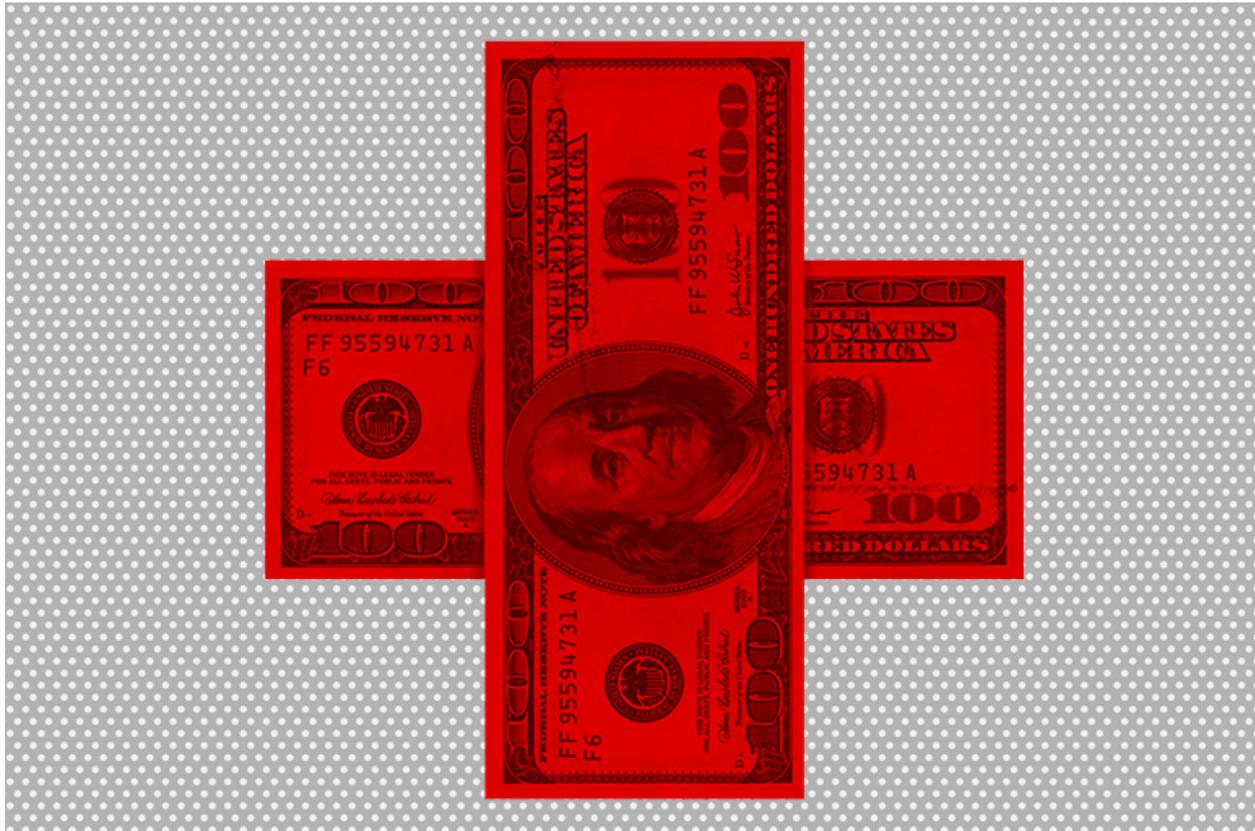




## New Budget Boosts Health Coverage For Low-Income Californians

By **Ana B. Ibarra** • JUNE 25, 2019



(Fanatic Studio/Getty Images)

Ann Manganello survives entirely off her Social Security stipend: \$1,391 a month.

That doesn't amount to much in the pricey desert enclave of Palm Springs, Calif. — especially for someone who contends with a host of expensive medical problems, including a blood vessel disorder, complications from a recent stroke and frequent bouts of colitis.

“Right now, I don't really have the money to do much. I just stay here and that's it,” Manganello said with a sigh, sad at the thought of being stuck in her apartment.

Because she is 71 and has a low income, Manganello qualifies for Medi-Cal, the state's Medicaid program for disadvantaged people, as well as Medicare, the public insurance program for people 65 and older.

But there's a catch: Her monthly Social Security check puts her slightly above the income level for free care under Medi-Cal. So, she reduces the amount of income counted for Medi-Cal eligibility by buying a dental insurance policy she doesn't really need, just so she can qualify for the free coverage and avoid a \$672 monthly deductible.

