



DATE: April 28, 2026

TO: ALL COUNTY WELFARE DIRECTORS Letter No.: I 26-14
ALL COUNTY WELFARE ADMINISTRATIVE OFFICERS
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS

SUBJECT: REMINDERS REGARDING THE BOARD AND CARE DEDUCTION INCOME DEDUCTION, PERSONAL CARE SERVICES, AND LICENSED CARE FACILITIES

Purpose

The purpose of this Medi-Cal Eligibility Division Information Letter (MEDIL) is to remind counties about the proper application of the board and care deduction, including determining eligible personal care services and identifying qualifying facilities.

Background

The court decision in *Pettit v. Bonta* established that individuals in certain licensed residential facilities are eligible to an income deduction for personal care services. This deduction may be applied to reduce or eliminate their Share of Cost (SOC).

As outlined in ACWDL [00-56](#), individuals residing in a qualified licensed residential facility are entitled to the greater of the following two deductions to ensure the lowest possible SOC:

- A standard deduction of \$315 for personal care services, or
- A deduction equal to the excess maintenance need, which is the difference between the amount paid for board and care and the Aged, Blind, and Disabled Federal Poverty Level (ABD FPL) program income standard.

In accordance with Title 22, California Code of Regulations (CCR), Section [50515\(a\)\(3\)](#), counties must allow the excess maintenance need if it results in a lower SOC than the \$315 standard deduction.

Excess Maintenance Need Calculation

Example:

Amount paid for board and care:	\$2,250.00
Subtract 2026 ABD FPL income standard:	<u>- \$1,836.00</u>
Excess maintenance need:	\$414.00

In this example, the \$414.00 excess maintenance need is greater than the \$315.00 standard deduction. Therefore, this amount would then be deducted when determining the net countable income in the eligibility determination for the ABD FPL program.

Facility Definitions and Level of Care Standards

- Eligibility for the board and care deduction is based on the care provided rather than the facility's name or classification. To qualify for the deduction, a facility must be licensed to provide custodial care services, and the member or applicant must be receiving personal care services.

Qualifying facility types include, but are not limited to:

- Residential Care Facilities for the Elderly (RCFE)
- Adult Residential Care Facilities
- Assisted Living Facilities (ALF)
- Memory Care Facilities
- Group Homes
- Board and Care Facilities.

Counties must verify that a member or applicant is a resident of a California Department of Social Services (CDSS) licensed facility and has incurred out-of-pocket expenses that will not be covered by a third party or other program, such as In-Home Supportive Services (IHSS), prior to applying the personal care services deduction. Counties may verify a facility by visiting <https://www.cld.dss.ca.gov/carefacilitysearch/>. If the verification cannot be obtained online, counties may request a copy of the facility's current license

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Personal Care Requirements

Personal care services are non-medical services provided to an individual to assist with activities of daily living. While a facility may provide a variety of supportive services such as meal preparation, laundry, and cleaning, these alone do not qualify an individual for the deduction. In order to be eligible for the board and care deduction, the individual must be receiving personal care services which include but are not limited to assistance with hygiene, dressing, eating, and mobility.

Acceptable Verification

Acceptable documentation for verifying personal care services includes, but is not limited to the following:

- Individualized Care Plan
- Physician's Statement
- Facility Admission Agreement
- Billing Statement

Please note that a prescription from the medical provider is not required.

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