

## DEPARTMENT OF HEALTH SERVICES

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January 7, 1991

TO: All County Welfare Directors  
All County Administrative Officers

Letter No.: 90-109

SUBJECT: QMB INCOME AND THE ALIGNMENT OF THE SSA COLA WITH THE FEDERAL  
POVERTY LEVEL

REFERENCE: 90-02, 90-29, 90-42, 90-71

The Omnibus Reconciliation Act (OBRA) of 1990 increases the income level for Qualified Medicare Beneficiaries (QMBs) from 95% to 100% of the federal poverty level (FPL) on January 1, 1991. Originally, the Medicare Catastrophic Coverage Act (MCCA) of 1988 stated the income level for QMBs was to be raised to 95% for the FPL in 1991. OBRA 1990 supersedes this level and increases the income level for QMBs in 1991 to 100% of the FPL. This would be \$523 + \$20 for an individual and \$702 + \$20 for a couple.

This act also requires that the Social Security Title II cost of living adjustment (COLA) not be used to determine QMB income eligibility for the first three months of the calendar year effective January 1, 1991. Thus counties no longer may discontinue QMBs with increased income due to the COLA and then reinstate them at a later date if their increased income was below the newly published federal poverty level (FPL). This prevents the loss of Medicare since an individual who could not have afforded to continue payment of the Medicare premiums during the interim period between the QMB discontinuance and his/her reinstatement when the FPL was published would have been required to wait until the next general enrollment period (January through March) with benefits not beginning until the following July.

This new law may present problems for counties with computer programs which automatically calculate the COLA for all individuals on Medi-Cal. For example, a dually eligible Medically Needy individual/QMB in LTC may have an increased share of cost in January under regular Medi-Cal but he/she would not lose QMB eligibility at that time. In April, the county would determine QMB eligibility after the publication of the FPL.

The 1991 QMB "Standard Allocation" and "Parent Allocation" for determining income eligibility is based on the annual federal benefit rate (FBR) which is based on the COLA. The Standard Allocation increased from \$193 in 1990 to \$203 for 1991 (the couple FBR minus the individual FBR). The Parent Allocation for 1991 is determined as follows:

1. When there is earned and unearned income and when there is unearned income only:
  - o The parent allocation (if one ineligible parent lives with the child) is \$407 (individual FBR).
  - o The parent allocation (if both ineligible parents live with the child) is \$610 (couple FBR).
2. When there is earned income only:
  - o The parent allocation (when one eligible parent lives with a child) is \$814 (2 x FBR for an individual).
  - o The parent allocation (when both ineligible parents live with a child) is \$1220 (2 x FBR for a couple).

If you have any program questions, please contact Marge Buzdas at (916) 324-4972, ATSS 454-4972. For QMB income questions, please contact RaNae Dunne at (916) 324-4955, ATSS 454-4955.

Sincerely,

ORIGINAL SIGNED BY

Frank S. Martucci, Chief  
Medi-Cal Eligibility Branch

cc: Medi-Cal Liaisons  
Medi-Cal Program Consultants