

March 30, 2026

THIS LETTER SENT VIA EMAIL

Ms. Courtney Miller, Director
Division of Program Operations
Medicaid and CHIP Operations Group
Centers for Medicare & Medicaid Services
601 East 12th Street, Room 355
Kansas City, MO 64106

STATE PLAN AMENDMENT 26-0003: DISREGARD OF CHANGE IN RESOURCES UNTIL
2026 RENEWAL

Dear Ms. Miller:

The Department of Health Care Services (DHCS) is submitting State Plan Amendment (SPA) 26-0003 for your review and approval. This SPA proposes to disregard any increases in the total amount of resources determined available at an individual's most recent Medicaid application until the individual's first renewal that occurs on or after January 1, 2026. DHCS seeks an effective date of January 1, 2026, for this SPA.

In 2021, California's Health Omnibus Bill of 2021-2022, Assembly Bill (AB) 133, added section 14005.62 to the Welfare and Institutions Code (WIC). This addition established a two-phased approach to eliminating assets for Non-Modified Adjusted Gross Income (Non-MAGI) Medi-Cal programs, with assets being eliminated as of January 1, 2024.

California's Health Omnibus Bill of 2025-2026, AB 116 (2025), amended section 14005.62 of the WIC to remove the subdivision which had eliminated asset limits for all Non-MAGI programs and re-enacted sections of the WIC to reinstate the consideration of resources, including property and other assets, when making Medi-Cal eligibility determinations, no sooner than January 1, 2026. In 2025, CMS approved SPA 25-0037, which reinstated a resource standard for Non-Modified Adjusted Gross Income (Non-MAGI) based programs.

This SPA will operate alongside SPA 25-0037 to help implement the resource standard, giving California the flexibility needed to reassess eligibility for everyone enrolled in Non-MAGI programs at their next scheduled annual renewal.



Ms. Miller
Page 2
March 30, 2026

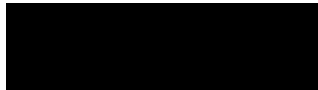
Public notice was not federally required and comment was not solicited. DHCS has determined that a Tribal notice is not necessary for this proposal.

Included in this SPA submission are the following documents:

- CMS 179 Form
- Supplement 8b to Attachment 2.6-A Page 15 (New)

If you have any questions or need additional information, please contact Sarah Crow, Chief of Medi-Cal Eligibility Division, at (916) 345-8411 or by email at Sarah.Crow@dhcs.ca.gov.

Sincerely,



Tyler Sadwith
State Medicaid Director
Chief Deputy Director, Health Care Programs
California Department of Health Care Services

Enclosures

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**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER ____ _	2. STATE ____
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3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT XIX XXI
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TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

5. FEDERAL STATUTE/REGULATION CITATION
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6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY _____ \$ _____
b. FFY _____ \$ _____

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
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8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)

9. SUBJECT OF AMENDMENT

10. GOVERNOR'S REVIEW (Check One)	
<input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL	<input type="checkbox"/> OTHER, AS SPECIFIED: Please note: The Governor's Office does not wish to review the State Plan Amendment.

11. AGENCY OFFICIAL 
12. TYPED NAME
13. TITLE
14. DATE SUBMITTED

15. RETURN TO

FOR CMS USE ONLY	
16. DATE RECEIVED	17. DATE APPROVED

PLAN APPROVED - ONE COPY ATTACHED	
18. EFFECTIVE DATE OF APPROVED MATERIAL	19. SIGNATURE OF APPROVING OFFICIAL
20. TYPED NAME OF APPROVING OFFICIAL	21. TITLE OF APPROVING OFFICIAL

22. REMARKS

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
STATE: California

**METHODOLOGIES FOR TREATMENT OF RESOURCES THAT DIFFER FROM
THOSE OF THE SSI AND AFDC PROGRAM**

(More Liberal Than SSI and AFDC)

Any increases in the total amount of resources determined available at an individual's most recent Medicaid application will be disregarded until the individual's first renewal that occurs on or after January 1, 2026.

These exemptions shall apply to the following coverage groups referenced in the Social Security Act at Section 1902(r)(2):

- (a)(10)(A)(i)(III)
- (a)(10)(A)(i)(IV)
- (a)(10)(A)(i)(VI)
- (a)(10)(A)(ii)
- (a)(10)(C)(i)
- 1905(p)