



August 31, 2019

SENATE FLOOR ALERT

**AB 1088 (Woods) – Medi-Cal: Eligibility – as amended August 30, 2019
SUPPORT**

The California Association of Public Authorities for IHSS (CAPA) supports AB 1088, by Assembly Member Woods, which require the Department of Health Care Services (DHCS) to submit a state plan amendment or federal waiver to stop seniors and persons with disabilities from losing access to free Medi-Cal due to a confusing Medi-Cal rule that creates fluctuations in how income is counted even though a person's actual income has not changed.

When a Medicare enrollee applies for Medi-Cal, income counting rules deduct their out of pocket payment for their Medicare Part B premium. Once they qualify for Medi-Cal, the state pays their Part B premium as a benefit of free Medi-Cal. Because the beneficiary is no longer paying out of pocket, they no longer receive the income deduction. If their income is close to the income eligibility cap, they are become ineligible for free Medi-Cal and are enrolled in a Medi-Cal share of cost program. Those affected end up not only with high-cost Medi-Cal, but they must also pay their own Part B premiums again, despite no change in their actual income.

For beneficiaries facing this problem, their Medi-Cal costs skyrocket, going from free to several hundred dollars a month. For example, a senior with a monthly income of \$1,300 who pays Part B premiums out of pocket, is eligible for free Medi-Cal. After the state starts paying their premium they will move to Medi-Cal with a \$700 monthly share of cost. This shift can disrupt access to services and upend their financial stability.

AB 1088 require DHCS to seek a Medicaid state plan amendment or waiver to implement an income disregard that would allow an aged, blind, or disabled individual who becomes ineligible for benefits under the Medi-Cal program pursuant to Section 14005.40 because of the state's payment of the individual's Medicare Part B premiums to remain eligible for the Medi-Cal program under Section 14005.40 if their income and resources otherwise meet all eligibility requirements. That would allow seniors to remain on free Medi-Cal despite the elimination of the payment of the Part B premium as an income deduction. Those who are eligible for free Medi-Cal when they enroll, would stay eligible when the state starts paying their Part B premiums if their income doesn't otherwise increase.

For these reasons, CAPA supports AB 1088 and respectfully asks for your support of this important legislation.

Sincerely,

A handwritten signature in blue ink that reads 'Karen Keeslar'.

Karen Keeslar, CAPA Executive Director

Cc: Assembly Member Woods