DHCS
CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES
Michelle Baass | Director

DATE: November 2, 2026

Medi-Cal Eligibility Division Information Letter No.: 26-30

TO: ALL COUNTY WELFARE DIRECTORS
ALL COUNTY ADMINISTRATIVE OFFICERS
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS

SUBJECT: UPDATED INCOME AND DEDUCTIONS CHART

The purpose of this Medi-Cal Eligibility Division Information Letter (MEDIL) is to inform counties of an update to the "Modified Adjusted Gross Income (MAGI) Income and Deduction Types" chart, located in the County Operations Support portion of the Department of Health Care Services (DHCS) website.

DHCS has updated the chart to include ***In-Kind Income (taxable fringe benefits) Pub. 525*** as a listed countable income type for MAGI Medi-Cal and Advance Premium Tax Credit (APTC)/Cost Sharing Reduction (CCR) eligibility. This update is for clarification only; there are no changes to existing policy regarding how in-kind income (taxable fringe benefits) is counted for MAGI programs.

As a reminder, in-kind income is treated differently between MAGI and Non-MAGI Medi-Cal. For MAGI Medi-Cal, only taxable in-kind income is countable in accordance with federal income tax rules. Additionally, non-taxable in-kind income will have an impact on work and community engagement requirements. DHCS will provide additional guidance in a future letter.

For Non-MAGI Medi-Cal, certain in-kind income including housing and utilities, is treated as unearned in-kind income. For additional information regarding in-kind income for Non-MAGI programs, please refer to ACWDL 89-58 and California Code of Regulations (CCR), Section 50509. Additionally, for more information on the elimination of food as income in-kind, please refer to ACWDL 26-19.

If you have any questions, or if we can provide further information, please send a policy clarification request to MCEDPolicy@dhcs.ca.gov.

Sincerely,

Sarah Crow, Chief
Medi-Cal Eligibility Division
Department of Health Care Services