

DEPARTMENT OF HEALTH SERVICES

714/744 P STREET
SACRAMENTO, CA 95814



December 12, 1988

TO: All County Welfare Directors
All County Administrative Officers

SUBJECT: ERRATA NOTICE LETTER NO: 88-95

We regret that ACWD Letter 88-95 contains several errors. The calculations on pages two and three are not correct. The attached reflects the accurate information. Also, the resource limits on Attachment 3 are for 1989, not for 1988.

We apologize for any inconvenience this may have caused. Thank you for your assistance in making these corrections.

Sincerely,

Original signed by

Frank S. Martucci, Chief
Medi-Cal Eligibility Branch

Enclosures

cc: Medi-Cal Liaisons
Medi-Cal Program Consultants

Expiration Date: December 31, 1989

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 accurately determine the new benefit amount.

Step 1:

Add the 1988 Medicare Part B premium (\$24.80) to the net 1988 Title II benefit check to obtain the 1988 gross benefit amount. Multiply this 1988 gross amount by the 1989 cost of living increase (1.04) and round the remaining cents down to the nearest \$0.10 to obtain the 1989 gross benefit amount.

Step 2:

Subtract the 1989 Medicare Part B premium \$31.90 from the 1989 gross benefit amount and round down to the nearest dollar. The remainder will be the January 1989 net benefit amount used to compute the share of cost.

Example:

1988 net Title II benefit check	\$400.00
Plus 1988 Medicare Part B premium	+ <u>24.80</u>
1988 gross Title II benefit amount	\$424.80
Multiply by COLA	x <u>1.04</u>
1989 gross Title II benefit amount	\$441.70
Subtract 1989 Medicare Part B premium	- <u>31.90</u>
Round down to nearest dollar	<u>\$409.80</u>
January 1989 net benefit amount	\$409.00

To determine the countable Title II income for a Pickle applicant who has the Medicare Part B premium deducted, the following computation must be followed:

Step 1:

Same as step 1 described above for all other Medi-Cal beneficiaries with Title II income.

Step 2:

Multiply the 1989 gross benefit amount by the disregard multiplier for January 1989 to determine the amount of countable Title II income.

Example:

1989 gross Title II benefit amount	\$441.80
Disregard multiplier (Dec. 1988 discontinuance)	x <u>.0385</u>
Disregard amount	\$ 17.01
	\$441.80
	- <u>17.01</u>
Round down to next lowest dollar	\$424.79
Total countable income	\$424.00

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, 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 1989 check.

All cases with Title II income, including AFDC Medically Needy cases which contain Social Security Survivor's Benefits, must have the share of cost adjusted effective January 1, 1989. In the past, the incorrect computation of Title II COLAs has been the source of federal quality control (QC) errors.

SSI/SSP Payment Levels

The SSI/SSP payment levels in effect from January 1, 1989 through December 31, 1989 are provided on the attached chart (Attachment 2 - page 16-1 to be added to your new Pickle Manual). The county should use these

RESOURCE ELIGIBILITY

1989 Resource Limits
\$2,000 -- Individual
\$3,000 -- Couple

Pickle persons must be within the resource limit at 12:01 a.m. on the FIRST DAY OF THE MONTH for which eligibility is being determined. If a person is not eligible on the first, he/she is not eligible for the ENTIRE MONTH.

Using information from the MC 210 and the MC 210B, complete the Pickle Resource Worksheet (DHS 7037) to determine resource eligibility. Instructions for completion of the DHS 7037 are attached to the form.

Refer to the following for determining resource eligibility:

- . Resource charts.
- . Life estate and remainder interest tables.

Clarification

1. Possible Pickle Person Living With a Spouse

If both members of the couple are eligible, apply the resource limit for two persons and consider the resources of BOTH spouses (whether owned separately or jointly).

2. Possible Pickle Child

Allow the parents all of the resource exclusions for which they would be eligible if they were the applicants. Consider only the resources of the parent and his/her spouse. This includes, but is not limited to, home, household goods, personal effects, automobile, etc.

After the exclusions are applied, the remaining countable resources are deemed to the possible Pickle child. Where there is more than one possible Pickle child, the resources are deemed equally among those children:

Example

There are two possible Pickle children, and \$500 in parental resources must be deemed to them, deem \$250 to each child.

3. If applicant is ineligible as a possible Pickle person due to excess resources: