

California Senior Legislative Package 2019

Justice in Aging, Western Center on Law and Poverty, and Disability Rights California want to make Medi-Cal work better for seniors and adults with disabilities. Currently, there are four separate Medi-Cal rules that limit Medi-Cal's effectiveness. However, there is a Senior Package of four bills that would work together to make Medi-Cal more fair and equitable while creating more stability for seniors and adults with disabilities.

Eliminate the Senior Penalty.

AB 715 raises the Medi-Cal income eligibility limit for seniors and adults with disabilities to 138% of the federal poverty level. This bill resolves an unfair situation in which seniors and adults with disabilities are subject to a lower income eligibility limit than others in the Medi-Cal population. If passed, AB 715 will create parity between the other Medi-Cal programs that serve adults and the Medi-Cal Aged & Disabled program. This bill will also reduce the number of low-income seniors who have a share of cost, typically an unaffordable monthly amount of money a senior must pay before Medi-Cal will cover any costs.

Increase Financial Stability for Low-Income Seniors.

AB 683 (Carrillo) increases and simplifies the asset eligibility limit for Medi-Cal and eliminates those limits for the Medicare Savings Programs, which makes Medicare more affordable. This bill is needed because the current asset rules are so low that they affect seniors' financial stability and perpetuate racial inequity within the Medi-Cal program. Currently, the asset limit is \$2,000 for an individual and \$3,000 for a couple. This limit has remained unchanged since 1989. Although asset exclusions exist, including property used as a primary residence, people of color are much less likely to own real property. This means that a senior with \$4,000 in the bank is ineligible for Medi-Cal, but a senior who owns a home worth hundreds of thousands of dollars is eligible. AB 683 helps address this disparity by allowing individuals to have up to \$10,000 of assets and a couple to have \$15,000; ensures more people qualify for the Medicare Savings Program; and simplifies asset rules so low-income seniors and adults with disabilities will have an easier time understanding and complying with the rules.

Improve Continuity of Medi-Cal Coverage.

AB 1088 (Wood) would stop seniors and adults with disabilities from yo-yoing or flipping between free and share of cost Medi-Cal. Currently, this happens because the Medi-Cal income counting rules deduct an individual's out-of-pocket payment of the Medicare Part B premium from their income, but stop deducting that payment when it comes from the state as a benefit of free Medi-Cal. This creates a nonsensical loop—a senior can yo-yo on and off of the free Medi-Cal program simply because of the difference created by one income deduction, despite no change in their actual income. AB 1088 stops this yo-yoing by creating an income deduction when the state payment of the Part B premium would disqualify someone from free Medi-Cal, thus ensuring the individual's stable enrollment in Medi-Cal.

Help Seniors Keep their Home.

AB 1042 (Wood) updates and expands the home upkeep allowance, which helps ensure seniors and adults with disabilities who have a short-term nursing facility stay do not lose their home or belongings. Currently, an individual

who resides in a nursing home should have access to the home upkeep allowance, which allows that individual to keep money for up to 6 months to pay for rent or mortgage so they don't lose their housing while in a nursing home. In practice, however, the allowance is rarely used, limited in scope and such a small amount—\$209—that it is insufficient. AB 1042 corrects this by increasing the amount of the home upkeep allowance and allowing the individual to use it to preserve their home, or set up a home (e.g., pay a rental deposit, or for the costs of a storage space). This will ensure that seniors and adults with disabilities have a home and belongings to return to after a short-term stay in a nursing home.

The Senior Package in Practice

Mr. Jones

Mr. Jones is a 68-year old man with diabetes who needs Medi-Cal. He receives \$1,300 a month in Social Security retirement and has \$5,000 in savings. Mr. Jones has Medicare and pays for his Part B premium, but needs Medi-Cal in order to afford medical care to help him stay in his home—services Medicare unfortunately does not cover. Based on current law, Mr. Jones is ineligible for Medi-Cal because of his assets. Furthermore, even if he spent down to below \$2,000, he would still have an unaffordable share of cost of more than \$650 per month—half his income.

How the Senior Package Can Help Mr. Jones

1. AB 683 raises the Medi-Cal asset limit to \$10,000 for an individual. This means that Mr. Jones can keep his \$5,000 of savings. He does not need to impoverish himself to qualify for Medi-Cal.
2. AB 715 increases the Medi-Cal income limit to 138% of the federal poverty level. This means that Mr. Jones will qualify for free Medi-Cal every month, instead of being assessed an unaffordable share of cost of more than \$650 per month.
3. AB 1088 stops Medi-Cal eligible seniors from flipping or yo-yoing between free and share of cost Medi-Cal because of their Part B premium payment. Without this fix in Medi-Cal income counting rules, Mr. Jones will flip between free and share of cost Medi-Cal every 2-3 months.

In short, the Senior Package helps ensure Mr. Jones has access to Medi-Cal and needed medical care.

Mrs. Martinez

Mrs. Martinez recently had surgery and needs to go to a long-term care facility to recover for three months. She has Medi-Cal, but cannot afford to pay her long-term care share of cost and her rent for those three months. Mrs. Martinez only has \$1,900 in the bank and no other assets. In long-term care, her share of cost will be \$965 per month, leaving her only \$35 per month to cover her \$800 rent.

How the Senior Package Can Help Mrs. Martinez

1. AB 1042 increases the home upkeep allowance to allow individuals to maintain a home, or to keep transitional funds for re-entering the community. This means that Mrs. Martinez can keep part of her income through the home upkeep allowance to pay her rent each month that she stays in the nursing home. She does not have to risk homelessness just because she needs skilled nursing to recover from surgery.
2. AB 683 raises the Medi-Cal asset limit to \$10,000 for an individual. This means that Mrs. Martinez, if able, can save more money and be better prepared for unexpected costs.

In short, the Senior Package helps ensure Mrs. Martinez can maintain her home while recovering from surgery.