



## RCFEs: Medi-Cal “Board and Care Deduction”

### Does Medi-Cal Pay for Residential Care/Assisted Living?

Residential Care Facilities for the Elderly (RCFEs), sometimes called “Assisted Living” or “Board and Care,” are not licensed as medical facilities. Accordingly, neither Medicare nor Medi-Cal pay directly for care in RCFEs. However, many low-income and low asset RCFE residents may still be eligible for Medi-Cal, which can be very helpful in paying for doctors, home health, medical equipment, and uncovered medications. Although California does have an Assisted Living Waiver program that will pay for services for RCFE residents who would otherwise qualify for nursing home care, this program is limited to a few counties in California.

See <http://www.dhcs.ca.gov/services/ltc/Pages/AssistedLivingWaiver.aspx> for more information on California’s Assisted Living Waiver program. See also CANHR’s fact sheet on [California’s Assisted Living Waiver](#).

### Can a Resident Receive Medi-Cal Benefits in an RCFE?

Yes. Persons on SSI/SSP or on the Aged and Disabled Federal Poverty Level Program (A & D FPL) are eligible for Medi-Cal benefits with no share of cost. (See CANHR’s Fact Sheets on [RCFEs: Supplemental Security Income](#) and [Aged and Disabled Federal Poverty Level Program](#).) For those whose income is too high to qualify for SSI or the Aged and Disabled Program, there is a special “Board and Care Deduction” (California Code of Regulations, Title 22 Section 50515(a)(3)), which can help them qualify for no cost or low share of cost Medi-Cal.

### How Does the Board and Care Deduction Work?

If someone is living at home or otherwise living outside of a facility and has countable income of \$1,500, the individual could be eligible for Medi-Cal, but he/she would have a large share of cost because any income over the maintenance need of \$600 would be considered available. For example,  $\$1500 - 20 \text{ (any income deduction)} = \$1,480 - \$600 \text{ (Monthly Maintenance Need)} = \$880$ . In this situation, the individual would have to pay or agree to pay \$880 each month toward monthly medical expenses before Medi-Cal would begin paying.

However, if the individual lived in an RCFE, income above the monthly maintenance need level of \$600 is considered “unavailable” if the income is paid to the facility for care and support. The result is that the individual might have no or only a small share of cost because all of the income is being used to meet RCFE living expenses.

**Example:** An RCFE resident with monthly income of \$1,500 who pays the facility \$1,500 per month would have no share of cost because any income above the \$600 monthly maintenance need level would be considered unavailable. Since the facility charge is \$1,500 per month, the resident’s income of \$900 above the maintenance need level is considered unavailable.

If the facility only charged \$1,450 per month, the resident would have a share of cost of \$30. Because the resident pays the facility \$850 over and above the \$600 maintenance need level, \$850 of the resident’s income is considered unavailable – which leaves the resident with \$50

available income. After the \$20 “any income” deduction, the resident would be left with a \$30 share of cost.

### **Advantages/ Disadvantages of the Board and Care Deduction?**

The principal advantage is that an RCFE resident with limited income and assets who is unable to afford health care beyond Medicare, will be able to obtain certain Medi-Cal benefits such as paying for uncovered medical expenses, coverage of Medicare health and drug insurance premiums, and health services that might prevent premature placement in a skilled nursing facility. The major disadvantage is that, at the end of each month, the individual is left with limited discretionary income, i.e., only the \$20 any income deduction. A resident may be able to handle the lack of discretionary income if family or friends are able to meet the resident’s needs for clothing and other personal items. In situations where the RCFE rate is higher than the resident’s income, it is also possible for families to pay the difference in the monthly rate as long as the payment goes directly to the care provider.

### **Legal Citation**

California Code of Regulations, Title 22, Section 50515(a):

*Income which is not available to meet current needs of a person or family shall not be considered in determining that person’s or family’s share of cost. Unavailable income includes, but is not limited to, the following: (3) That portion of the monthly income of a medically needy person residing in a licensed board and care facility which is both of the following: (A) Paid to the facility for residential care and support. (B) In excess of the appropriate maintenance need level as determined in accordance with Section 50603.*