



Health Care Practice Tip – June 2022
Medi-Cal Asset Limit Increase Starting July 1, 2022

The good news keeps on coming! More people can qualify for Medi-Cal soon! Starting July 1, 2022, the asset (property) limits for Medi-Cal will increase:

Asset Limit Today	Asset Limit Starting July 1
\$2,000 (single)	\$130,000 (single)
\$3,000 (couple)	\$195,000 (couple)

These new asset limits apply to all non-MAGI Medi-Cal programs, including Long-Term Care, Medicare Savings Programs, and more. Income-counting rules (including for calculating shares of cost) and Medi-Cal programs that do not count assets (like MAGI Medi-Cal) remain the same.

- **Do you already have non-MAGI Medi-Cal?** Starting on July 1, 2022 you can save up to the new limits in countable assets and keep your Medi-Cal.
- **Do you want to apply for Medi-Cal?** If you did not qualify for Medi-Cal under the lower asset limits before July 1, you can apply now and qualify under the higher limits. Medi-Cal applications processed in June 2022 will be evaluated under the new asset limits for eligibility that starts on July 1, 2022.

The top 10 topics and tips for making the most of this great Medi-Cal improvement are:

(1) The higher limits apply to all non-MAGI Medi-Cal programs!

Medi-Cal asset limits are increasing for all non-MAGI Medi-Cal programs, including:

- Aged, Blind & Disabled Federal Poverty (FPL)
- Aged, Blind & Disabled Medically Needy
- Aid to Families with Dependent Children Medically Needy
- Long-Term Care (LTC)
- Medically Indigent
- Disabled Adult Child
- Aid to Disabled Widow(er)s
- Medicare Savings Programs (QMB, SLMB, QI, QWDI)
- 250% Working Disabled Program
- Multipurpose Senior Services Program (MSSP)
- DDS Waiver
- Home & Community Based Alternative (HCBA) Waiver
- Pickle
- Inmates, and more!¹

Some people get Medi-Cal because they receive other benefits, like CalWORKs, foster care benefits, and SSI.² The higher Medi-Cal asset limits do not change the rules for those other benefits. This means that people with SSI and CalWORKs will still need to meet the requirements of those programs.

- **TIP:** What if somebody wants to save countable assets above the SSI and CalWORKs limits? People should consider their individual circumstances. If somebody loses SSI or CalWORKs eligibility, counties must evaluate them for all other Medi-Cal programs, including non-MAGI Medi-Cal's higher asset limits.³

(2) Apply now to qualify under the higher asset limits!

Submit your application now to get Medi-Cal starting on July 1, 2022. Medi-Cal applications processed in June 2022 will be evaluated under the higher asset limits for eligibility effective July 1, 2022.⁴ People who apply before July 1 and qualify with countable assets above the lower limits (but below the higher limits) will receive two notices of action at the same time: a denial notice for June 2022 eligibility, and an approval notice that says full-scope eligibility starts July 1, 2022.

Medi-Cal applications denied because of excess assets between January and June 2022 will not be reopened. Instead, starting in July 2022, applicants will receive [a mailer](#) that invites them to submit a new application under the higher asset limits. But people should not wait for the mailer! Apply now to get evaluated under the higher asset limits.

- **TIP:** To avoid a duplicate application, only submit a new one if your earlier application was denied. If a Medi-Cal application is still pending (in process) by June 2022 or later, ask the county to approve it under the higher limits for eligibility effective July 1.

(3) Retroactive eligibility under the higher limits goes back to July 1, 2022.

The higher asset limits are effective on July 1, 2022 and no earlier.⁵ For retroactive Medi-Cal eligibility, the lower limits (\$2,000 and \$3,000) apply for months before July 2022. The higher asset limits apply to all retroactive eligibility requests for the months of July 2022 and later. This means people can request up to three months of retroactive coverage under the higher asset limits back to no earlier than July 2022.⁶

Example: Mauricio applied for Medi-Cal in February 2022 and satisfied all eligibility requirements, except for his countable assets. He has \$7,500 saved in the bank for emergencies. Mauricio received [a mailer](#) in July 2022 that invited him to reapply. He reapplied for Medi-Cal in September 2022 and requested three months of retroactive eligibility. The county should approve Medi-Cal for July and August using the \$130,000 limit. To get Medi-Cal in June 2022, Mauricio will need to meet the \$2,000 limit.

