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Director

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



EDMUND G. BROWN JR.
Governor

June 30, 2017

TO: ALL COUNTY WELFARE DIRECTORS Letter No. 17-20
ALL COUNTY ADMINISTRATIVE OFFICERS
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS
ALL COUNTY HEALTH EXECUTIVES
ALL COUNTY MENTAL HEALTH DIRECTORS

SUBJECT: 2017 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, 16-07)

Effective January 1, 2017, this letter revises the 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. This guidance is effective immediately. The Statewide Automated Welfare System (SAWS) must make programming changes for the 2017 Supplemental Security Income (SSI) standard allocation, SSI parent allocation, property limits for the MSPs, and Medicare premium amounts during the next available SAWS release.

Standard/Parent Allocation Amounts

The SSI standard and parent allocation amounts are based on the federal benefit rate (FBR), which increases if there is a Cost of Living Adjustment (COLA). In 2017, there was a Social Security COLA of .3 percent. For 2017, the Standard Allocation amount is \$368, which is calculated by subtracting the FBR for an eligible individual from the FBR for an eligible couple.

The 2017 parent allocation amounts when there is earned income, unearned income, or a combination of income are:

- The parent allocation (if one ineligible parent lives with a child) is \$735 (for an individual)
- The parent allocation (if both ineligible parents live with a child) is \$1,103 (for a couple)

Medicare Part A and B Premiums

The 2017 Medicare Part A premium will increase to \$413 for persons who do not receive free Medicare Part A. The reduced Medicare Part A premium will increase to \$227 for persons with 30-39 quarters of Medicare covered employment. Both have a 10 percent penalty for late enrollment.

The 2017 Part A deductible will be \$1,316 for the first 60 days of inpatient care and \$329 per day for days 61 through 90. For days 91 through 150, the deductible will be \$658 per day. In addition, there is a skilled nursing facility deductible of \$164.50 per day for days 21 through day 100. Medicare does not assess a skilled nursing facility deductible for the first 20 days of residency.

In 2017, there was a .3 percent COLA, and as a result of a “hold harmless” provision in current law, most Medicare beneficiaries will see a slight increase in their 2017 Medicare Part B premium and will pay \$109 on average. However, Medicare beneficiaries, who are not subject to the “hold harmless” provision and/or new to Medicare in 2017, will pay \$134. The 2017 annual Medicare Part B deductible is \$183. For more information regarding the “hold harmless” provision, please review the enclosed document or you can view on-line [here](#).

MSP 2017 Property Limits

The property limits used to determine MSP eligibility increased in 2017. The limits are \$7,390 for an individual and \$11,090 for a couple. Federal law sets the MSP property limits at three times the SSI property limit plus an annual percentage increase equal to the increase in the Consumer Price Index.

All County Welfare Directors Letter No.: 17-20
Page 3
June 30, 2017

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

Original Signed By

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[Enclosure](#) – 2017 Medicare Parts A & B Premiums and Deductibles Announced