



CALIFORNIA HEALTH ADVOCATES

Low Income Assistance: Medi-Cal (for People with Medicare)

Medi-Cal provides health coverage to California residents who have proper immigration status and meet certain income and asset eligibility requirements. (Medi-Cal is the name for the Medicaid program in California.) While there are several ways to qualify for Medi-Cal, this fact sheet focuses only on Medi-Cal beneficiaries who also qualify for Medicare – certain aged and disabled individuals. People who qualify for both Medicare and full Medi-Cal are known as “dual eligibles” or “Medi-Medis.” See the Health Consumer Alliance website at healthconsumer.org for more info about Medi-Cal programs.

Benefits for People with Both Medicare and Medi-Cal

If you have both Medicare and Medi-Cal but no other insurance, Medicare pays first and Medi-Cal pays second. Medi-Cal can help pay for “medically necessary” health care, including physician visits, X-rays and laboratory tests, hospital and nursing home care, adult day health services, home health care, certain prescription drugs not covered by Medicare, some dental care, prosthetic and orthopedic devices, eyeglasses, hearing aids, durable medical equipment, ambulance services, and hospice care. Medi-Cal also pays the Medicare deductibles, coinsurance, and monthly Part B premium (\$96.40 in 2009) for Medicare beneficiaries who qualify for full Medi-Cal or who have Medi-Cal with a share of cost under \$500. (See below for more info about Medi-Cal with a Share of Cost program.)

If you have both Medicare and Medi-Cal, you can choose to receive your benefits through fee-for-service Medicare and Medi-Cal, through a Medicare Advantage (MA) plan, or through a Medi-Cal managed care plan. Most dually eligible

beneficiaries choose the fee-for-service option in both Medicare and Medi-Cal. If you are considering a Medicare Advantage plan, you have 4 types of MA plans to choose from:

1. Health Maintenance Organization (HMO)
2. Preferred Provider Organization (PPO)
3. Private Fee-For-Service (PFFS) plan
4. Special Needs Plan (SNP)

Most notably, some SNPs are designed specifically for Medicare beneficiaries who also have full Medi-Cal benefits. Beneficiaries in an SNP for dual eligibles should not have any cost-sharing, just as they would have no cost-sharing with fee-for-service Medicare and Medi-Cal. For more information on MA plans, see our fact sheet “Medicare Advantage (Medicare Part C): An Overview” at cahealthadvocates.org.

If you are in a Medi-Cal managed care plan before becoming eligible for Medicare, consider changing health plan options when you become eligible for Medicare as some Medi-Cal managed care plans cannot bill Medicare. Thus, changing to either Original fee-for-service Medicare or an MA plan will help keep your health care costs minimal.

If you choose fee-for-service Medicare and Medi-Cal, **make sure your doctor or hospital accepts Medi-Cal as well as Medicare.** Present both your Medicare card and your Medi-Cal Benefits Identification Card (BIC) to your doctors and other providers when receiving services, so that they can bill Medicare and Medi-Cal directly. Medicare and Medi-Cal will make payments directly to the providers.

If you choose a Medicare Advantage plan and fee-for-service Medi-Cal, present your BIC to the network providers of the Medicare Advantage plan so that they can bill Medi-Cal for any cost-

sharing (i.e. deductibles, copayments and coinsurance).

Prescription Drugs

If you are eligible for both Medicare and Medi-Cal, you must be enrolled in a Medicare Part D plan or a Medicare Advantage prescription drug plan (MA-PD) for prescription drug coverage. (All MA SNPs have prescription drug coverage.) Medi-Cal generally does not pay for prescription drugs but may pay for some categories of drugs not covered by Part D, including: benzodiazepines (such as Lorazepam and Valium, and other drugs used for anxiety and insomnia); barbiturates (often used for seizure disorders or to relieve anxiety); and drugs used for anorexia, weight loss, or weight gain. Medi-Cal also pays for some cough and cold drugs, over-the-counter drugs, and vitamins and minerals.

Medicare's Part D prescription drug benefit sets copayment amounts between \$1.10 and \$6.00 per prescription (2009) for Medicare beneficiaries who qualify for the Low-Income Subsidy (LIS) or "Extra Help". The LIS program pays for part or all of the premiums of Medicare prescription plans, depending on the plan you are enrolled in. In general, people who qualify for any of the Medi-Cal programs mentioned below may also qualify for the LIS. For more information on this Extra Help, see our fact sheet "Low-Income Assistance: Extra Help for Part D Costs." For information on the Medicare Part D drug benefit, see our fact sheet "Medicare Part D: An Overview" at cahealthadvocates.org.

