CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES
Michelle Baass | Director

DATE: November 24, 2026

TO: ALL COUNTY WELFARE DIRECTORS
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

Letter No.:26-26

SUBJECT: 2027 MEDICARE CATASTROPHIC COVERAGE ACT SPOUSAL IMPOVERISHMENT CAPS (Reference: ACWDLs 90-01, 90-03, 91-84, 17-25, 18-19, 25-14, 26-02, and MEDILs I 21-07 and I 24-16)

Purpose:

The purpose of this All County Welfare Directors Letter (ACWDL) is to inform counties of an increase to the Minimum Monthly Maintenance Needs Allowance (MMMNA) and the Community Spouse Resource Allowance (CSRA) under the Medicare Catastrophic Coverage Act of 1988, to provide reminders on how to apply the Spousal Impoverishment (SI) provisions for Non-Modified Adjusted Gross Income (Non-MAGI) Medi-Cal, and to provide instructions on applying the CSRA transfer period for married couples or registered domestic partners (RDPs) eligible under SI provisions when property was not used to determine eligibility.

Effective January 1, 2027, the MMMNA is $4,218 per month

Note: The MMMNA amount for January 1, 2026, through December 31, 2026, was $4,067.

Starting January 1, 2027, the CSRA is $168,720.00

Note: The CSRA amount for January 1, 2026, through December 31, 2026, was $162,660.00

Income Eligibility

The MMMNA is used to determine the maximum possible spousal income allocation to the community spouse when the institutionalized spouse is residing in a skilled nursing facility, is on the waitlist for Home and Community-Based Services (HCBS), is actively participating in an HCBS program or has provided the MC 604 MDV form as verification they require nursing facility level of care (NFLOC) as of a certain date. However, counties may adjust the allocation as needed to maintain eligibility for the community spouse.

Important: When evaluating the community spouse's gross income against the MMMNA, deduct any amounts paid for Medicare and/or other health insurance premiums (ACWDL 90-03, Question 22)

Policy guidance regarding the application of the MMMNA is outlined in ACWDLs 90-03, 17-25, 18-19, as well as Medi-Cal Eligibility Division Information Letters (MEDILs) I 21-07 and I 24-16.

Property Eligibility

The property limits are $130,000 for an individual, $195,000 for a couple, and $65,000 for each additional person (up to a maximum of 10 people). These limits were reinstated by the 2025-26 Health Omnibus Bill, Assembly Bill (AB) 116, which amends section 14005.62 of the Welfare and Institutions Code (WIC) to remove the subdivision that had eliminated the property limits from January 1, 2024, through December 31, 2025, for all Non-MAGI programs. See ACWDL 25-14 for guidance regarding the reinstatement of property limits for Non-MAGI Medi-Cal programs.

The Pickle, DAC, and DW programs were not included in the January 1, 2026 implementation because their asset limit removal under a federal waiver that remains active through December 31, 2026. Beginning no earlier than January 1, 2027, the asset test will be restored for these Non-MAGI Medi-Cal programs, with changes applied at members' next renewal, CIC redetermination or at application if after January 1, 2027.

Summary of Spousal Impoverishment Policy

The following section provides a summary of the relevant SI provisions for property eligibility determinations that remain in effect without change.

Under SI provisions, the combined property limit applies to someone who meets the definition of an institutionalized spouse in Section 50046.5 in ACWDL 90-01, who has a community spouse as defined in Section 50031.5 in ACWDL 90-01, and to HCBS spouses in accordance with ACWDLs 17-25 and 18-19. The CSRA applies to the initial month of eligibility **only**, whether it is the first month of the retroactive period or the month of application (Section 50490.3(a) in ACWDL 90-01).

Once initial eligibility is established, the CSRA is no longer considered available to the institutionalized/HCBS spouse (Section 50490.3(b) in ACWDL 90-01. The community spouse's sole and separate property is no longer considered during the continuous period of institutionalization in accordance with (Section 50490.3(e) in ACWDL 90-01 and ACWDLs 17-25 and 18-19.

The CSRA transfer period begins with the initial month of eligibility and ends on the last day of the month in which the 90th day falls, from the date the approval notice of action (NOA) is mailed (Section 50490.7 in ACWDL 90-01). At the end of the CSRA transfer period, any countable property held in the name of the institutionalized/HCBS spouse in excess of the $130,000 will be considered excess property, unless undue hardship applies (Section 50096.5 in ACWDL 90-01).

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

Brooke Hennessy
Acting Branch Chief
Medi-Cal Eligibility Division