

CANHR is a private, nonprofit 501(c)(3) organization dedicated to improving the quality of care and the quality of life for long term care consumers in California.

## California Medi-Cal Asset Limit Increasing for Seniors and People with Disabilities

California will increase the asset limits for certain Medi-Cal programs, and is expected to eventually remove asset limit requirements all together. Beginning July 1, 2022, the state will raise the Medi-Cal asset limit for a single individual to \$130,000, \$195,000 for a couple, and \$65,000 for each additional family member. On January 1, 2024, the state is expected to eliminate the Medi-Cal asset limit completely.

### What is the current asset limit?

Medi-Cal is a combined federal and California state program designed to help pay for medical care for public assistance recipients and other low-income persons. Currently, seniors and people with disabilities who apply for Medi-Cal must show that they are beneath the asset limit of \$2,000 for a single individual and \$3,000 for couples. If an individual has more than \$2,000, they will not be eligible. This limit, which has not been updated since 1989, counts money from savings, checking, and any excess cash surrender value of life insurance among other assets.

### Are there other changes to Medi-Cal?

Medi-Cal income guidelines and share of cost calculations will remain the same. The rules for exempt and non-exempt assets will also remain the same. For information on exempt and non-exempt resources under Medi-Cal, read CANHR's Resource Limits fact sheet: [http://canhr.org/factsheets/medi-cal\\_fs/html/fs\\_medcal\\_limits.htm](http://canhr.org/factsheets/medi-cal_fs/html/fs_medcal_limits.htm).

The asset limit changes only apply to California's Medi-Cal program. Individuals who receive SSI benefits, or other public benefit support programs, will still need to comply with asset limit rules under those programs.

Medi-Cal Recovery rules will not change. If a beneficiary used certain services under Medi-Cal, it is possible that the State may make a claim against their estate when they die, if the estate is subject to probate under California law. There are simple steps people can take to protect their home, or other assets, from Medi-Cal Recovery. Read CANHR's guide on Medi-Cal Recovery for additional information:

[http://canhr.org/medcal/medcal\\_recoveryinfo.htm](http://canhr.org/medcal/medcal_recoveryinfo.htm).

### Before July 2022

People who need Medi-Cal can only have \$2,000 or less in cash or other non-exempt assets.



### July 1, 2022

People who need Medi-Cal will be allowed up to \$130,000 + \$65,000 per household member.



### Jan 1, 2024

People who need Medi-Cal can have unlimited assets.



## Will the asset limits change if I am married or have a registered domestic partner?

Family members can be defined as individuals included within the Medi-Cal Family Budget Unit (MFBU). The MFBU is the number of people Medi-Cal includes in your household when determining a person's or family's eligibility and share of cost. Married couples and registered domestic partners may, or may not be included in the same MFBU depending on the type of services they receive under Medi-Cal.

### *Asset Limit Examples of Couples in the Same MFBU*

Jose and Melia live together at home. Both receive Medi-Cal under the Aged and Disabled Program.

$$\$130,000 + \$65,000 = \$195,000$$

Their combined asset limit is \$195,000.

Greg and Nancy have Medi-Cal under the Medically Needy program; live at home with a dependent son.

$$\$130,000 + \$65,000 + \$65,000 = \$260,000$$

Their combined asset limit is \$260,000.

Marina and Dennis are married and want to apply for Medi-Cal because they each need in home care, and intend to apply for HCBS. Because no spousal impoverishment protections are established, their combined asset limit is \$195,000.

### *Examples of Couples Under Spousal Impoverishment Provisions*

James is considered institutionalized as he is enrolled in a Home and Community-Based Services (HCBS) program. His wife Tara is not on Medi-Cal.

Alana is on Long Term Care Medi-Cal in a nursing home. Her wife Elaine lives at home, and is not on Medi-Cal.

