

## Elimination of Assets for Non-MAGI Medi-Cal Advocate Webinar—Questions and Answers

Question	Answer
<b>General Asset Elimination Questions</b>	
<p>Will assets no longer be required for those ages 65+ in 2024?</p>	<p>Assets will no longer be required for individuals aged 65 and older effective January 1, 2024.</p> <p>The elimination of assets impacts Non-Modified Adjusted Gross Income (Non-MAGI) Medi-Cal programs. These programs typically serve our <b>aged</b> (65 and older), <b>blind</b>, and <b>disabled</b> populations. If an individual is determined disabled or blind by the Social Security Administration, they can be any age and thus, potentially qualify for a Non-MAGI program.</p>
<p>Does DHCS have data on how many individuals will potentially benefit from asset elimination?</p>	<p>Yes, DHCS estimates that approximately 30,000 new individuals will be eligible for Non-MAGI Medi-Cal programs due to asset elimination.</p>
<p>Since asset information may be needed to determine if property is income-producing, for retroactive Medi-Cal applications requesting benefits prior to January 1, 2024, how does DHCS want counties to clarify this, given what the outreach materials say? The materials make it sound like individuals do not need to report any assets whatsoever, however, it seems like it depends on the situation and the time-period in which benefits are requested.</p>	<p>The outreach materials are meant to provide general information to individuals regarding the elimination of assets. The materials are not intended to address every specific situation.</p> <p>While individuals are not required to provide information or verification regarding their assets, they are still required to provide verification of <b>income</b> that is generated from assets they own.</p> <p>Individuals are also required to provide verification of assets, should they be requesting Medi-Cal benefits for a period in which asset information is still required, like in the case of a retroactive Medi-Cal application for months prior to January 1, 2024.</p>



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<b>General Non-MAGI Medi-Cal Questions</b>	
What is the maximum income allowed in 2024?	<p>The income limits depend on what program an individual is applying for. The 2024 income limits are typically released by late January or early February of each year.</p> <p>For example, the income limit for the Aged, Blind, and Disabled Federal Poverty Level (ABD FPL) program, is 138% of the FPL. For 2024, the FPL for a household of two is \$2,352 per month.</p>
What are the income requirements for Long-Term Care (LTC) and how do you apply for this benefit?	Individuals who reside in LTC contribute much of their income towards their LTC. There is no limit to the amount of income an individual can receive for eligibility to LTC. Individuals can apply for LTC via the regular application process.
Why are pregnant persons and children under the age of 21 on the list of individuals who are potentially eligible to Non-MAGI Medi-Cal?	Prior to the Affordable Care Act and the creation of Modified Adjusted Gross Income (MAGI) Medi-Cal programs, these groups of individuals were covered under 'traditional' Medi-Cal programs. These individuals can still be eligible under Non-MAGI Medi-Cal program rules today if they do not meet current MAGI Medi-Cal criteria.
What happens to individuals who are already on Medi-Cal with a share of cost (SOC) due to assets? Will that be automatically removed as of January 1, 2024?	An individual's SOC is determined using their <b>income</b> , not assets. Income rules will not change due to the elimination of assets, and therefore, an individual's SOC <b>will not</b> be removed as of January 1, 2024.



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<p>How are income and resources that individuals receive from outside of the United States treated for purposes of Non-MAGI Medi-Cal eligibility?</p>	<p>Income and resources received by Medi-Cal applicants/members from entities outside of the United States are treated the same as income and resources received from inside the United States for purposes of Non-MAGI Medi-Cal eligibility.</p> <p>For example, if an individual receives pension monies from a country outside the United States in a currency other than the US dollar, the county will convert those monies received into a United States dollar amount, using the current exchange rate. The resulting income calculation will be used in the individual's Non-MAGI Medi-Cal eligibility determination.</p>
<p>Are lottery and gambling winnings considered income or waived due to the new law?</p>	<p>Yes, lottery and gambling winnings are considered <b>income</b>. Income rules will not change due to the elimination of assets.</p>
<p>Are inheritances considered an asset?</p>	<p>How an inheritance is treated for purposes of Non-MAGI Medi-Cal eligibility depends on what the individual inherits.</p> <p>For example, if an individual receives an inheritance of \$100,000 as a lump sum, this lump sum would be treated as <b>income</b> in the Non-MAGI Medi-Cal eligibility determination in the month received.</p> <p>However, if an individual inherits real property, such as a house, that house would be considered an asset, and effective January 1, 2024, would not be considered in the Non-MAGI Medi-Cal eligibility determination.</p>

