DHCS
CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES
Michelle Baass | Director

November 14, 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 AVP@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

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 Consuelo Gambino

On behalf of
Andrea Zubiate, Chief
Office of Tribal Affairs
Department of Health Care 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. Re-enter the requirements of California's electronic Asset Verification Program (AVP) (or Asset Verification System (AVS)), into the State Plan to align with the reinstatement of asset limits for all impacted Non-Modified Adjusted Gross Income (Non-MAGI) Medi-Cal programs effective January 1, 2026.

   The AVP/AVS obtains asset information, such as financial institutions and real property records, for the purpose of detecting undisclosed assets. As required under federal[1] and state[2] law, the AVP/AVS is used for Long-Term Care (LTC) and non-LTC Aged, Blind and Disabled (ABD) applicants, members, and their responsible relatives (RRs), representing a subset of the Non-MAGI population affected by the asset limit reinstatement.

BACKGROUND

In 2021, Assembly Bill (AB) 133[3], as part of the Health Omnibus Bill of 2021-2022, added section 14005.62 to the Welfare and Institutions Code (WIC) which established a two-phased approach to eliminating asset limits for Non-MAGI Medi-Cal programs. Non-MAGI Medi-Cal programs serve individuals who do not qualify under Modified Adjusted Gross Income (MAGI) eligibility criteria and typically include seniors (aged 65 and older), the blind, disabled, and certain caretaker relatives. Asset limits for Non-MAGI Medi-Cal programs were eliminated effective January 1, 2024. In 2025, legislators passed the Health Omnibus Bill (AB 116)[4] which reinstates asset limits for all impacted Non-MAGI programs to the limits of $130,000 per person and $65,000 for each additional person (up to 10 maximum) effective January 1, 2026.

SUMMARY OF PROPOSED CHANGES

DHCS is seeking federal approval of SPA 25-0041 to re-enter California's electronic AVP/AVS requirements into the State Plan due to the requirement to reinstate asset limits for all impacted Non-MAGI Medi-Cal programs effective January 1, 2026. This SPA is related to SPA 25-0037, Reinstatement of Asset Limits for Non-MAGI Programs. This SPA (25-0041) will re-establish how DHCS intends to administer its electronic AVP/AVS which is part of the broader asset reinstatement effort.

IMPACT TO TRIBAL HEALTH PROGRAMS (THPs)

IHCPs may see a decline in patients resulting from these changes, and patient navigators will likely be asked to assist American Indian Medi-Cal members with understanding these changes.

[1] 42 United States Code 1396w (Section 1940 of the Social Security Act)
[2] Welfare & Institutions Code (WIC) Section 14013.5
[3] California. Assembly Bill No. 133. 2021. Statutes of California, Chapter 143.
[4] California. Assembly Bill No. 116. 2025. Statutes of California, Chapter 21.

IMPACT TO FEDERALLY QUALIFIED HEALTH CENTERS (FQHCs)
FQHCs may see a decline in patients resulting from these changes, and patient navigators will likely be asked to assist American Indian Medi-Cal members with understanding these changes.

IMPACT TO AMERICAN INDIAN MEDI-CAL MEMBERS
LTC and non-LTC ABD Non-MAGI American Indian Medi-Cal applicants, members, and their responsible relatives will participate in electronic verification of assets to detect undisclosed asset(s) as part of their eligibility re/determination. For analysis of the broader impact of asset limit reinstatement on American Indian Medi-Cal members, including exemptions in place prior to asset elimination on January 1, 2024, please refer to SPA 25-0037. DHCS issued notice for this SPA on August 25, 2025.

Due to existing federal waiver authority, the new requirement excludes American Indian members enrolled in the Pickle, Disabled Adult Child (DAC), and Disabled Widow/er programs. For more information about the Pickle, DAC, and Disabled Widow/er programs, please refer to ACWDL 17-03 and MEDIL I 21-24.

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 AVP@dhcs.ca.gov or by mail to the address below:

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