(4) Asset limits increase by \$65,000 for each extra person!

Did you know that \$2,000 and \$3,000 were not the only asset limits before July 1? With each extra household member, you could add \$150. For example, the limit for three people was \$3,150. You are not alone if you missed this!⁷

Under the new asset limits effective on July 1, you can add \$65,000 for each additional person up to a household of 10 people.⁸ This sets the asset limit for a household of 10 people at \$715,000:

Asset Limit Today	Asset Limit Starting July 1
\$3,150 (3 people)	\$260,000 (3 people)
\$3,300 (4 people)	\$325,000 (4 people)
\$3,450 (5 people)	\$390,000 (5 people)
\$3,600 (6 people)	\$455,000 (6 people)
\$3,750 (7 people)	\$520,000 (7 people)
\$3,900 (8 people)	\$585,000 (8 people)
\$4,050 (9 people)	\$650,000 (9 people)
\$4,200 (10 people)	\$715,000 (10 people)

How could you have a non-MAGI Medi-Cal household of 10? The most likely but still uncommon scenario is a couple seeking Medically Needy Medi-Cal with 8 dependent children. Although a family like this would likely qualify for better eligibility under MAGI Medi-Cal rules that do not count assets.

(5) People can still get Medicare’s Low-Income Subsidy (“Extra Help”).

Medicare’s Low-Income Subsidy (LIS) Extra Help program helps pay for Part D prescription drug costs. If somebody does not qualify for full-scope Medi-Cal, the Extra Help program has its own asset limits. Fortunately, California provides Extra Help to all full-benefit dual eligibles who have full-scope Medi-Cal—including under the higher asset limits.⁹

(6) Medi-Cal’s transfer penalty calculations change starting July 1.

Medi-Cal’s transfer penalties apply only to transfers or gifts of non-exempt assets when a Medi-Cal beneficiary enters long-term care. Starting July 1, 2022, a beneficiary with countable assets below the higher limits can transfer assets without penalty. This depends on when the transfer was made. If made on or after July 1, 2022, then the higher asset limits apply.¹⁰ If made before then, the lower asset limits apply. For more information, check out [CANHR’s Fact Sheet](#).

(7) Medi-Cal’s Spousal Impoverishment calculations change starting July 1.

The higher asset limits also benefit people seeking eligibility under spousal impoverishment rules:¹¹

- An institutionalized spouse seeking Medi-Cal eligibility can keep assets up to the higher limit of \$130,000. Their spouse can keep up to the Community Spouse Resource Allowance (CSRA). In total, the couple can have the sum of the new asset limit for one and the CSRA: \$130,000 + \$137,400 = \$267,400.

- When both spouses are institutionalized and seeking eligibility, each spouse can keep up to the higher limit for a household of one (\$130,000).

Example: Petra applies for the Home & Community Based Alternatives (HCBA) waiver because she needs a nursing facility level of care at home. Petra's spouse, Aureliano, still has health coverage through his pension and does not need Medi-Cal. Petra has \$123,000 in savings and Aureliano keeps about \$90,000 in his bank account. Because Petra has countable assets below the higher limit (\$130,000) and Aureliano's bank account is below the CSRA (\$137,400), Petra can qualify for full-scope Medi-Cal.

(8) Sneed v. Kizer calculations are changing.

When the asset limits increase on July 1, *Sneed* property limits will not be prorated anymore. Eligibility is still determined according to Mini Budget Units (MBU) that follow the new asset limits starting July 1. [ACWDL 22-15](#) has more information.

(9) All other Medi-Cal eligibility rules remain the same.

