

## 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 **The share of cost program acts as a critical pathway to health care coverage.** But **outdated income limits** force people to spend more than half of their income on health care needs every month.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 they 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 an individual 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 income level" and **hasn't changed since 1989.**

### The solution:

Raise the maintenance need income level to **138% of the federal poverty level even with the current income eligibility limit for free Medi-Cal.** 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 \$1,483, just \$1 over the income limit:

Sally keeps <b>\$600</b>	Sally pays <b>\$883</b>
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#### WITH THE FIX

Sally's monthly income, \$1,483

Sally keeps <b>\$1,482</b>	Sally pays <b>\$1</b>
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#### RIGHT NOW

Sally's monthly income, \$1,600

Sally keeps <b>\$600</b>	Sally pays <b>\$1,000</b>
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#### WITH THE FIX

Sally's monthly income, \$1,600

Sally keeps <b>\$1,482</b>	Sally pays <b>\$118</b>
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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 60% of their monthly income on health care expenses.

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

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

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\*Thirty-three states including DC have a Medicaid Share of Cost program. Delaware, Illinois, Michigan, Minnesota, Montana, New York, North Dakota, Rhode Island, Utah and Vermont have higher MNLs than California. See, Kaiser Family Foundation, "Medicaid Eligibility through the Medically Needy Pathway," (2018), available at <https://www.kff.org/other/state-indicator/medicaid-eligibility-through-the-medically-needy-pathway/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>