

AB 715 (Wood): EQUITY FOR SENIORS & PEOPLE WITH DISABILITY

Raise Medi-Cal Aged & Disabled Income Limit to Same Limit as Other Adults Health Care





California
LABOR
Federation



April 30, 2019

The Honorable Lorena Gonzalez Fletcher
Chair, Assembly Appropriations Committee
State Capitol, Room 2114
Sacramento, CA 95814

Re: AB 715 (Wood) – Cosponsor and Support

Dear Assemblymember Gonzalez Fletcher,

The Western Center on Law and Poverty, Justice in Aging, and Disability Rights California are proud to cosponsor AB 715 (Wood), which would raise the income level of the Aged and Disabled Medi-Cal program (A&D program) to 138% FPL, creating a “bright line” of income eligibility. We are joined by over 70 organizations in support of this bill to create parity between senior and disabled Medi-Cal beneficiaries, and other adult Medi-Cal beneficiaries.

The Medi-Cal Aged and Disabled (A&D) program is a critical part of the Medi-Cal program that provides free, comprehensive coverage to persons over the age of 65 and those with disabilities. The A&D program was implemented in 2001, with an income eligibility standard of 100% FPL plus income disregards of \$230 and \$310 for individuals and couples, respectively. When the program was established, the income standard was equivalent to 133% FPL. However, the disregards lose real value every year, with the resulting income standard today at 122% FPL. When a senior has even a small increase in their income that puts them over 122% FPL, they are forced into the Medi-Cal Medically Needy program with a high share of cost.

A share of cost is the difference between a beneficiary’s countable income and the Maintenance Need Income Level (MNIL). The MNIL is a fixed monthly amount that is supposed to be sufficient to cover basic living expenses, such as rent, food, and utilities. The MNIL in California is \$600 for an individual and was established in 1989; it has not changed since then. Anything an individual earns over \$600 in a month becomes that individual’s share of cost. So for example, a 67-year-old beneficiary with a monthly income of \$1,300 would have to pay \$700 for his or her health care before Medi-Cal begins paying for services.

In 2014, California expanded and streamlined Medi-Cal eligibility raising the income threshold to 138% FPL for most adults. But, seniors remain in the A&D Program and will continue to be held to lower income threshold. While millions of Californians are now able to qualify for free Medi-Cal services because the income threshold was raised, it is inequitable to require a person to pay hundreds of dollars

monthly simply due to their age. The Administration estimated the full year cost of a similar bill last year to be \$200 million General Fund.¹

However, the assumptions regarding the Medicare enrollment of the population and the take-up rate of In-Home Supportive Services (IHSS) warrants further discussion because we anticipate they will reduce the estimated cost by \$53 million General Fund. Specifically, the Administration estimated the IHSS take-up rate would be 35% based on Supplemental Security Income population take-up rate. A more appropriate comparison, however, is the senior population currently enrolled in the A&D program which serves more seniors than people with disabilities. The senior aged 65 and over IHSS take-up rate is 26%, based on data from the LAO of IHSS authorized cases in 2015-16. Alternatively, CalMediConnect enrollees, which is similar to A&D population, has an IHSS take-up rate of 23.6%.² An IHSS take-up rate of 25%, instead of the Administration's 35%, would reduce cost by \$27 million General Fund.

Further, the Administration's estimate that the percentage of Medi-Cal beneficiaries who are enrolled with an unmet SOC who are enrolled in Medicare (49%) is far too low, especially compared to those who met their share of cost (93%). The two populations should be similar in terms of Medicare eligibility because there is no reason a person who meets their share of cost would be twice as likely to be eligible for Medicare compared to an individual who does not meet their share of cost. The US Census American Community Survey shows that Medicare enrollment for seniors aged 65 and over in California is about 94%, additional evidence that there would be higher percentage of individuals eligible for both Medicare and Medi-Cal. Individuals with both Medicare and Medi-Cal result in lower costs to the state because Medicare is the primary payor, resulting in a cost reduction of \$26 million General Fund.

Advocates from around the state have for years attempted to help beneficiaries with high shares of cost. Many A&D Program enrollees suffer from conditions that they cannot afford to treat due to their share of cost. Forced between paying for rent and food or their Medi-Cal share of cost, many seniors or persons with disabilities forgo needed medical services, which can prompt 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. While millions of Californians are now able to qualify for free services because the income threshold was raised, it is inequitable to require a person to pay hundreds of dollars monthly simply due to their age or disability status.

For these reasons, we respectfully request your 'aye' vote on AB 715 (Wood). Please contact Linda Nguy, Policy Advocate, at (916) 282-5117 or at lnguy@wclp.org should you have any questions.

Sincerely,



Linda Nguy
Policy Advocate

¹ AB 2430 (Arambula), which would Increase the Medi-Cal Aged and Disabled (A&D) Program Income Level to 138% of FPL, was estimated to cost \$200 million General Fund, including Medi-Cal and IHSS cost. See: http://leginfo.legislature.ca.gov/faces/billAnalysisClient.xhtml?bill_id=201720180AB2430.

² See page 25 of Cal MediConnect Performance Dashboard Metrics Summary, Released March 2019. Found at <https://www.dhcs.ca.gov/Documents/CMCDashboard3.19.pdf>