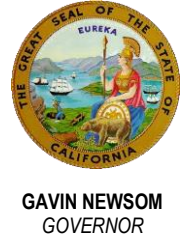




State of California—Health and Human Services Agency
Department of Health Care Services



November 17, 2021

TO: ALL COUNTY WELFARE DIRECTORS Letter No.: 21-29
ALL COUNTY ADMINISTRATIVE OFFICERS
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS
ALL COUNTY HEALTH EXECUTIVES
ALL COUNTY MENTAL HEALTH DIRECTORS

SUBJECT: 2022 Medicare Premiums and Social Security Title II Cost of Living
Adjustments (Reference: ACWDL 20-18, ACWDL 20-23)

Effective January 1, 2022, this letter revises the Medicare premium amounts to be used in
determining eligibility and the cost of Medicare premiums and the Social Security Title II
benefit amount adjustments. The Statewide Automated Welfare Systems (SAWS) will
make programming changes for the 2022 Medicare premium amounts and Social Security
Title II adjustments in December 2021 for the January 2022 benefit month.

Medicare Part A and B Premiums

Table with 3 columns: Category, 2021, 2022. Rows include Medicare Part A Premium, Reduced premium, Inpatient care deductible (Days 1-60, 61-90, 91-150), and Skilled Nursing Facility deductible (Days 1-20, 21-100).

| | <u>Medicare Part B</u> | |
|-------------------|------------------------|-------------|
| | 2021 | 2022 |
| Premium | \$148.50 | \$170.10 |
| Annual Deductible | \$203 | \$233 |

The Social Security Administration (SSA) has advised DHCS that there is 5.9 percent cost of living adjustment (COLA) for Social Security benefits in 2022. Because of this COLA, some Medicare beneficiaries, who were “held harmless” against Medicare Part B premium increases in prior years will see an increase in their 2022 monthly Medicare Part B premium. The Medicare premium increase will be based on the amount of the individual’s COLA increase.

2022 Social Security Title II Benefit Amount

Medicare Part B Premium is Not Paid by Applicant/Beneficiary

For individuals who only have Medi-Cal and do not pay the Medicare Part B premium, either because they are not eligible for Medicare or they are entitled to Buy-In (in which case the State pays the Medicare Part B premium), the 2021 SSA gross benefit amount should be multiplied by 5.9 percent or 1.059 to compute the 2022 SSA benefit amount.

To calculate the new benefit amount after the 2022 COLA, multiply the 2021 SSA gross benefit amount by the 2022 COLA 1.059 and round the remaining cents down to the next lower whole dollar to obtain the 2022 SSA gross benefit amount. This computation produces the Title II benefit amount to be used in calculating the Medi-Cal Share-of-Cost (SOC).

Example:

| | |
|--|----------------|
| 2022 gross Title II benefit check amount: | \$1450.00 |
| Multiply by COLA: | <u>x 1.059</u> |
| Total: | \$ 1535.55 |
| Round down total to next lower whole dollar: | \$1535.00 |
| 2022 gross Title II benefit amount: | \$1535.00 |

Medicare Part B Premium is paid by the Applicant/Beneficiary

For individuals who have the Medicare Part B premium deducted from their Title II benefit check, follow the two-step rounding down process to accurately determine the new benefit amount.

Two-Step Rounding Process:

- Step 1:

Add the 2021 Medicare Part B premium to the net 2020 Title II benefit check to obtain the 2021 SSA gross benefit amount. Multiply this 2021 SSA gross amount by the 2022 COLA 1.059 and round the remaining cents down to the next lower \$0.10 increment to obtain the 2022 SSA gross benefit amount.

- Step 2:

Subtract the 2022 Medicare Part B premium (\$170.10 in this example) from the 2022 SSA gross benefit amount and round down to the next lower whole dollar. The remainder will be the January 2022 SSA net benefit amount used to calculate the share of cost.

Example:

Step 1:

| | |
|---|------------------|
| 2021 net Title II benefit check amount: | \$1535.00 |
| Plus 2021 Medicare Part B premium: | <u>+\$148.50</u> |
| 2021 gross Title II benefit amount: | \$1683.50 |
| Multiply by COLA: | <u>x 1.059</u> |
| Total: | \$1782.82 |

| | |
|---|-----------|
| Round down total to next lower increment of \$0.10: | \$1782.80 |
| 2022 gross Title II benefit amount: | \$1782.80 |

Step 2:

| | |
|--|------------------|
| 2021 gross Title II benefit amount: | \$1683.50 |
| Subtract 2022 Medicare Part B premium: | <u>-\$170.10</u> |
| Total: | \$1513.40 |

| | |
|--|-----------|
| Round down to the next lower whole dollar: | \$1513.00 |
| 2022 net Title II benefit amount: | \$1513.00 |

The link below provides more information on the Medicare Part A and B premiums:

[2022 Medicare Parts A & B Premiums and Deductibles/2022 Medicare Part D Income-Related Monthly Adjustment Amounts | CMS](#)

Processing the 2022 SSA COLA for Non-MAGI Eligibility Groups

The 2022 SSA COLA will be disregarded from the eligibility determination for the Aged and Disabled Federal Poverty Level (FPL), Blind FPL, and Medicare Savings Programs (MSP) until the 2022 FPL rates take effect on April 1, 2022 (see WIC § 14005.40(f)). All medically needy cases with Title II income must have the SOC adjusted to reflect the COLA, effective January 1, 2022. DHCS would also like to remind counties to assess beneficiaries for Pickle, Disabled Adult Child (DAC), Disabled Widower (DW) programs as they are on the Mega Mandatory list per [ACWDL 17-03](#).

Medicare Part B Disregard

DHCS would like to remind counties that effective December 1, 2020, counties must disregard income equal to the amount of the individual's Medicare Part B premium when determining eligibility for the ABD FPL program, regardless of the state's payment of the premium. Previous policy required counties to apply an income deduction for the Medicare Part B premiums only if the individual was paying for the premium. The new policy does not require the individual to pay for the premium when enrolled in or applying for the ABD FPL program. This income disregard is applied to the budget for as long as the individual's countable income remains within the ABD FPL program limits. Individuals in the Medically Needy program must still pay for the premium before receiving the health insurance premium deduction. For more information, please refer to [ACWDL 20-18](#).

2022 MSP Property Limits

In previous years, the Department released the MSP property limits in this annual All County Welfare Directors Letter (ACWDL). In order to provide the counties and SAWS with the Medicare premiums and allocation amounts in a timely manner, the Department will release the MSP property limits in a separate ACWDL when they are available.

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Note: Per Medi-Cal Eligibility Division Information Letters (MEDILs) I 20-07, I 20-08, I 20-18, I 20-25, and I 20-26, counties must delay processing of Medi-Cal annual renewals, and defer discontinuances and other negative actions based on the declared State and National Emergency due to the COVID-19 public health emergency (PHE). The county shall continue to process determinations or redeterminations for those individuals who would gain access to health care coverage and resolve barriers related to access to care.

If you have questions regarding this letter, please contact Meuy Saeteune at (916) 345 - 8604 or by email at Meuy.Saeteune@dhcs.ca.gov

Original Signed By

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