

AB 715 Fact Sheet**Raise the Medi-Cal Aged & Disabled Income Level***End the Senior Penalty***Problem:**

Most adults with incomes up to 138% of the Federal Poverty Level (FPL) are eligible for free Medi-Cal because of the Affordable Care Act (ACA). But seniors can only qualify for free Medi-Cal if their incomes are below 123% FPL – the income level for the Medi-Cal Aged & Disabled Program. This means that adults who are eligible for free Medi-Cal at 64 can lose free Medi-Cal when they turn 65. The only way for seniors with income above 123% FPL to access Medi-Cal benefits is to pay hundreds of dollars in a monthly Medi-Cal “share of cost,” which many are unable to do. The ACA, while good for most low-income Californians, left out nearly 30,000 low-income seniors.

Background:

Since the passage of the ACA and implementing state legislation, most adults can now qualify for Medi-Cal if they have income below 138% FPL (\$1,436/month for an individual).

The ACA, however, did not change the income level for the Medi-Cal Aged & Disabled Program (A&D Program), which is 100% FPL plus \$230 for an individual (\$1,271/month) and 100% FPL plus \$310 for a couple (\$1,719/month). When the program started in 2000, that was the equivalent of 133% FPL but in 2019, the A&D Program income limit is the equivalent of 123% FPL.

A senior with an income even \$1 above that threshold is only eligible for Medi-Cal with a share of cost.

A share of cost is the difference between a beneficiary’s countable income and the Maintenance Need Income Level (MNIL), or what the state considers to be the base amount

of income a person needs to survive on a monthly basis. The MNIL in California is \$600 per month and has not changed since 1989. Every dollar of income for an individual over \$600 a month (or a married couple, over \$934), becomes that individual’s share of cost. For example, a 65 year-old with a monthly income of \$1,300 would have a \$700 share of cost. If that same individual were 64, she would be eligible for free Medi-Cal without a share of cost.

Share of cost is determined by a 30-year-old MNIL that assumes people can live on \$600 per month. This creates significant barriers for seniors who live in the community and need access to affordable health care.

Forced between paying for rent and food or their Medi-Cal share of cost, many seniors forgo needed medical services, prompting them to move into skilled nursing facilities at a high cost to the state and an even higher personal cost to their own independence and well-being.

This “share of cost cliff” creates extreme hardships. Raising the A&D income limit to 138% FPL is the simplest and most cost effective way to ensure low-income seniors have equitable access to affordable health care.

This bill would:

Decrease the number of low-income seniors losing free Medi-Cal by increasing the A&D Program income level to 138% FPL, an amount equivalent to other Medi-Cal income levels for adults. This ensures that our low-income seniors are treated fairly and can afford to access medical care.