

DEPARTMENT OF HEALTH SERVICES

714/744 P STREET
SACRAMENTO, CA 95814



November 15, 1985

TO: All County Welfare Directors
County Administrative Officers

Letter No.: 85-73

JANUARY 1986 SOCIAL SECURITY TITLE II AND TITLE XVI COST OF
LIVING ADJUSTMENTS (COLA) AND RELATED ISSUES

This letter is to provide you with the following:

- o Instructions for computing the January 1986 COLA for Title II (Retirement, Survivor's and Disability Insurance) benefits.
- o 1986 SSI/SSP cash grant levels.
- o The 1986 resource limit for both Medi-Cal and Pickle cases.
- o 1986 Pickle Disregard Computation Chart.
- o Prior Year's Disregard Computation Chart.
- o The Federal Benefit Rate (FBR) to be used when determining Pickle eligibility.
- o Instructions for cases with LTC beneficiaries who have spouses for implementation of AB 987 (community property division of income).

Title II (RSDI) COLA

The Social Security Administration (SSA) has advised us that effective January 1, 1986 the Title II COLA is 3.1 percent. This percentage increase applies to all Title II beneficiaries. Therefore, in all Medi-Cal only cases with Title II income, the current benefit amount should be multiplied by 1.031 to compute the 1986 benefit amount.

For Medi-Cal only individuals who do not pay Medicare Part B premiums either because they are not eligible for Medicare or because they are entitled to Buy-In (in which case the state pays the Medicare Part B premium), the new benefit amount is rounded down to the nearest dollar. This computation will produce the Title II benefit amount to be used in computing the Medi-Cal share of cost for January 1986 and subsequent months. (Example: The current benefit amount is \$210; multiplying by 1.031 equals \$216.51; rounding down to the nearest dollar equals \$216.) This process is the same for Pickle eligibles who do not have a Medicare Part B premium deduction from their Title II benefit check.

For individuals who have their Medicare Part B premium deducted from their Title II benefit check a two step rounding down process must be followed to determine the new benefit amount. First, after the current gross benefit amount has been multiplied by 1.031 any cents remaining are rounded down to the nearest \$.10. Second, the Medicare Part B premium is subtracted and the remainder rounded down to the nearest dollar. This computation produces the net benefit amount used to compute the share of cost beginning January 1986. (Example: The current (December) check is \$400. Add \$15.50 Medicare Part B premium for a gross benefit amount of \$415.50; multiplying by 1.031 equals \$428.38 rounding to the next lowest increment of \$.10 produces \$428.30. This is the new gross amount to be used in column one of the MC 176M. The 1986 Medicare Part B premium remains at \$15.50 which is then subtracted from \$428.30 producing \$412.80 which is rounded to \$412.00. This will be the January 1986 net benefit amount used to compute the share of cost.) This same process is to be used when determining the amount of a Pickle person's Title II benefits subject to the disregard and the amount to be used when completing the "needs test" (Part I, DHS 7021). For a Pickle person the Medicare Part B premium amount is added to the gross Title II benefit amount but, is not subsequently subtracted. Using the above example the countable Title II income for a Pickle person is \$428.30

It should be noted, as in previous years, the SSA applies the COLA to the actual, rather than the rounded benefit amount. This may result in a \$1.00 discrepancy in the Title II benefits for some beneficiaries and a \$1.00 understated share of cost.

In order to avoid the unnecessary expense of recomputing every Title II case subsequently identified as having an incorrect share of cost solely due to the COLA adjustment, counties are authorized instead to correct the share of cost the next time the budget is recomputed, when an income change is reported, or at the annual redetermination. Quality control errors are not cited when the discrepancy between the budgeted income amount and the actual income received by the beneficiary is less than \$5.00.

The Notice of Action you use should advise the beneficiary to contact his/her eligibility worker if the amount of Title II income computed by the county is different from the amount actually received in the January, 1986 check.

All cases with Title II income, including AFDC Medically Needy cases which contain Social Security Survivor's Benefits, shall have the share of cost adjusted effective January 1, 1986. In the past, the incorrect computation of Title II COLAs have been a source of federal quality control (QC) errors.

SSI/SSP Payment Levels

The SSI/SSP payment levels in effect from January 1, 1986 through December 31, 1986 are provided on the attached chart. The county should use these figures in allocating income to or from the SSI/SSP recipient and the Medi-Cal MFBU effective January 1, 1986. These budget computations should be performed at the same time the Title II COLAs are being processed. These payment levels are also to be used effective January 1, 1986 for all Pickle eligibility determinations and redeterminations.

1986 Resource Limits

Effective January, 1986 the resource limit for both Medi-Cal only and Pickle eligibles is increased to \$1700 for one person and \$2550 for two. For Medi-Cal only the following also applies as reflected in Title 22, CAC, Section 50420.

Number of persons	Property Limit
3	\$2700
4	2850
5	3000
6	3150
7	3300
8	3450
9	3600
10 or more	3750

1986 Federal Benefit Rate (FBR)

Individual	\$336
Couple	504

1986 Pickle Disregard Computation Chart, Previous Year's Computation Chart, and 1986 FBR Amounts

Effective January 1, 1986 the attached charts (Attachments 1 and 2) are to be used when computing a Title II disregard for Pickle eligibles and applicants.

