



Asset Elimination for Non-MAGI Medi-Cal

Eligibility and Enrollment Plan

February 17, 2023

*Assembly Bill 133 (Chapter 143, Statutes of 2021)
Welfare and Institutions Code 14005.62*

Asset Limit Changes for Non-MAGI Medi-Cal Eligibility and Enrollment Plan

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Introduction

Assembly Bill (AB) 133 (Chapter 143, Statutes of 2021) created a two-phased approach to eliminating the asset test for all Non-Modified Adjusted Gross Income (Non-MAGI) Medi-Cal programs, including Medicare Savings Programs (MSP) and Long-Term Care (LTC).

Phase I, implemented on July 1, 2022, increased the asset limit to \$130,000 per individual and \$65,000 for each additional household member. (The previous limits were \$2,000 for an individual, \$3,000 for a couple, and \$150 for each additional household member.)

Phase II, to be implemented starting January 1, 2024, will eliminate the asset test entirely. The Department of Health Care Services (DHCS) is working collaboratively with counties, the California Statewide Automated Welfare System (CalSAWS), consumer advocates, the Legislature, and others to implement asset elimination by January 1, 2024.

This Eligibility and Enrollment Plan will describe DHCS's preparation plans for Phase II.

Impacted Population

Individuals who may be affected include applicants who are determined ineligible for Non-MAGI Medi-Cal programs prior to January 1, 2024 due to countable assets over the current asset limit of \$130,000 per individual or \$65,000 for each additional household member (up to a maximum of 10 members). This change also impacts all Non-MAGI beneficiaries who, before January 2024, were required to report and prove their assets were below the limits.

Current Medi-Cal beneficiaries who are enrolled in coverage will remain unaffected and enrollees will no longer be subject to an asset limit. These changes apply to all Non-MAGI programs requiring an asset test.

System Readiness

DHCS will implement the Phase II changes within CalSAWS by January 1, 2024. CalSAWS is required to automate programming within its systems and have system functionality in place by this implementation date. Once system functionality is in place, CalSAWS will eliminate the asset limits entirely. For annual renewals that are due and processed in December 2023, an asset test will not be applied for eligibility renewed after January 1, 2024. DHCS is working collaboratively with CalSAWS to provide assistance and technical support to prepare for program implementation.

Collaboration with Counties

Counties will regularly receive technical assistance materials and training from DHCS to explain the asset limit changes and guidance on specific processes until January 2024.

Revised budget forms, reference materials, notices, etc. will be delivered to counties, along with instructions for use, prior to the implementation date. DHCS will provide policy letters to counties explaining the asset limit changes, planned outreach efforts, and any additional information. DHCS will work diligently to provide counties with the resources necessary for successful Phase II implementation.

Outreach Notices

Applicants and beneficiaries, who were found ineligible or denied benefits due to exceeding the asset limits in the six months prior to the implementation date, will receive a letter regarding the asset limit changes and option to reapply. DHCS plans to distribute these outreach notices in English and all Medi-Cal threshold languages by February 1, 2024.

Document Updates

DHCS will oversee ongoing updates to all necessary forms, notices, letters, regulations, and materials regarding asset limit policies for Non-MAGI Medi-Cal programs.

Stakeholder Engagement

Stakeholders will be updated on the progress of the Phase II implementation. DHCS will provide updates using the stakeholder engagement forums such as:

- The Consumer-Focused Stakeholder Workgroup (CFSW)
- The Asset Limit Changes for Non-MAGI Medi-Cal Advocate Touchpoint
- County Welfare Directors Association of California (CWDA) meetings

DHCS will also provide stakeholder discussion topics including but not limited to:

- Implementation Plan
- Milestones and timeline
- Frequently Asked Questions (FAQs)
- Notices for potentially affected beneficiaries
- Outreach efforts to reach potentially affected beneficiaries
- DHCS guidance on implementation

Stakeholders will be invited to participate in and/or provide feedback on outreach materials, form revisions, and form replacements created by DHCS for applicants, beneficiaries, counties and/or sister agencies as well as county-specific ACWDLs.

Milestones

The key milestones for Phase II with the intended implementation dates are provided below. DHCS will share any revisions to the milestones and/or implementation dates at established stakeholder meetings as applicable. **(Please note: all dates below are subject to change.)**

- November 1, 2022 – Phase II ACWDL publication
- September 30, 2023 – Confirmation of Federal approval
- January 1, 2024 – Phase II implementation
- February 1, 2024 – Phase II Outreach Deadline

Related Efforts

Changes to additional processes and programs, such as estate recovery, transfer of asset penalties, overpayments due asset ineligibility, Spousal Impoverishment Provisions, etc., will be addressed in updated guidance prior to implementation.