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



EDMUND G. BROWN JR.
Governor

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TO: ALL COUNTY WELFARE DIRECTORS Letter No. 18-04
ALL COUNTY ADMINISTRATIVE OFFICERS
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS
ALL COUNTY HEALTH EXECUTIVES
ALL COUNTY MENTAL HEALTH DIRECTORS
ALL CONSORTIA PROJECT MANAGERS

SUBJECT: 2018 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, 17-20)

Effective January 1, 2018, 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. Statewide Automated Welfare System (SAWS) must make programming changes for the 2018 Supplemental Security Income (SSI) standard allocation, SSI parent allocation, property limits for the MSP's, 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) for Social Security benefits. In 2018, there was a Social Security benefits COLA of 2.0 percent. For 2018, the Standard Allocation amount is \$375, which is calculated by subtracting the FBR for an eligible individual from the FBR for an eligible couple.

The 2018 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 \$750 (for an individual).
- The parent allocation (if both ineligible parents live with a child) is \$1,125 (for a couple).

The link below provides more information on the SSI FBR:

<https://www.ssa.gov/oact/cola/SSI.html>

Medicare Part A and B Premiums

The 2018 Medicare Part A full premium will increase to \$422 for persons who do not receive free Medicare Part A. The reduced Medicare Part A premium will increase to \$232 for persons with 30-39 quarters of Medicare covered employment. Both have at least 10 percent penalty for late enrollment.

The 2018 Part A deductible will be \$1,340 for the first 60 days of inpatient care and there will be \$335 coinsurance per day for days 61 through 90. For days 91 through 150, the coinsurance will be \$670 per day. In addition, there is a skilled nursing facility coinsurance of \$167.50 per day for days 21 through day 100. Medicare does not assess a skilled nursing facility coinsurance for the first 20 days of residency.

The Medicare Part B standard monthly premium will be \$134 for 2018, the same amount as in 2017. Because there was a 2.0 percent COLA for Social Security benefits in 2018, some Medicare beneficiaries, who were “held harmless” against Part B premiums increases in prior years, will see an increase in their 2018 monthly Part B premium. The Medicare premium increase will be based on the amount of the individual’s COLA increase and, because of the “hold harmless” provision in existing law; the premium will vary for those individuals but cannot exceed \$134 per month. Medicare beneficiaries, who are not subject to the “hold harmless” provision and/or are new to Medicare in 2018, will pay the full \$134 monthly premium. The 2018 annual Medicare Part B deductible is \$183, the same amount as in 2017.

The link below provides more information on the Medicare Part A and B premiums and the “hold harmless” provision:

<https://www.cms.gov/Newsroom/MediaReleaseDatabase/Fact-sheets/2017-Fact-Sheet-items/2017-11-17.html>,

MSP 2018 Property Limits

The property limits used to determine MSP eligibility increased in 2018. The limits are \$7,560 for an individual and \$11,340 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.

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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