

It's Time to Ditch the Deductible

The Medi-Cal share of cost program extends Medi-Cal eligibility to low-income older adults and people with disabilities who have significant health care needs but are just above the free Medi-Cal income limit. **The share of cost program acts as a critical pathway to health care coverage and long-term supports and services.** But **outdated income limits** force people to spend more than half of their income on health care needs every month. This share of cost—or what amounts to an enormous monthly deductible—**forces older adults and people with disabilities into extreme poverty or to forgo care entirely.** It's time to ditch the deductible!

The problem:

The problem is that right now California's share of cost program only allows a person to maintain **\$600 a month to meet their monthly expenses.** They must **pay the rest of their income towards their health care** to become eligible for Medi-Cal. This \$600 amount is called the "maintenance need level" and **hasn't changed since 1989.**

The solution:

Raise the maintenance need level to **138% of the federal poverty level to make it the same as the current income eligibility limit for free Medi-Cal** (\$1,732/month in 2024). Here are some examples of how the program works today and how it would work when fixed.

RIGHT NOW

If Sally's monthly income is **\$1,733**, just **\$1** over the income limit:

Sally keeps \$600	Sally pays \$1,133
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WITH THE FIX

Sally's monthly income, **\$1,733**

Sally keeps \$1,732	Sally pays \$1
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RIGHT NOW

Sally's monthly income, **\$1,800**

Sally keeps \$600	Sally pays \$1,200
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WITH THE FIX

Sally's monthly income, **\$1,800**

Sally keeps \$1,732	Sally pays \$68
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Could you live on \$600 a month?

That's what the program demands of older adults and people with disabilities who need care.



The current Medi-Cal share of cost program has huge consequences for older adults and people with disabilities.

Because people need a roof over their heads and food every month, **many low-income people forgo getting their health care needs met** through Medi-Cal because of the high deductible. This means, no dental coverage, no services and supports to help you remain in your home, and no coverage for anything at all if you're not eligible for Medicare, like all older undocumented immigrants. **When people can't access health and at-home care, they often end up hospitalized or institutionalized or have to rely on already stretched family members to provide unpaid care.**

It's not fair that older adults and people with disabilities are the only population forced to pay so much to obtain essential health care. Most low-income individuals receive their health care for free or, at most, do not have to pay more than 8.5% of their income on health care coverage. Yet, low-income older adults and people with disabilities who are only \$1 over the limit for free Medi-Cal and live on fixed incomes are expected to pay over 60% of their monthly income on health care expenses.

It's far past the time to ditch the deductible! [Read more here.](#)

Case examples

DAVID IS AN 89- YEAR-OLD MAN applying for Medi-Cal. His monthly Social Security Retirement benefit is \$1,975 and he lives alone. He needs assistance with routine activities, such as cooking meals, laundry, and remembering to take his medications. He needs Medi-Cal's In-Home Supportive Services benefit. His monthly fixed expenses are \$1,100 for rent and \$80 in utilities. After rent and utilities are deducted, he has \$795 left.

Because Medi-Cal does not consider his rent or other expenses, he is over the income limit for free Medi-Cal.

He is assessed a Share of Cost of \$1,375 a month. David cannot pay both his rent and the \$1,375 a month and must forego applying for in-home personal care. Under Share of Cost reform, David's Share of Cost would be \$243, a more appropriate amount.

JULIANA IS 51 YEARS OLD and receives In-Home Supportive Services through Medi-Cal. She has had Medi-Cal coverage for years and has been receiving Social Security childhood disability benefits since her father began collecting his retirement benefits because she has a disability that began before age 22. Two months ago, her disability income increased to \$1,950 a month because her father passed away and she is now receiving survivor's benefits.

After notifying Medi-Cal of her change in income, she received a notice notifying her that ***her Share of Cost will now be \$1,350, which is unaffordable for her.*** Under Share of Cost reform, her Share of Cost would decrease to \$218 a month.



Ten states with Medicaid share of cost programs ***allow people to keep a higher portion of their income for basic needs than California.***