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Director

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



EDMUND G. BROWN JR.  
Governor

April 21, 2016

To: ALL COUNTY WELFARE DIRECTORS Letter No: 16-07  
ALL COUNTY ADMINISTRATIVE OFFICERS  
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS  
ALL COUNTY PUBLIC HEALTH DIRECTORS  
ALL COUNTY MENTAL HEALTH DIRECTORS

SUBJECT: 2016 Medicare Premiums and Supplemental Security Income Standard and Parent Allocations and Property Limits for the Medicare Savings Programs and Other Programs  
(Reference: All County Welfare Directors Letter Nos. 99-73, 00-65, 01-66, 02-56, 03-57, 04-39, 05-38, 06-35, 06-35E, 07-25, 08-57, 09-51, 09-52, 11-04, 12-01, 13-02, 13-02E, 14-07, 15-13, 15-13E)

This letter revises the 2016 Supplemental Security Income Standard Allocation, Parent Allocation, property limits for the Medicare Savings Programs (MSP), which include Qualified Medicare Beneficiary, Specified Low Income Medicare Beneficiary, Qualifying Individual, and Medicare premium amounts to be used in determining eligibility and the cost of Medicare premiums.

These allocations are based on the annual federal benefit rate, which is based on the annual Cost of Living Adjustment (COLA). In 2016, there is no COLA, so there will be no increase in Supplemental Security Income payment amounts. The Standard Allocation amount of \$367 remains the same in 2016. The standard allocation is determined by the couples Federal Benefit Rate (FBR) minus the Individual FBR.

#### Standard/Parent Allocation Amounts

The parent allocation amounts for 2016 are determined as follows; when there is earned income, unearned income, or a combination of income:

- The parent allocation (if one ineligible parent lives with a child) is \$733 (for an individual)
- The parent allocation (if both ineligible parents live with a child) is \$1,100 (for a couple)

### Medicare Part A and B Premiums

The 2016 Medicare Part A premium will increase to \$411 for persons who do not receive free Medicare Part A. The reduced Medicare Part A premium will increase to \$226 for persons with 30-39 quarters of Medicare covered employment. Both have a 10 percent penalty for late enrollment.

The 2016 Part A deductible will be \$1,288 for the first 60 days of inpatient care and \$322 per day for days 61 through 90. For days 91 through 150, the deductible will be \$644 per day. In addition, there is a skilled nursing facility deductible of \$161 per day for days 21 through day 100. No skilled nursing facility deductible is assessed for the first 20 days of residency.

Because there is no COLA in 2016, and as a result of a “hold harmless” provision in current law, most Medicare individuals will not see an increase in their 2016 Medicare Part B premium and will continue to pay \$104.90. The annual deductible will be \$166; however, Medicare beneficiaries, who are not subject to the “hold harmless” provision and/or new to Medicare in 2016, will pay \$121.80.

### MSP 2016 Property Limits

The property limits used to determine MSP eligibility remain unchanged in 2016. The limits are \$7,280 for an individual and \$10,930 for a couple. Federal law sets the MSP property limits at three times the Supplemental Security Income property limit plus an annual percentage increase equal to the increase in the Consumer Price Index.

If you have questions regarding this letter, please contact Tammy Kaylor at (916) 327-0406 or by email at [Tammy.Kaylor@dhcs.ca.gov](mailto:Tammy.Kaylor@dhcs.ca.gov).

Original Signed By

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