BACKGROUND

Problem. This bill would make it easier for individuals with Medi-Cal coverage who are in a long-term care facility to return home.

Medi-Cal eligibility. Medi-Cal provides coverage to low-income individuals, including seniors and individuals with a disability who have family incomes at or below approximately 123% of the federal poverty level (at or below $1,271 a month for a single person and $1,719 a month for a couple) and limited assets.

If a senior has income above the income limits above, the senior is in what is known as “share-of-cost Medi-Cal.” Share-of-cost Medi-Cal functions similar to a high deductible health insurance policy in that a person is required to incur medical expenses before Medi-Cal coverage begins. However, share-of-cost is different than an annual deductible in that the person must “spend down” each month to what is known as the maintenance need level ($600 for an individual and $934 for a two adults) in order for full-scope Medi-Cal coverage to begin. For example, a person with family income of $1 dollar above 123% of the FPL would have to incur medical expenses (spend down) of $671 each month to reach the maintenance need income level (MNIL).

A person who is on Medi-Cal and living in a nursing home or other medical facility may qualify for a little known Medi-Cal deduction called the Home Upkeep Allowance (HUA). The HUA enables the person to keep $209 a month of their income for the maintenance and upkeep of their home while they are temporarily residing in the nursing home or other medical facility. The HUA can be allowed for up to a 6 month period from the date the person enters the nursing home. To qualify for the HUA:

- The person must intend to leave the nursing facility and to return home within 6 months of the date he or she begin living in the nursing home.
- The person must get a written medical statement from their doctor certifying that they will be able to return home within 6 months.
- The person’s spouse or family is not living in the home.
- The person’s home is being maintained for their return.

There are several problems with the current HUA, including that the current $209 amount has not been changed in decades and is inadequate to pay the rent/mortgage and utilities needed to maintain a home or apartment. This results in people staying in nursing facility indefinitely because they are unable to transition back into their home/apartment and community.

In addition to increasing the HUA, AB 1042 would also enable individuals in a long-term care facility to establish a transitional needs fund for individuals who do not have a home. Money in the fund could be used by individuals leaving a LTC facility to cover the costs of securing a home, including rent, security deposit, accessibility modifications and essential furnishings.

AB 1042 is sponsored by Disability Rights California.

BILL SUMMARY

AB 1042 would increase the HUA and establish a transitional needs fund to enable individuals with Medi-Cal who are in a long-term care facility to return to the community.

STATUS

Introduced on February 21, 2019.

FOR MORE INFORMATION

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