

## Understanding the Shared Monthly Cost for Medi-Cal (formerly known as “Share of Cost”)

### What is a Shared Monthly Cost?

When you apply for Medi-Cal and are over the income limit for free Medi-Cal, you may still qualify for Medi-Cal with a shared monthly cost (formerly known as “Share of Cost”). A shared monthly cost (SMC) is the amount of money you must pay each month towards medical related services, supplies, or equipment before your Medi-Cal insurance pays anything. Think of it like a monthly “deductible.”

### How is the shared monthly cost calculated?

If your countable income is higher than 138% of the federal poverty level for Medi-Cal, currently \$1,732 for an individual or \$2,352 for a couple as of April 1, 2024, you may owe a shared monthly cost. This is calculated by deducting the maintenance need for the household from countable income. For a single beneficiary the maintenance need is \$600, for a couple it is \$934 monthly.

**Example:** Mary’s is single and her countable income is \$1800 after deductions. Her shared monthly cost would be  $\$1,800 - \$600 = \$1,200$ . Mary would need to meet her shared monthly cost of \$1,200 before Medi-Cal provides coverage in the month she needs medical services.

**Example:** Seth and Linda are married with a combined countable income of \$2,500 a month after deductions. Their shared monthly cost would be  $\$2,500 - \$934 = \$1,566$ . They would need to meet their shared monthly cost of \$1,566 before Medi-Cal can provide coverage in the month they need medical services.

### You only need to pay your shared monthly cost during the months that you need coverage.

In months where you have fewer expenses than your shared monthly cost, you can pay out of pocket for services you need, and are not obligated to pay the entire shared monthly cost. If you don’t need to see your doctor or get any health care, you do not owe a shared monthly cost during that month.

**Example:** Lucy has Medicare and Medi-Cal with a shared monthly cost of \$1,400. Medicare typically covers her regular doctor’s visits and prescriptions. However, she was recently hospitalized for seven days. Even though Medicare covers 80% of her stay, she has a daily copay of \$250. The copays can be used to meet her shared monthly cost, and after paying the hospital \$1,400, Medi-Cal will pay the remaining balance of her medical bills for that month.

### How can I reduce or eliminate my shared monthly cost?

The most common way to reduce or avoid a shared monthly cost is to purchase supplemental health insurance policies to lower countable income, such as supplemental dental, vision, or a Medicare Part D prescription drug plan. It’s important to note that not everyone can purchase these plans. The monthly cost of these health insurance plans lower your countable income, which may help you qualify for Medi-Cal with no shared monthly cost.

Submit proof of your health insurance premiums to the county Medi-Cal office, and ask them to recalculate your shared monthly cost. For assistance identifying policies available for purchase, contact [Health Insurance](#)

[Counseling and Advocacy Program](#) (HICAP), which offers free registered health insurance counseling - 1-800-434-0222.

### **Options for married couples or registered domestic partners**

If you are married or in a registered domestic partnership, “Spousal Impoverishment” rules may allow you to have a higher monthly income and qualify for free Medi-Cal or a reduced shared monthly cost. This option is only available to couples where one spouse or partner is considered “institutionalized” - either by living in a nursing home, or by being enrolled on a waitlist for a participating Medi-Cal Home and Community Based Services Program. To learn more about accessing these programs, read CANHR’s [Home and Community Based Services Quick Guide](#). To read more about Spousal Impoverishment protections when one person is in a nursing home, read CANHR’s [Overview of Long Term Care Medi-Cal](#). To learn more about options for couples at home or in the community, read our fact sheet on [Spousal Impoverishment](#).