**In-Home Supportive Services**



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Is there also no asset test beginning Jan 1, 2024, for In Home Supportive Services (IHSS)?	Individuals requesting IHSS must apply for and have a determination of eligibility for Medi-Cal. There is not a separate income and asset determination for IHSS. If an individual is eligible for Medi-Cal, they may be eligible for IHSS, if they meet all other IHSS eligibility criteria.  For more information about IHSS, please refer to the California Department of Social Services (CDSS) <a href="#">IHSS website</a> .
<b>Application Process</b>	
If an individual applies for Medi-Cal in December 2023 but they are over the current asset limits, will they be approved for Medi-Cal starting January 2024 regardless of assets?	Yes, if an individual applies for Non-MAGI Medi-Cal in December 2023 and they are over the current asset limit, the county will automatically determine their eligibility for January 2024 forward without requiring a new application.
Will client still need to provide bank statements when applying for Medi-Cal after January 1, 2024?	No, individuals will not be required to provide bank statements as a condition of Medi-Cal eligibility.



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<p>Will the Medi-Cal application and other Medi-Cal eligibility forms be updated because of asset elimination? Can an individual apply with a version of the form that requires asset information? Are the forms/applications available online for downloading/printing?</p> <p>Non-MAGI Medi-Cal program, applicants are required to complete property forms. Will those forms be updated now? Examples: MC 604IPS, <b>MC322</b>.</p>	<p>DHCS has updated the following forms to remove asset information and they are programmed into CalSAWS for distribution with application and annual renewal packets. However, these forms are undergoing ADA formatting and are not yet available on the DHCS website for printing.</p> <ul style="list-style-type: none"> <li>• <b>MC 210 RV</b>—Medi-Cal Annual Renewal Form</li> <li>• <b>MC 217</b>—Medi-Cal Pre-Populated Renewal Form</li> <li>• <b>MC 262</b>—Redetermination Form for Medi-Cal Beneficiaries (Long-Term Care in Own MFBU).</li> <li>• <b>MC 604 IPS</b>—Additional Income Information Needed for Medi-Cal</li> <li>• <b>Pub 10</b>—Non-MAGI Information Notice</li> </ul> <p>Forms that request asset information, such as the <b>MC 322</b>—Real and Personal Property Supplement, will be rendered obsolete due to asset elimination. For a list of notices and forms that will be rendered obsolete, please refer to <a href="#">ACWDL 22-25</a> page 2.</p> <p>An individual can apply for Medi-Cal using a version of the application form that may contain asset questions. The applicant does <u>not</u> have to complete those questions or provide verification of their assets.</p>
<p>Can a both parents sign up for Medi-Cal even if one parent needs long term care? Can the parent at home apply for spousal impoverishment?</p>	<p>Yes, a couple can apply for Medi-Cal at any time, even if one person in the couple requires Long-Term Care services and the other does not. The spouse at home can request the application of the Spousal Impoverishment provisions as well.</p>
<b>Retroactive Medi-Cal</b>	



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<p>How far back can benefits an individual request retroactive Medi-Cal benefits?</p>	<p>At application, an individual can request up to <b>three months</b> of retroactive Medi-Cal benefits. For example, if an individual applies in December 2023, they can request retroactive Medi-Cal for the months of November, October, and September 2023. Retroactive Medi-Cal can be requested within one year of the month for which retroactive coverage is requested. In the scenario above, the Medi-Cal member who applied in December 2023, and has an unpaid medical bill in September 2023 would need to request retroactive coverage by September 31, 2024.</p> <p><b>*Please note:</b> If an individual applies for Medi-Cal on or after January 1, 2024 and they request retroactive Medi-Cal benefits for any of the three months prior to January 2024 (December, November, or October 2023), eligibility for the retroactive months is subject to the asset requirements.</p>
<b>Estate Recovery</b>	
<p>In 2024 when there are no longer asset limits and an individual requests Long Term Care services, will they ever have to pay back the costs?</p>	<p>The requirements for Estate Recovery will not change due to asset elimination. For more information on Estate Recovery, please refer to Medi-Cal Eligibility Division Information Letter (MEDIL) <a href="#">123-39</a>.</p>
<b>Income-Producing Assets</b>	
<p>Is the rental of a room in a private home still considered income?</p>	<p>Yes, the income received from the rental of a room in a private home is still considered income and is calculated in the Non-MAGI Medi-Cal eligibility determination in accordance with <a href="#">22 CCR § 50508(a)(3)</a>.</p>
<p>Can you clarify how an IRA is counted as an asset? For example, and individual has \$150K in an IRA and is taking a regular distribution. Their income is below the income limit, however, because of the balance of the IRA, are they over the asset limit?</p>	<p>Effective January 1, 2024, the cash value of an IRA will not count as property in the Non-MAGI Medi-Cal eligibility determination. However, any periodic payments or minimum distributions received from the IRA will continue to count as income in the individual's eligibility determination.</p>