These asset limit increases do not change any other Medi-Cal eligibility rules. The same underlying rules determine which assets are countable or excluded.¹² The 250% Working Disabled Program continues to exempt retirement accounts authorized by the IRS, including IRA and Keogh accounts.¹³ CalABLE accounts are still exempt.¹⁴ Income is still counted in the same way, including for shares of cost (SOC).¹⁵

(10) Medi-Cal asset limits are set to be eliminated entirely in 2024!

Great news! These asset limit increases on July 1 are just phase one. In the second phase effective January 1, 2024, the asset limits will be eliminated entirely!¹⁶ Before this happens, DHCS must ask the federal government for approval. We expect that just like the federal government approved phase one, it will also approve the full elimination.¹⁷

- **TIP:** Some people may think that assets no longer count starting on July 1. But the asset limits are only increasing then. Assets will no longer count starting January 1, 2024 if the federal government approves this change.

Check out these other helpful resources:

- [Justice in Aging FAQs](#)
- Medi-Cal Asset Increase for Older Adults ([webinar recording](#) & [slides](#))
- [CANHR Fact Sheet – California Medi-Cal Asset Limit Increasing for Seniors and People with Disabilities](#)
- [DHCS Eligibility & Enrollment Plan](#)
- [DHCS Website – Asset Limit Changes for Non-MAGI Medi-Cal](#)

For more information, please contact David Kane at dkane@wclp.org.

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- ¹ [ACWDL 21-31](#) has a complete list of non-MAGI programs and aid codes. Note that DHCS asked the federal government [for a waiver](#) to include deemed SSI groups in the asset limit increases (Pickle, Disabled Adult Children, and Disabled Widow(er)s).
- ² This includes people who lost SSI because of work earnings but are still considered to be SSI recipients under [Section 1619\(b\)](#). Because the Social Security Administration administers both SSI eligibility and continued eligibility under Section 1619(b), Medi-Cal's higher asset limits do not apply.
- ³ See Welf. & Inst. Code § 14005.37(a) and [ACWDL 07-24](#).
- ⁴ "Individuals who apply for benefits in the month of June 2022 and are over the asset limit at that time shall be evaluated for eligibility for the month of July 2022 and ongoing." [ACWDL 21-31](#) at page 2.
- ⁵ Welf. & Inst. Code § 14005.62(a)(2).
- ⁶ The three-month retroactive rule is in 22 CCR § 50197.
- ⁷ This detail is hiding in [DHCS PUB10](#) and [Form MC 007](#).
- ⁸ See Welf. & Inst. Code § 14005.62(a)(1).
- ⁹ California elects to provide Extra Help coverage under 42 C.F.R. § 423.773(c). [Medicare Interactive](#) confirms this: "If you are enrolled in Medicaid, Supplemental Security Income (SSI), or a Medicare Savings Program (MSP), you automatically qualify for Extra Help regardless of whether you meet Extra Help's eligibility requirements. You should receive a purple-colored notice from the Centers for Medicare & Medicaid Services (CMS) informing you that you do not need to apply for Extra Help."
- ¹⁰ See [ACWDL 22-05](#).
- ¹¹ For more information on spousal impoverishment, check out our [September 2017 Practice Tip](#).
- ¹² See 22 CCR § 50401 *et seq.* For a helpful list of countable and excluded assets, check out ["Medi-Cal General Property Limitations" \(Form MC 007\)](#).
- ¹³ See Welf. & Inst. Code § 14007.9(b)(2).
- ¹⁴ See ["CalABLE Account Impacts on Medi-Cal Eligibility Fact Sheet."](#)
- ¹⁵ The implementing statute for this asset limit increase makes no changes to income-counting rules. See Welf. & Inst. Code § 14005.62.
- ¹⁶ Welf. & Inst. Code § 14005.62(b) and [ACWDL 21-31](#) at page 1.
- ¹⁷ You can see the federal government's approval of the asset limit increases here: <https://www.dhcs.ca.gov/formsandpubs/laws/Documents/SPA-21-0053-Approval.pdf>.