eligibility for individuals and couples in various living arrangements.

Household Situation (Living Arrangement)	Principle
1. Living in household of another throughout a month and receiving both food and shelter from someone in the household.	Reduce the applicable payment level by one-third the Federal Benefit Rate (FBR). Use the VTR.
2. Living in household of another who is providing both food and shelter and also receiving ISM from a third party.	Reduce the FBR payment level by one-third (VTR). Exclude third party ISM.
3. Living with a responsible relative (deemor) who lives in the household of another and the householder is not a responsible relative but is supplying both food and shelter.	Add VTR from the householder to deemed income from the responsible relative and add to other unearned income.
4. Living in own household (ownership or rental liability) and receiving ISM from someone outside the household.	Add PMV to other unearned income.
5. Living in non-institutional care* situation or group home and receiving ISM from someone outside the household.	Add PMV to other unearned income.
6. Living with a responsible relative (deemor) who lives in the household of another and the householder is not a responsible relative but is supplying food or shelter.	Add PMV from the householder to deemed income from the responsible relative and add to other unearned income.

Household Situation (Living Arrangement)	Principle
7. Living in household of another and sharing partial or total household expenses.	If pro rata share is contributed, we use the SSI/SSP payment level for a person in an “independent living arrangement.” If pro rata share is not contributed, add PMV.
8. One member of an eligible couple lives in the household of another and receives both food and shelter from the householder while the second member lives in his/her home or a non-medical institution.	One-sixth of the FBR for a couple for the person living in the household of another. (VTR-not rebuttable.)
9. If the non-institutionalized spouse lives in any other situation.	One-sixth of the FBR for a couple plus \$10.
10. Paying less than Current Market Rental Value (CMRV) for shelter. (See page 1-2.)	Add PMV unless criteria for earned/unearned income is met (see ISM).

* VTR – Value of One-Third Reduction

** PMV – Presumed Maximum Value

PICKLE HANDBOOK

SSI/SSP SECTION 16--PAYMENT STANDARDS EFFECTIVE JAN 1, 2015 (Rates used may be May 1, 2009 rates)

Independent Living Arrangement

Individual:	Total	SSI	SSP
Aged or Disabled	\$889.40	\$733.00	\$156.40
Without Cooking Facilities (RMA) ¹	\$973.40	\$733.00	\$240.40
Blind	\$944.40	\$733.00	\$211.40
Disabled Minor living with parents*	\$796.40	\$733.00	\$63.40
Disabled Minor living with non-parent relative/guardian*			

Household of Another with In-Kind Room and Board (R&B)

Individual:	Total	SSI	SSP
Aged or Disabled	\$658.67		
Without Cooking Facilities (RMA) ¹			
Blind	\$739.67		
Disabled Minor living with parents*	\$555.50	\$488.67	\$66.83
Disabled Minor living with non-parent relative/guardian*			

Household of Relative with In-Kind R&B (NMOHC²)

Individual:	Total	SSI	SSP
Aged or Disabled	\$961.40		
Without Cooking Facilities (RMA) ¹			
Blind	\$895.67	\$488.67	\$407.00
Disabled Minor living with parents*	\$895.67	\$488.67	\$407.00
Disabled Minor living with non-parent relative/guardian*			

Nonmedical B&C Licensed Facility/Household of Relative Without In-Kind R&B (NMOHC²)

Individual:	Total	SSI	SSP
Aged or Disabled	\$1,145.00	\$733.00	\$412.00
Without Cooking Facilities (RMA) ¹			
Blind	\$1,145.00	\$733.00	\$412.00
Disabled Minor living with parents*			
Disabled Minor living with non-parent relative/guardian*	\$1,145.00	\$733.00	\$412.00

*: Independent living arrangement for a disabled minor means living in the home of his/her parents. Household of another is used if both the disabled minor and his/her parents live in the household of someone else, i.e., grandparents, etc.