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If an individual received a lump-sum distribution of \$1200 from an IRA, can the individual request to spread the income over 12 months?	For Non-MAGI Medi-Cal lump-sum distributions are income in the month received and cannot be apportioned over time.
So, for individuals who are over the age of 65 does this mean that Universal Life Insurance policies and Traditional IRAs are no longer considered assets? Will withdrawals from a Traditional IRA or required minimum distribution still count as income? Does Medi-Cal look income for current year income or previous years?	Yes, effective January 1, 2024, life insurance policies and the cash value of IRAs will no longer count as property in the Non-MAGI Medi-Cal eligibility determination. Any withdrawals, periodic payments, or minimum distributions received from an IRA will continue to count as <b>income</b> in month received in the individual's eligibility determination.
<b>Spousal Impoverishment</b>	
Are the Spousal Impoverishment (SI) provisions going away as of January 1, 2024?	Effective January 1, 2024, only the <b>property</b> component of the SI provisions will go away. The Community Spouse Resource Allowance (CSRA) will no longer apply, and individuals will no longer be required to provide property information for purposes of applying the SI provisions.  <b>*Please note:</b> Income eligibility for the SI provisions will remain unchanged. The Minimum Monthly Maintenance Needs Allowance (MMMNA) and the spousal income allocation will continue to apply.
Will a spouse living in a LTC facility still be able to allocate income to the spouse that lives at home?	The spousal income allocation is <b>not impacted</b> by the elimination of assets. An institutionalized spouse can continue to allocate income to the spouse living at home in accordance with <a href="#">ACWDL 90-03</a> .
<b>Transfers of Assets</b>	



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<p>Please give an example for the transfer of asset rule after 1/1/24. Looking back 30 months in January is the farthest back DHCS will look at transfers, correct? In February, DHCS will only look back 29 months, correct? This continues until the look-back period reaches 12/31/23, correct??</p>	<p>On January 1, 2024, the look-back period is the 30 months prior to January 2024. The number of months that must be reviewed in the look-back period decreases by one month for each month that passes after January 1, 2024.</p> <p>For example, an LTC individual applies on February 14, 2024. February 2024 is the month of application. The month of application is <b>not</b> part of the 30-month look-back period. The look-back period is the 29 months <b>prior</b> to January 1, 2024.</p> <p>For more information on transfers and the decreasing look-back period, please refer to <a href="#">ACWDL 23-28</a>.</p>
<p>If bank statements are not requested, how will transfer of assets be looked at after 1/1/24?</p>	<p>Bank statements can still be requested in certain situations. For example, they can be requested to verify the receipt of income or to verify the transfer of assets for less than adequate consideration.</p>
<b>Outreach</b>	
<p>Will DHCS be creating flyers on new asset requirements for beneficiaries?</p>	<p>DHCS will be sending a flyer to all current Medi-Cal members, informing them of asset elimination. Also, DHCS created the <a href="#">Keep Your Community Covered Resource Hub</a> with outreach materials, which includes flyers, videos, and access to specific audience resources. These materials can be customized and are designed to help Medi-Cal members take steps to keep their health coverage.</p>
<p>Will there be outreach to prior Medi-Cal applicants who were denied due to being over assets/property?</p>	<p>Yes, DHCS will be identifying individuals who were denied for exceeding the asset limits from June 1, 2023, to November 30, 2023, and sending outreach letters informing them of the new law and encouraging them to reapply for benefits. The letters will be sent to the current mailing address on file for the individual or their Authorized Representative.</p>