Things are expected to change next year for Manganello and others in similar situations. In the state budget for 2019-20, legislators approved \$62.4 million to help about 25,000 older people and those with disabilities get free Medi-Cal. Gov. Gavin Newsom must sign the budget by June 30.

That's one of several major investments the \$215 billion budget makes in Medi-Cal enrollment and services. About 13 million Californians — or about a third of the state's population — have Medi-Cal.

The spending plan also includes money to restore medical benefits that were cut 10 years ago during the recession, such as podiatry and speech therapy. It also provides full Medi-Cal coverage to low-income young adults ages 19 through 25 who are in the country illegally. That will make California the first state in the nation to offer full Medicaid benefits to unauthorized immigrant adults.

Plus there's \$30 million for outreach and enrollment and \$769.5 million to boost the amount Medi-Cal pays participating doctors and dentists.

For Manganello, who worked as a manager for a signage shop in Buffalo, N.Y., before moving west, qualifying for free Medi-Cal would make a tangible difference in her life.

"I could cancel that extra insurance and buy myself a medical alert bracelet. I would also have some money to maybe pay off some other medical bills," she said. "It would help with groceries, things like Depends. And maybe I could go out to lunch once in a while."

The Medi-Cal expansions in the budget represent another radical departure by California from the federal government on health care and immigration. In addition to cracking down on illegal immigration, the Trump administration is pushing policies, such as work requirements for Medicaid enrollees, that often lead to reductions in enrollment.

The budget measures also bring California a step closer to Newsom's goal of achieving universal health care coverage. The state's estimated 1.8 million unauthorized immigrants, for example, make up roughly 60% of the state's remaining uninsured residents.

"It seems like what has occurred in California this year is a very conscious, systematic and well-designed effort to close gaps" in coverage, said Judy Solomon, a senior fellow at the Center on Budget and Policy Priorities.

Many other states face similar coverage gaps but few can afford to address them, Solomon said.

### **'Senior Penalty'**

Most adults who don't have a disability and are under 65 are eligible for free Medi-Cal with incomes up to 138% of the federal poverty level, or about \$17,200 for an individual.

But adults in Medi-Cal's Aged and Disabled Program have to meet stricter income requirements — up to 122% of the poverty level, or just under \$15,240 a year for an individual.

If, like Manganello, they make slightly more than that, they must pay a certain amount of their health costs — essentially, a deductible — before Medi-Cal coverage kicks in. That can translate into hundreds of dollars or more per month.

Linda Nguy, a policy advocate at the Western Center on Law & Poverty, said that many people are simply skipping medical care because they can't afford the deductible.

“We call this the senior penalty, because basically you’re being penalized with a stricter eligibility limit based fully on your age or disability,” said Amber Christ, an attorney with Justice in Aging, a nonprofit advocacy group focused on senior poverty.

Many states that expanded their Medicaid programs under the Affordable Care Act also have this disparity, Christ said. The 2019-20 California budget would end it by raising the income eligibility threshold for that group to 138% of the poverty level.

## Restoring Benefits

During the Great Recession, California, like many other states, cut several Medicaid benefits that aren’t required by the federal government.

Starting Jan. 1, Medi-Cal will restore five areas of coverage: audiology, optical services, podiatry, incontinence supplies and speech therapy.

“People of all ages wear glasses, so this can really benefit anyone,” Nguy said. “But things like podiatry, audiology, speech therapy are probably of most benefit to people with chronic conditions.”

The new budget includes \$17.4 million for these services, which could disappear again in 2022 unless lawmakers decide to extend them.

Optional benefits are usually the first to go in bad economic times, and bringing them back can take years. Full dental benefits, also cut during the recession, were restored for adults in Medi-Cal last year.

## Immigrant Coverage

Lawmakers allocated \$98 million to offer free health coverage for unauthorized young immigrant adults who meet the income requirements, starting next year. Of this, \$74.3 million will come from the state, while the rest will come from funds the federal government provides for labor and delivery and emergency care only.

About 90,000 young adults are expected to become eligible in the first year.

Covering young adults became the most controversial health care issue in this year's budget. Republicans criticized the effort, arguing that Medi-Cal should be fixed before it is expanded.

“Every day, my district offices get calls from my constituents who are unable to see a doctor, even though they are technically covered by Medi-Cal, because so few doctors in my district are able to take the low reimbursement rates that Medi-Cal provides,” state Assemblyman Jay Obernolte (R-Big Bear Lake) said before the Assembly's budget vote on June 13.

In 2016, California started offering full Medi-Cal benefits to unauthorized immigrant children. The state's current-year budget allocates \$365.2 million to fund that coverage. In February 2019, 127,845 kids were enrolled in the program.

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