PICKLE HANDBOOK

*SSI/SSP SECTION 16--PAYMENT STANDARDS EFFECTIVE JAN 1, 2015
(Rates used may be May 1, 2009 rates)*

Independent Living Arrangement

Couple:	Total	SSI	SSP
Aged or Disabled per couple	\$1,524.20		
Without Cooking Facilities (RMA) ¹	\$1,664.20	\$1,100.00	\$564.20
Blind per couple	\$1,751.00		
Blind, Aged, or Disabled per couple	\$1,666.00		

Household of Another with In-Kind Room and Board (R&B)

Couple:	Total	SSI	SSP
Aged or Disabled per couple	\$1,233.33		
Without Cooking Facilities (RMA) ¹	\$1,460.00		
Blind per couple	\$1,374.00		
Blind, Aged, or Disabled per couple	\$1,767.00		

Household of Relative with In-Kind R&B (NMOHC²)

Couple:	Total	SSI	SSP
Aged or Disabled per couple	\$1,779.00	\$733.34	\$1,045.66
Without Cooking Facilities (RMA) ¹			
Blind per couple	\$1,779.20	\$733.34	\$1,045.66
Blind, Aged, or Disabled per couple	\$1,779.00	\$733.34	\$1,045.66

Nonmedical B&C Licensed Facility/Household of Relative Without In-Kind R&B (NMOHC²)

Couple:	Total	SSI	SSP
Aged or Disabled per couple	\$2,290.00	\$1,100.00	\$1,190.00
Without Cooking Facilities (RMA) ¹			
Blind per couple	\$2,290.00	\$1,100.00	\$1,190.00
Blind, Aged, or Disabled per couple	\$2,290.00	\$1,100.00	\$1,190.00

1: RMA – Restaurant Meals Allowance - \$84.00 individual; \$168.00 Couple

2: NMOCH – Nonmedical out-of-home care living in household of relative or guardian with In-Kind Room and Board

PICKLE HANDBOOK

SSI/SSP SECTION 16--PAYMENT STANDARDS EFFECTIVE JAN 1, 2015 (Rates used may be May 1, 2009 rates)

Federal Benefit Rate (FBR)

Individual: Aged, Blind, or Disabled	\$733.00
Couple: Aged, Blind, or Disabled	\$1,100.00

Title XIX Medical Facility

Individual	\$50.00
Couple	\$100.00

Nonmedical Board and Care

Board and Room	\$492.00	
Care and Supervision	(min) \$422.00	(max) \$522.00
Personal and Incidental Needs	(max) \$231.00	(min) \$131.00
Totals	\$1,145.00	

2014 PICKLE MULTIPLIERS

*2015 VALUES FOR COMPUTING PICKLE IN-KIND SUPPORT AND MAINTENANCE
(SI 00835.901 Program Operations Manual System)*

Date of Last SSI	Cost of Living Amount	Multiplier
1/14 through 12/14	1.017	0.0167
1/13 through 12/13	1.015	0.0312
1/12 through 12/12	1.017	0.0474
1/11 through 12/11	1.036	0.0805
1/10 through 12/10	1	0.0805
1/09 through 12/09	1	0.0805
1/08 through 12/08	1.058	0.1309
1/07 through 12/07	1.023	0.1505
1/06 through 12/06	1.033	0.1776
1/05 through 12/05	1.041	0.21
1/04 through 12/04	1.027	0.2308
1/03 through 12/03	1.021	0.2466
1/02 through 12/02	1.014	0.257
1/01 through 12/01	1.026	0.2758
1/00 through 12/00	1.035	0.3003
1/99 through 12/99	1.024	0.3167
1/98 through 12/98	1.013	0.3255
1/97 through 12/97	1.021	0.3394
1/96 through 12/96	1.029	0.358
1/95 through 12/95	1.026	0.3743
1/94 through 12/94	1.028	0.3913
1/93 through 12/93	1.026	0.4067
1/92 through 12/92	1.03	0.424
1/91 through 12/91	1.037	0.4446
1/90 through 12/90	1.054	0.473
1/89 through 12/89	1.047	0.4967
1/88 through 12/88	1.04	0.516
1/87 through 12/87	1.042	0.5355
1/86 through 12/86	1.013	0.5415
1/85 through 12/85	1.031	0.5553
1/84 through 12/84	1.035	0.5703
7/82 through 12/83	1.035	0.5848
7/81 through 06/82	1.074	0.6135
7/80 through 06/81	1.112	0.6524
7/79 through 06/80	1.143	0.6959
7/78 through 06/79	1.099	0.7233
7/77 through 06/78	1.065	0.7402
4/77 through 06/77	1.059	0.7546