



August 25, 2025

To: Tribal Chairpersons, Designees of Indian Health Programs, and Urban Indian Organizations

Subject: Notice of Proposed Change to the Medi-Cal Program

The purpose of this letter is to provide information regarding a proposed change to the Department of Health Care Services' (DHCS) Medi-Cal Program that will be submitted to the Centers for Medicare and Medicaid Services (CMS). DHCS is forwarding this information for your review and comment.

DHCS is required to seek advice from designees of Indian Health Programs and Urban Indian Organizations on Medi-Cal matters having a direct effect on Indians, Indian Health Programs or Urban Indian Organizations per the American Recovery and Reinvestment Act of 2009 (ARRA). DHCS must solicit the advice of designees prior to submission to CMS of any State Plan Amendment (SPA), waiver requests or modifications, or proposals for demonstration projects in the Medi-Cal program.

Please see the enclosed summary for a detailed description of this DHCS proposal.

QUESTIONS AND COMMENTS

Indian Health Programs and Urban Indian Organizations may also submit written comments or questions concerning this proposal within 30 days from the receipt of notice. Comments may be sent by email to AssetLimitChanges@dhcs.ca.gov or by mail to the address below:

Contact Information

Department of Health Care Services
Medi-Cal Eligibility Division
1501 Capitol Ave
Sacramento CA 95814
MS 4607

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and Urban Indian Organizations

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In addition to this notice, DHCS plans to cover this SPA in the next quarterly Medi-Cal Indian Health webinar. Please note that Indian Health Programs and Urban Indian Organizations may request a consultation on this proposal at any time as needed.

Sincerely,

Original signed by

Andrea Zubiarte, Chief
Office of Tribal Affairs
Department of Healthcare Services

Enclosure



Department of Health Care Services (DHCS) Tribal and Designees of Indian Health Programs Notice

PURPOSE

The purpose of this State Plan Amendment (SPA) is to seek federal approval to:

1. Reinstate the asset (property) limits for Non-Modified Adjusted Gross Income (Non-MAGI) Medi-Cal Programs, including the Medicare Savings Programs (MSP) and Long-Term Care (LTC) programs, with the exception of the Pickle, Disabled Adult Child (DAC), and Disabled Widow/er (DW) programs. Asset limits will be set at \$130,000 for one person households and increase by \$65,000 for each additional person (up to a maximum of 10 people in the household).

BACKGROUND

In 2021, California legislators passed [Assembly Bill \(AB\) 133](#)¹, which phased out asset limits for Non-MAGI Medi-Cal programs, with full elimination effective January 1, 2024. In 2025, to reduce the state budget deficit, legislators passed the [Health Omnibus Bill \(AB 116\)](#)², which, among other provisions, reinstates asset limits for Non-MAGI programs effective January 1, 2026.

SUMMARY OF PROPOSED CHANGES

DHCS is seeking federal approval of SPA 25-0037 to reinstate the asset limits for Non-MAGI programs, effective January 1, 2026. To implement this change, DHCS is proposing to impose an asset test when determining eligibility for Non-MAGI Medi-Cal programs that would limit the amount of countable assets applicants and members can own and still qualify for these Medi-Cal programs.

IMPACT TO TRIBAL HEALTH PROGRAMS (THPs)

DHCS does not anticipate an impact to THPs.

IMPACT TO FEDERALLY QUALIFIED HEALTH CENTERS (FQHCs)

DHCS does not anticipate an impact to FQHCs.

IMPACT TO AMERICAN INDIAN MEDI-CAL MEMBERS

These proposed changes will limit the amount of countable assets that American Indian Medi-Cal members can possess and continue to qualify under Non-MAGI Medi-Cal programs. Asset exemptions that were in place prior to the elimination of asset limits on January 1, 2024, including exemptions specific to AI/AN assets, will continue to be exempt after the return of asset limits on January 1, 2026, to Non-MAGI programs.

RESPONSE DATE

Indian Health Programs and Urban Indian Organizations may also submit written comments or questions concerning this proposal within 30 days from the receipt of notice. Comments may be sent by email to AssetLimitChanges@dhcs.ca.gov or by mail to the address below:

¹ California. Assembly Bill No. 133. 2021. Statutes of California, Chapter 143.

² California. Assembly Bill NO 116. 2025. Statutes of California, Chapter 21.

CONTACT INFORMATION

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Medi-Cal Eligibility Division
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