### **How can I meet my shared monthly cost?**

You can meet your required monthly shared monthly cost through healthcare expenses including medical equipment, prescription drugs, or medical services. Other medical costs that Medi-Cal does not cover such as providers that do not accept Medi-Cal, and medical procedures or treatments denied by Medi-Cal can also be used toward the share of cost. Payments to In Home Supportive Services (IHSS) caregivers count toward your share of cost, as well as home care services prescribed by a doctor, that are beyond approved IHSS hours required for you to remain safely at home. To learn more about how IHSS works with a share of cost, visit:

[https://www.cdss.ca.gov/agedblinddisabled/res/FactSheets/IHSS\\_Share\\_of\\_Cost\\_Color.pdf](https://www.cdss.ca.gov/agedblinddisabled/res/FactSheets/IHSS_Share_of_Cost_Color.pdf)

You may want to consider scheduling health and dental appointments within the same month to maximize your shared monthly cost. For example, if you have a surgery or other expensive service scheduled, try to schedule other visits, screenings, labs, or order prescriptions within that same month. Once you can submit proof that you have paid for enough health related expenses equal to your required shared monthly cost, Medi-Cal will pay any remaining services the rest of that month.

### **The Board & Care Deduction may help residents of Assisted Living Facilities**

Residential Care Facilities for the Elderly (RCFEs), sometimes called Assisted Living, or Board and Care, are not licensed as medical facilities, and are usually paid privately as they are not funded by Medicare or Medi-Cal. Many individuals who live in RCFEs could benefit from Medi-Cal to pay for doctors’ visits, copays, medical equipment, or medications, but they might be stuck with a large shared monthly cost if they make more than the income limit for no cost Medi-Cal. RCFE residents may be able to use the Board and Care Deduction to help them qualify for no or low shared monthly cost Medi-Cal. Read our fact sheet on the deduction: <https://canhr.org/board-care-medi-cal-deduction/>

### **The 250% Working Disabled Program may help if you have disability-related income**

The 250% WDP provides Medi-Cal coverage for individuals who meet the Social Security definition of “disabled” with countable monthly income below 250% of the Federal Poverty Level. The program does not count disability related income such as SSDI, and eligible beneficiaries receive free Medi-Cal. To be eligible for the program:

- You must meet the Social Security definition of “disabled” (without regard to the substantial gainful activity component of the definition).
- You must also be working, with countable monthly income under 250% of the Federal Poverty Level. You have to be able to provide proof of employment and earnings, but there is no minimum work requirement — you can work for one hour a month and still be eligible.
- Your unearned income (such as pension, or investment income) must be less than the current income limit for the SSI/SSP program, however, you do not need to be eligible for SSI/SSP.

### **Will my share of cost change if I enter a nursing home?**

Yes. Skilled nursing facility residents must agree to pay the facility a portion of their income each month. This is called the monthly resident cost (formerly known as “Share of Cost”) and is treated much like rent. Once the resident pays their monthly resident cost to the facility, Medi-Cal will cover the remaining costs for the month. The monthly resident cost is calculated by taking the individual’s gross monthly income, deducting any out-of-pocket medical premiums, and deducting the Personal Needs Allowance of \$35. For more information on monthly resident costs in a skilled nursing facility, refer to our [Overview of Medi-Cal for Long Term Care fact sheet](#).

### **What should I do next?**

Contact your Medi-Cal eligibility worker to discuss what may work for you to reduce or stop your share of cost. They should assist with making the changes to your Medi-Cal case. [Find your local Medi-Cal Social Services office here](#).

Your Medi-Cal worker will need to see proof of your deduction expenses in order to get rid of your share of cost. This proof can include paperwork like:

- Health insurance premium statements
- Bills or receipts for any out of pocket medical expenses
- Unpaid medical bills
- Your Admission Agreement from a licensed board and care facility

### **I contacted the Medi-Cal office and provided proof, but my shared monthly cost is the same.**

You have the right to challenge their decision. Here are some ways you can challenge the decision:

1. Call your local Social Services office and ask to speak with your worker’s supervisor about the decision.
2. If you are not satisfied with the supervisor’s response, you can ask to speak with the Director about the decision.
3. Request an appeal hearing. Visit the Medi-Cal Fair Hearing webpage for more information on how to file an appeal: <https://www.dhcs.ca.gov/services/medi-cal/Pages/Medi-CalFairHearing.aspx>