

December 30, 2025

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 25-0041: RESUMPTION OF ELECTRONIC ASSET
VERIFICATION PROGRAM

Dear Ms. Miller:

The Department of Health Care Services (DHCS) is submitting State Plan Amendment (SPA) 25-0041 for your review and approval. This SPA proposes to re-enter Supplement 16 to Attachment 2.6-A into the California State Plan. DHCS seeks an effective date of January 01, 2026, for this SPA.

Title VII, Section 7001(d) of P.L. 110.252 (Supplemental Appropriations Act of 2008) added [Section 1940](#) to the Social Security Act. Section 1940 requires all States to implement a system for verifying the assets of Aged, Blind or Disabled (ABD) applicants and recipients of Medicaid (Medi-Cal in California). SPA 09-003 established Supplement 16 to Attachment 2.6-A, and it outlined California's plan to implement an electronic Asset Verification System (AVS) (or Asset Verification Program (AVP)) in accordance with Section 1940 of the Act.

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. In 2023, CMS approved SPA 23-0030, which eliminated Supplement 16 to Attachment 2.6-A, to align with asset elimination with an effective date of January 1, 2024.

California's Health Omnibus Bill of 2025-2026, AB 116, amends section 14005.62 of the WIC to remove the subdivision which had eliminated asset limits for all Non-MAGI programs and re-enacts 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.



This SPA will work in tandem with SPA 25-0037, which proposes to implement AB 116 (2025) and reinstate the effective resource standard for all impacted Non-MAGI programs effective January 1, 2026.

Tribal notice was issued for this SPA on November 14, 2025. Public notice is not required for this SPA.

Included in this SPA submission are the following documents:

- CMS 179 Form
- Supplement 16 to Attachment 2.6-A – redline and clean copies
- Fiscal Impact Explanation
- Tribal Notice

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

cc: Lindy Harrington
Assistant State Medicaid Director
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Department of Health Care Services
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**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER

2 5 — 0 0 4 1

2. STATE

CA3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL
SECURITY ACT

XIX



XXI

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

January 1, 2026

5. FEDERAL STATUTE/REGULATION CITATION

Section 1940 of the Social Security Act

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2026 \$ 2,284,170b. FFY 2027 \$ 3,131,535

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Supplement 16 to Attachment 2.6-A page 3

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

Supplement 16 to Attachment 2.6-A page 3

9. SUBJECT OF AMENDMENT

This SPA proposes to re-enter Supplement 16 to Attachment 2.6-A into the California State Plan to align with the reinstatement of asset limits for all impacted Non-Modified Adjusted Gross Income (Non-MAGI) Medi-Cal programs, effective January 1, 2026.

See: Assembly Bill (AB) 116 - 25-26 Health Omnibus Bill

10. GOVERNOR'S REVIEW (Check One)



GOVERNOR'S OFFICE REPORTED NO COMMENT



COMMENTS OF GOVERNOR'S OFFICE ENCLOSED



NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL



OTHER, AS SPECIFIED:

The Governor's Office does not wish to review the State Plan Amendment.

11. SIGNATURE OF STATE AGENCY OFFICIAL



12. TYPED NAME

Tyler Sadwith

13. TITLE

State Medicaid Director

14. DATE SUBMITTED

December 30, 2025

15. RETURN TO

Department of Health Care Services

Attn: Director's Office

P.O. Box 997413, MS 0000

Sacramento, CA 95899-7413

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

ASSET VERIFICATION SYSTEM

3. Provide the AVS implementation information requested for the implementation approach checked in Section 2, and any other information the agency may want to include.