



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



GAVIN NEWSOM  
Governor

March 28, 2019

TO: ALL COUNTY WELFARE DIRECTORS Letter No. 19-11  
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: 2019 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, 18-04)

Effective January 1, 2019, this letter revises the Supplemental Security Income (SSI) standard allocation, parent allocation, property limits for the Medicare Savings Programs (MSPs), 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 2019 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 2019, there was a Social Security COLA of 2.8 percent. For 2019, the standard allocation amount is \$386, which is calculated by subtracting the FBR for an eligible individual from the FBR for an eligible couple.

The 2019 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 \$771 (for an individual)
- The parent allocation (if both ineligible parents live with a child) is \$1,157 (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 2019 Medicare Part A premium will increase to \$437 for persons who do not receive free Medicare Part A. The reduced Medicare Part A premium will increase to \$240 for persons with 30-39 quarters of Medicare covered employment. Both have a 10 percent penalty for late enrollment.

The 2019 Medicare Part A deductible will be \$1,364 for the first 60 days of inpatient care and \$341 per day for days 61 through 90. For days 91 through 150, the deductible will be \$682 per day. In addition, there is a skilled nursing facility deductible of \$170.50 per day for days 21 through day 100. Medicare does not assess a skilled nursing facility deductible for the first 20 days of residency.

The Medicare Part B standard monthly premium will increase from 134.00 in 2018 to \$135.50 for 2019. Because there was a 2.8 percent COLA for Social Security benefits in 2019, some Medicare beneficiaries, who were “held harmless” against Medicare Part B premiums increases in prior years, will see an increase in their 2019 monthly Medicare 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 \$135.50 per month. Medicare beneficiaries, who are not subject to the “hold harmless” provision and/or are new to Medicare in 2019, will pay the full \$135.50 monthly premium. The 2019 annual Medicare Part B deductible is \$185, an increase of \$2 from the annual deductible \$183 in 2018.

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

<https://www.cms.gov/newsroom/fact-sheets/2019-medicare-parts-b-premiums-and-deductibles>

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MSP 2019 Property Limits

The property limits used to determine MSP eligibility increased in 2019. The limits are \$7,730 for an individual and \$11,600 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) 345-8060 or by email at [Tammy.Kaylor@dhcs.ca.gov](mailto:Tammy.Kaylor@dhcs.ca.gov).

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