

2024 Medi-Cal Asset Elimination Frequently Asked Questions

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.

When did the asset limit change happen?

California Assembly Bill 133 was signed into law in 2021, which began a process to remove the asset limit for Non-Modified Adjusted Gross Income (Non-MAGI) Medi-Cal programs, including the Long-Term Care, Aged Blind Disabled, Medically Needy and Working Disabled Programs. The state temporarily increased the asset limit in July of 2022, and on January 1, 2024, California completely eliminated asset limit requirements altogether. This means that as of 2024, Medi-Cal only asks about income and no longer asks about assets for any Medi-Cal program.

What were the previous asset limits?

Historically, seniors and people with disabilities who applied for Medi-Cal had to keep their assets below \$2,000 for a single person and \$3,000 for couples. In 2022, the asset limits were temporarily increased to \$130,000 for an individual, and \$195,000 for a couple. Beginning January 1, 2024, California no longer considers assets as part of the eligibility determination for all Medi-Cal programs.

What is the difference between assets and income?

Assets are things that you own, such as bank accounts, stocks, retirement accounts, cash, vehicles, and property. Income is money received, typically on a regular basis, from sources such as work, retirement accounts, Social Security, state disability insurance, IRA distributions, stock dividends, rent, or interest and dividends from investments. Medi-Cal applies different eligibility criteria based on the source of your income. Some types of income may not be counted for specific programs, for example, income from VA Aid and Attendance is not counted for Medi-Cal eligibility purposes.

Is there an income limit for Medi-Cal programs?

Each Medi-Cal program has specific income limits, and income rules and limits remain the same. The Medi-Cal program for people ages 65 and older or who are disabled has an income limit of \$1,732 (as of April 2024). For applicants with income over that amount, they may still be eligible with a shared monthly cost (formerly known as a share of cost). Medi-Cal requires applicants and beneficiaries to report income from all sources, including income received from assets such as retirement or investment income, stocks, annuities, and rental income. To learn more about the income limits for common Medi-Cal programs for older adults or people with disabilities, read CANHR's fact sheet on [Community Based Medi-Cal Programs](#), and [Overview of Long Term Care Medi-Cal](#).

If my assets generate income how will that affect my shared monthly cost?

Medi-Cal requires applicants and beneficiaries to report income from all sources. Income received from some assets may be counted toward shared monthly cost, while others may be excluded from the calculation. Examples of income from some assets that would be included in the share of cost calculation include:

- Rental property income
- Periodic payments and required minimum distributions from IRAs, retirement plans for self-employed individuals, and work-related pension funds
- Payments distributed from an annuity
- Interest and dividends received from investments, savings accounts, etc.

Read [ACWDL 23-21](#) for a full list of countable and excluded income sources.

Does asset elimination also apply to Supplemental Security Income (SSI)?

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 meet asset limit rules for those programs.

Will Medi-Cal still ask to be repaid for services I receive?

Medi-Cal Recovery rules have not changed. If a beneficiary used certain services, 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 [Medi-Cal Recovery Guide](#) for additional information.

How will married couples and registered domestic partners be impacted by asset elimination?

Beginning January 1, 2024, counties will no longer use information about the assets of applicants or their spouses, or registered domestic partner (RDP), in determining eligibility. Counties will also [no longer determine the Community Spouse Resource Allowance \(CSRA\)](#) if the applicant's initial month of eligibility is on or after January 1, 2024. This means that the "community spouse" (or RDP) can have unlimited assets in their name. It is important to remember that under spousal impoverishment rules, the income of the spouse or RDP who is on Medi-Cal will be used to determine eligibility and share of cost, and any income generated by assets in the name of that person must be reported to Medi-Cal. Income received in the name of the "community spouse" alone would not be counted toward the SOC of the spouse who requires nursing home or home and community based services.

Example: Jose has Parkinson's Disease and wants to apply for Medi-Cal in January of 2024 to pay for in-home care through a Home and Community-Based Services program. Jose and his wife Theresa have \$50,000 in joint savings, and Theresa has an investment account of \$200,000 on which she earns \$5,000 a year. Jose could be eligible for Medi-Cal, as there is no longer an asset limit, and under spousal impoverishment rules, the income received in Theresa's name alone is not counted towards Jose's monthly share of cost.

Is there a benefit to transferring income generating property between spouses?

No transfer of assets after January 1, 2024, will result in a period of ineligibility for nursing facility level of care. Spousal impoverishment under Medi-Cal has special income rules which offer flexibility in arranging income to the benefit of the couple. In some cases a property transfer between spouses resulting in a change of ownership of income could reduce or eliminate share of cost. To learn more about Spousal Impoverishment, read our [fact sheet](#).

