



DATE: February 26, 2026

TO: ALL COUNTY WELFARE DIRECTORS Letter No.: I 26-05
ALL COUNTY WELFARE ADMINISTRATIVE OFFICERS
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS

SUBJECT: REMINDERS REGARDING INSTITUTIONAL DEEMING AND THE DISABILITY DETERMINATION PROCESS FOR INDIVIDUALS RECEIVING HOME AND COMMUNITY-BASED SERVICES (HCBS) WAIVERS

Purpose

The purpose of this Medi-Cal Eligibility Division Information Letter (MEDIL) is to remind counties about existing policies for institutional deeming and the disability determination process for individuals receiving Home and Community-Based Services (HCBS) Waivers.

Background

Medi-Cal applicants or members who are aged, blind, or disabled and are not eligible under Modified Adjusted Gross Income (MAGI) Medi-Cal must be evaluated for Non-MAGI Medi-Cal eligibility in accordance with the eligibility hierarchy outlined in All County Welfare Directors Letter (ACWDL) [17-03](#). Consistent with ACWDL [25-25](#), counties must first attempt to determine Non-MAGI eligibility through an ex parte review. If a county cannot determine Non-MAGI Medi-Cal through the ex parte review, the county must mail and process the Non-MAGI Screening Packet. Counties must ensure that Non-MAGI screening is completed timely to prevent incorrect eligibility determinations, including the inappropriate assignment of a share of cost (SOC) or denial of full-scope Medi-Cal coverage. Full-scope Medi-Cal eligibility is required for individuals receiving services through Home and Community-Based Services (HCBS) Waivers.



Please note: Beginning January 1, 2026, assets will be considered in eligibility determinations for Non-MAGI Medi-Cal programs except for the Pickle, Disabled Adult Child (DAC), and Disabled Widow/er (DW) programs.

HCBS Waivers

HCBS Waivers allow eligible individuals, who require a level of care typically provided in a skilled nursing facility or hospital, to receive necessary services in their own home or community settings. The most common HCBS waivers include:

- Home and Community Based Alternatives (HCBA) Waiver
- Assisted Living Waiver (ALW)
- Multipurpose Senior Services Program (MSSP)
- Home and Community Based Services for the Developmentally Disabled (HCBS-DD)

A list of waiver programs can be found on the Department of Health Care Services (DHCS) website at <https://www.dhcs.ca.gov/services/medi-cal/eligibility/Documents/Co-OPS-Sup/HCBS-Elig.pdf>.

Institutional Deeming

Institutional deeming rules allow HCBS Waiver recipients, who are eligible for Medi-Cal with a SOC or who would be denied for having excess resources, to qualify for Medi-Cal based solely on their own income and resources. The waiver recipient is treated as institutionalized and placed in a Medi-Cal Family Budget Unit (MFBU) of one, therefore, their family's income and resources are excluded when determining their eligibility for Medi-Cal.

Under the institutional deeming rules, a minor's eligibility is determined based on the Aged, Blind and Disabled Federal Poverty Level (ABD FPL) program, if they have a mental or physical impairment that meets the same severity of standards used by the Social Security Administration (SSA) to determine federal disability for an adult.

If the child's disability does not meet the disability requirement, they are evaluated according to the income limits of the Medically Needy (MN) program.

Age and Eligibility Guidelines

While there is no age limit for institutional deeming, the following criteria are used to determine whether an individual is classified as a child or an adult for eligibility purposes:

Child Classification:

An individual is considered a child if they are:

- Under 18 years old, or
- Under 21 years old and still claimed as a tax dependent.

Adult Classification:

An individual is considered an adult if they are:

- Disabled or Medically Needy (MN): A blind or disabled individual between the ages of 18 and 21, living at home with a parent or guardian who is not currently enrolled in school or a technical vocational program.
- Independent Young Adult: An individual between 18 and 21 years old who does not live with a parent or caretaker relative, and is not claimed as a tax dependent, and does not receive out-of-home care from a public agency.
- Emancipated Minor: An individual between the ages of 14 and 18 who does not live with a parent or caretaker relative and does not have a legal guardian or parent handling their financial affairs.

Disability Linkage for Waiver Applicants

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Waiver eligibility does not automatically establish linkage to a disability-based Medi-Cal program. Any applicant or member under age 65 must complete a formal disability determination before they can be enrolled in a Non-MAGI Medi-Cal program. If the individual has not already been determined federally disabled by SSA, counties must follow the guidance in ACWDL [11-11](#).

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.

Sincerely,

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