All County Welfare Directors
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For Implementation of AB 987:

Instructions for Cases of LTC Beneficiaries Who Have Spouses

Counties which manually compute the share of cost to reflect the Title II COLAs should, at the same time, identify cases of LTC beneficiaries who have spouses, as we will be filing emergency regulations shortly to implement the community property division of income and resource provisions of AB 987. We unfortunately are unable to provide implementing instructions for AB 987 along with this letter because the regulations must be reviewed and approved by the Office of Administrative Law prior to release for implementation. We anticipate filing of the AB 987 regulations will take place later this month. Basically, under AB 987 a couple's combined earned and unearned income will be divided in half when determining the share of cost for the LTC beneficiary. Due to the timing involved you may wish to calculate the COLA share of cost increase for single LTC beneficiaries first in anticipation of receipt of the AB 987 instructions for LTC beneficiaries with spouses. However, in no instance should you postpone the COLA calculation beyond the time frame necessary to provide 10 day notice to reflect the Title II COLA increase in a timely manner.

Any questions concerning this letter should be directed to Kristi Banion at (916) 324-4961 ATSS 454-4961.

Sincerely,

Original signed by

Doris Z. Soderberg, Chief
Medi-Cal Eligibility Branch

cc: Medi-Cal Liaisons
Medi-Cal Program Consultants

Expiration Date: December 31, 1986

SSI/SSP PAYMENT STANDARDS
JANUARY 1, 1986 - DECEMBER 31, 1986

SSI/SSP											
Independent Living Arrangement			Household of Another			Independent Living Arrangement Without Cooking Facilities			Nonmedical Board and Care		
Total	SSI (FBR)	SSP	Total	SSI (FBR)	SSP	Total	SSI (FBR)	SSP	Total	SSI (FBR)	SSP

INDIVIDUAL:

Aged or Disabled	533	336	197	421	224	197	590	336	254	601	336	265
Blind	594	336	261	485	224	261	.....	.....	.....	601	336	265
Disabled Minor	422	336	86	310	224	86	.....	.....	.....	601	336	265

Couple:

Aged or Disabled												
- per couple	989	504	485	821	336	485	1104	504	600	1202	504	698
- per person	494.50	252	242.50	410.50	168	112	552	252	300	601	252	349

Blind

- per couple	1162	504	658	994	336	658	.....	.....	.....	1202	504	698
- per person	581	252	329	497	168	329	.....	.....	.....	601	252	349

Blind/Aged or
Disabled

- per couple	1096	504	592	928	336	592	.....	.....	.....	1202	504	698
- per person	548	252	296	464	168	296	.....	.....	.....	601	252	349

1986
 Department of Health Services
 Current Year
 Pickle Persons Title II Disregard Computation Chart

1986 Last SSI/SSP Check Received Between	Multiplier
1/85 and 12/85	0.0301
1/84 and 12/84	0.0629
7/82 and 12/83	0.0946
7/81 and 6/82	0.1569
7/80 and 6/81	0.2419
7/79 and 6/80	0.3367
7/78 and 6/79	0.3965
7/77 and 6/78	0.4370
4/77 and 6/77	0.4731

Instructions
 for
 Current Year
 Title II Disregard Computation Chart

This chart replaces and supersedes previous Title II Disregard Computation charts. With this chart the disregard computation process is a one step process instead of the two step process previously required. The steps to be taken to use this chart are outlined below.

1. Determine the current benefit amount.
2. Determine when the last SSI/SSP check was received.
3. Multiply the current benefit amount by the multiplier for the time period the last SSI/SSP check was received.
4. The result is the amount to be disregarded.

Department of Health Services
Prior Year
Pickle Persons Title II Disregard Computation Chart

1985 Last SSI/SSP Check Received Between			1984 Last SSI/SSP Check Received Between			1983 Last SSI/SSP Check Received Between		
Multiplier			Multiplier			Multiplier		
1/84 and 12/84	0.0338		7/82 and 12/83	0.0338		7/81 and 6/82	0.0689	
7/82 and 12/83	0.0665		7/81 and 6/82	0.1004		7/80 and 6/81	0.1627	
7/81 and 6/82	0.1308		7/80 and 6/81	0.1910		7/79 and 6/80	0.2674	
7/80 and 6/81	0.2184		7/79 and 6/80	0.2922		7/78 and 6/79	0.334	
7/79 and 6/80	0.3161		7/78 and 6/79	0.3560		7/77 and 6/78	0.3782	
7/78 and 6/79	0.3777		7/77 and 6/78	0.3992		4/77 and 6/77	0.4181	
7/77 and 6/78	0.4195		4/77 and 6/77	0.4378				
4/77 and 6/77	0.4568							
1982 Last SSI/SSP Check Received Between			1981 Last SSI/SSP Check Received Between			1980 Last SSI/SSP Check Received Between		
Multiplier			Multiplier			Multiplier		
7/80 and 6/81	0.1007		7/79 and 6/80	0.1251		7/78 and 6/79	0.0901	
7/79 and 6/80	0.2132		7/78 and 6/79	0.2039		7/77 and 6/78	0.1512	
7/78 and 6/79	0.2841		7/77 and 6/78	0.2574		4/77 and 6/77	0.2057	
7/77 and 6/78	0.3322		4/77 and 6/77	0.3051				
4/77 and 6/77	0.3751							
1979 Last SSI/SSP Check Received Between			1978 Last SSI/SSP Check Received Between					
Multiplier			Multiplier					
7/77 and 6/78	0.0672		4/77 and 6/77	0.0642				
4/77 and 6/77	0.1270							

Instructions
for
Prior Year
Title II Disregard Computation Chart

This chart replaces and supersedes all previous Title II Disregard Computation charts. With this previous chart the disregard computation process is a one step process instead of the two step process previously required. The steps to be taken to use this chart are outlined below.

1. Determine the prior year benefit amount.
2. Determine when the last SSI/SSP check was received.
3. Multiply the prior year benefit amount by the multiplier for the time period of the last SSI/SSP check.
4. The result is the amount to be disregarded