

DATE: November 3, 2025

TO: ALL COUNTY WELFARE DIRECTORS Letter No.: 25-22
ALL COUNTY WELFARE ADMINISTRATIVE OFFICERS
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS
ALL COUNTY HEALTH EXECUTIVES
ALL COUNTY MENTAL HEALTH DIRECTORS
ALL COUNTY MEDS LIAISONS

SUBJECT: 2026 SOCIAL SECURITY TITLE II COST OF LIVING
ADJUSTMENT

Purpose:

The purpose of this All County Welfare Directors Letter (ACWDL) is to provide counties with guidance for processing the 2026 Social Security Administration (SSA) Cost of Living Adjustment (COLA) in the Statewide Automated Welfare System (SAWS). The process of applying the COLA to certain current Medi-Cal member eligibility groups has not changed and is only updated with the details provided below in this annual letter. Counties must process the 2026 SSA COLA in compliance with the policy of this letter. This ACWDL also provides updated federal Substantial Gainful Activity amounts for 2026.

Enclosure: SSA Fact Sheet: 2026 Social Security Changes

Title II Retirement, Survivors, and Disability Insurance COLA

The SSA COLA for 2026 will be 2.8 percent.

It should be noted, as in previous years, that the SSA applies the COLA to the actual benefit amount, rather than the rounded benefit amount. This may result in a \$1 discrepancy in Title II benefits for some Medi-Cal members. Therefore, a \$1 reduced share of cost (SOC) will be less than the actual amount. To avoid the unnecessary expense of computing every Title II case subsequently identified as having an incorrect SOC solely due to the COLA, counties are authorized to delay correction of the SOC until the next budget is recalculated, related to a change-in-circumstance, or at the annual redetermination. Such action will not be cited with Quality Control (QC) errors. Please refer to [ACWDL 22-33](#) for further information regarding processing changes-in-circumstance and annual redeterminations.

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Processing the 2026 SSA COLA for Modified Adjusted Gross Income (MAGI) Eligibility Groups

The processing of the 2026 COLA will not affect the MAGI eligibility groups. The California Healthcare, Eligibility, Enrollment and Retention System (CalHEERS) will not complete a batch run for the SSA COLA at this time. Once 2026 federal poverty levels (FPLs) are updated in CalHEERS, the process by which the 2026 FPL updates are implemented will be the same as in 2025. The Department of Health Care Services (DHCS) will send a mailer to MAGI members potentially impacted by the change to inform them of the FPL increase and that they may request a redetermination backdated to January 1, 2026.

Processing the 2026 SSA COLA for Non-MAGI Eligibility Groups

The 2026 SSA COLA will be disregarded from the eligibility determination for the Aged, Blind, and Disabled Federal Poverty Level (ABD FPL), and Medicare Savings Programs (MSPs) until the 2026 FPL rates take effect on April 1, 2026 (See WIC § 14005.40(f)). All Medically Needy cases with Title II income must have the SOC adjusted to reflect the COLA, effective January 1, 2026. DHCS would also like to remind counties to assess Medi-Cal members for Pickle, Disabled Adult Child (DAC), and Disabled Widower (DW) programs as they are on the Mega Mandatory list per [ACWDL 17-03](#).

Information regarding Medicare Premiums for 2026, Pickle In-Kind Support, and Maintenance Values (ISM), Supplemental Security Income/State Supplemental Payment (SSI/SSP) Payment Standards, and Pickle Multipliers will be released in forthcoming ACWDLs.

2026 Substantial Gainful Activity (SGA) Amounts Effective January 1, 2026:

\$1,690 for non-blind individuals

\$2,830 for blind individuals

If you have any questions regarding the information provided in this letter, please contact the Non-MAGI unit at NonMAGIInbox@dhcs.ca.gov. County questions regarding policy guidance should be sent to MCED-Policy@dhcs.ca.gov.

Original Signed By,

Theresa Hasbrouck
Branch Chief
Policy Development Branch Medi-Cal Eligibility Division