There must be a community spouse for spousal impoverishment protections to be established, meaning at least one spouse must not be on Medi-Cal, and the other, deemed institutionalized either through placement in a skilled nursing facility, or through eligibility for an HCBS program. Once spousal impoverishment is applied, couples are separated into their own MFBU, giving them separate asset limits. The community spouse retains up to the Community Spouse Resource Allowance (CSRA), and the Medi-Cal spouse retains up to the asset limit. Both couples above have similar asset limits. The Medi-Cal beneficiary may keep up to \$130,000, and the community spouse up to \$137,400 under the CSRA.<sup>1</sup>

### *Examples of Couples Both Receiving Medi-Cal in Separate MFBU*

Crystal has been on Medi-Cal for 2 years, and is considered institutionalized because she is receiving Home and Community-Based Services. Her husband Sam later applies for Medi-Cal. Each are considered in their own MFBU, and each can keep separate assets up to \$130,000.

Carlos and Lisa are both on Medi-Cal living in a nursing home. They are considered to be in their own separate MFBU. Each will have their own asset limit of \$130,000.

If the community spouse applies for Medi-Cal, only the income protections under spousal impoverishment will continue to apply, meaning income allocation is still allowed. However, the community spouse will no longer be able to keep the CSRA and will be subject to the asset limit for a single person. If the community spouse also requests HCBS, there is no longer a community spouse, and income allocation will no longer be allowed. The spouses remain in separate MFBU.<sup>2</sup> Once a Medi-Cal beneficiary transitions to Long Term Care Medi-Cal, they are considered to be in their own MFBU.<sup>3</sup>

<sup>1</sup> [ACWDL 18-19](#), [ACWDL 21-34](#)

<sup>2</sup> [ACWDL 18-19](#), p. 13, question 6

<sup>3</sup> CCR Tit. 22, § 50377, [MEM § 50373\(F\)](#)

## Will there still be transfer penalties after July 1, 2022?

Penalties for transferring or gifting away non-exempt assets will still only apply if a Medi-Cal beneficiary or applicant enters a nursing home. The transfer rules apply only to non-exempt (countable) assets. For example, there will be no transfer penalties for someone who has \$125,000, and transfers \$100,000, which is under the new \$130,000 asset limit. Transfers of assets over the new asset limit may create a transfer penalty, depending on the amount.

David has \$150,000, and transfers \$20,000 to his son in August, 2022. He applies for Medi-Cal in September of 2022. Because David is in a nursing home, and the amount transferred is over his asset limit of \$130,000, a transfer period will be applied. The amount transferred is divided by the 2022 APPR (\$10,933), and David will have a period of ineligibility of 1.8 months. Since California does not count partial months, he will be ineligible for one month, running from the month of transfer - August, 2022. David will not be eligible for August, but he will be eligible as of September 1, 2022.

Melia has \$150,000 and transfers \$100,000 to her son Tristan in August, 2022. Because she is over the exempt asset limit at the time of transfer, only the portion that put her above the asset limit is assessed a penalty. In this case, Melia's non-exempt transfer amount is \$20,000 (the amount by which she was over the asset limit). Similar to the previous example, she will be ineligible for long term care coverage for one month.

Please note that a transfer penalty only applies to those subject to the 30-month look back period when they are entering a nursing home. A transfer penalty does not apply when the person is in the community, but they should take into consideration how and when transfers are made, in the event they enter a nursing home in the future.

## Relevant Resources

[ACWDL 21-31](#): Increases to the Asset Limits for Non-Modified Adjusted Gross Income Medi-Cal Programs

[ACWDL 21-34](#): Regarding Spousal Impoverishment Caps, includes changes to the Asset Limit and Spousal Impoverishment evaluations

[MEDIL 22-02](#): Older Adult Expansion and Asset Limit Changes Global Outreach Language

DHCS Asset Limits Webpage: <https://www.dhcs.ca.gov/services/medi-cal/eligibility/Pages/Asset-Limit-Changes-for-Non-MAGI-Medi-Cal.aspx>