How is rental property treated?

Rental properties are an asset and are not considered in determining eligibility, however, the net income received is countable, and will be used to determine the shared monthly cost ([ACWDL 23-20](#)). Eligibility workers may verify income through trust documents, rental agreements, and bank or financial statements.

How are trusts treated under the asset limit changes?

Properties titled in the name of the trust (i.e. trust principal) will not be counted for purposes of Medi-Cal eligibility and re-determination starting January 1, 2024. However, payments from the trust or trust income (interest from brokerage accounts, annuities, etc.) that are paid to the trust beneficiary are considered income for eligibility purposes, unless an exemption applies or the income is unavailable ([ACWDL 23-22E](#)). Payments made from the trust to third parties for the benefit of the beneficiary for housing, utilities, or food are counted as in-kind income if the payment is for the full amount. As long as the beneficiary pays even a portion of their cost for housing, utilities or food, trust payments to supplement those costs will not be counted. Payments made to third parties for the purchase of items other than housing, utilities, or food are not counted as in-kind income or used in the Medi-Cal eligibility determination.

Example: Jane decides to use some of the money in her trust to pay for a kitchen remodel. Each time she pays for services, she writes a check directly from her trust account to the vendors. These payments will not be counted as income because they were made directly to vendors (third parties), and are not for housing, utilities or food. (22 CCR §§ 50489.5(f)(3), 50513.)

Will the 30 month lookback period still apply after January 1, 2024?

The lookback period only applies to those applying for Medi-Cal coverage in a skilled nursing facility. A lookback period will no longer apply to transfers made on or after January 1, 2024. Transfers made prior to January 2024, may be subject to transfer penalties. Counties will review the 30 months prior to application for Long Term Care Medi-Cal services for any transfers of property, [but will not penalize those transfers made from 2024 forward](#).

Example: Josh enters a nursing home in October 2024. He transferred \$150,000 in August of 2024 to his brother. The county will not consider the months of January through October of 2024, but will review the 21 months prior to January 1, 2024 for transfers of property made during that time. Because the transfer happened in 2024, there is no transfer penalty.

Transfers of exempt property (as per rules of the time of the transfer) would not result in ineligibility. For example, there would be no transfer penalty for someone who had \$125,000 in total assets in 2023 and made a transfer of \$100,000, which was under the \$130,000 asset limit for that time period.

Please note that a transfer penalty would only be applied to those entering a nursing home on Medi-Cal, and not to applicants or beneficiaries living in the community. Per current policy, all possible transfer penalties must be reviewed for undue hardship before imposing a period of ineligibility.

Example: In December of 2023, Maya cashed out her retirement account and transferred the entire \$250,000 to her daughter, after receiving incorrect advice on how to become eligible for Medi-Cal. In June of 2024, she applies for Long Term Care Medi-Cal, after ending up in a nursing home. As the County will review the 25 months prior to 2024, the transfer could create a period of ineligibility, and Maya could possibly apply for undue hardship as outlined in [ACWDL 90-01](#), section 50096.5.

If I sell my home, will the proceeds be treated as income or assets?

When the home is sold, the proceeds would be considered converted property, and will continue to be treated as an asset. (22 CCR § 50407) It is important to remember that if the proceeds generate interest income, it is [considered countable unearned income](#) for the purposes of eligibility and shared monthly cost calculations.

If I withdraw a lump sum from an investment account, will it be counted as income?

Scheduled periodic distributions, whether monthly or annual, or payments of interest and dividends, are considered income in the month received. In the following month after receipt, those funds are considered assets. Distributions that are received once per year can be counted in the month received or you can ask Medi-Cal to amortize (evenly break up) the amount over a 12 month period, if it would help you to lower or avoid a share of cost. Lump sum withdrawals that are separate from a regularly scheduled periodic distribution, are considered converted property, and should be treated as an asset. ([ACWDL 02-51](#))

How will an inheritance impact my Medi-Cal?

Receiving an inheritance will be counted as income in the month received and an asset the following month. For example, if you receive \$100,000 from an inheritance in March, it will be counted as income in that month and may increase your shared monthly cost for the month of March. In April, the \$100,000 or whatever is left of it, will be counted as an asset.

How will a lawsuit settlement impact my Medi-Cal?

Lawsuit settlement funds will be counted as income in the month received and considered an asset the following month. Additionally, the Department of Health Care Services (DHCS) can seek repayment for any services that Medi-Cal paid for on behalf of a beneficiary who is involved in a personal injury, class action, or medical malpractice lawsuit. Medi-Cal recipients are required by law to notify DHCS in writing within 30 days of filing a lawsuit. (W&I Code sec. 14124.70, 14124.73).