How to Qualify

To qualify for any Medi-Cal program, you must meet the asset requirements. You can have up to \$2,000 in assets as an individual, or \$3,000 in assets as a couple. Some of your personal assets are not counted when determining whether you qualify for Medi-Cal coverage. These assets include: your primary home, one vehicle, household goods and personal belongings, a life insurance policy with a face value of \$1,500 per person, a pre-paid burial plan (unlimited if irrevocable and up to \$1,500 if revocable) and a burial plot. If you meet the asset requirements and qualify for Medi-Cal, your

income determines for which Medi-Cal program you may qualify.

Medi-Cal Programs

Supplemental Security Income or Title XVI program

If you qualify for Supplemental Security Income (SSI), then you automatically qualify for full Medi-Cal coverage. To qualify for SSI, applicants must be 65-years-old or over, blind or disabled. Your monthly countable income cannot exceed \$870 for an individual or \$1,524 for a married couple (higher income levels apply for individuals who are blind).

Aged and Disabled Federal Poverty Level Program

California state law also allows individuals with incomes above the SSI limit to qualify for full Medi-Cal coverage in a program called the Aged and Disabled Federal Poverty Level (A&D-FPL) Program. To qualify for the A&D-FPL Program, your countable income cannot exceed \$1,133 per month for an individual or \$1,525 per month for a couple.

Medi-Cal with a Share of Cost (SOC)

If your monthly income is higher than the income limits to qualify for SSI or the A&D-FPL Program but you meet the asset requirement, you may still be eligible for Medi-Cal with a share of cost (SOC). The SOC functions like a deductible. If you incur medical expenses that meet or exceed your SOC, Medi-Cal pays the remainder of your medical expenses for that month.

Note: A SOC is not a monthly premium. It is the amount of medical expenses you have to incur to become eligible for full Medi-Cal coverage.

Your SOC is based on your monthly countable income. The higher your countable income, the higher your SOC. To calculate your SOC, subtract from your countable income \$600 (for an individual) or \$934 (for a couple) and any health insurance premiums you may be paying, including premium for dental insurance. The remainder is your SOC.

Note: As of November 1, 2008, Medi-Cal no longer covers the monthly Medicare Part B

premium (\$96.40 in 2009) for people with a SOC over \$500. For these beneficiaries, their Part B premiums will be automatically deducted from their Social Security checks. One exception is for SOC beneficiaries who are also in a Medicare Savings Program (MSP) that pays Medicare's Part B premium (QMB, SLMB, or QI). These beneficiaries are not affected and continue to have their Part B premium covered. See our fact sheet on MSPs for more information at cahealthadvocates.org.

If you have a SOC over \$500 and meet your SOC in any given month, you will be paid retroactively for your Part B premium. Medi-Cal will send the payment to the Social Security Administration (SSA) and SSA will refund you the premium amount. Any Part B premium refunds received from SSA will be counted as a resource, not income, in the month you receive it.

Also, if you meet your SOC for any one month between January 1 to June 30, you automatically qualify for the Part D low-income subsidy (LIS) program for the rest of the calendar year. If you meet your SOC for any one month between July 1 to December 31, you qualify for the LIS for the rest of the calendar year and the following year. For more information on this Extra Help, see our fact sheet "Low-Income Assistance: Extra Help for Part D Costs" at cahealthadvocates.org.

250% California Working Disabled Program

The 250% California Working Disabled (CWD) program helps Californians who are working, disabled, and whose income is too high to qualify for free Medi-Cal. Californians who qualify may be able to get Medi-Cal by paying a small monthly premium based on their income. Premiums range from a minimum of \$20 to a maximum of \$250 per month for an individual or from \$30 to \$375 for a couple.

To qualify, you must:

- Meet the medical requirements of Social Security's definition of disability, but you don't have to meet Social Security's income and work requirements.
- Be working and earning income. This can be part-time work.
- Have countable income less than 250% of the federal poverty level (\$2,257/month for

individuals and \$3,036/month for couples in 2009).

Any disability income does **not** count for the 250% CWD program. This means that Social Security Disability Insurance (SSDI), Worker's Compensation, California State Disability Insurance, and any federal, state, or private disability benefits are not considered as countable income for this program.

Note: You do not need to be a Medicare beneficiary to enroll in the 250% CWD program. And being a Medicare beneficiary does not preclude you from applying for the 250% CWD program. If you have Medicare, the 250% CWD program pays your Medicare Part B premium.

How to Apply

If you apply for SSI through your local Social Security Administration office and qualify, you are automatically enrolled in Medi-Cal and sent a Benefits Identification Card (BIC). If you do not qualify for SSI, you may still qualify for one of the Medi-Cal programs mentioned above. To find out more information about your eligibility, contact your county Department of Social Services (DSS) office. For a list of offices by county, visit dhs.ca.gov/mcs/medi-calhome/CountyListing1.htm.

If you or your spouse anticipate placement in a nursing home, contact your local county Department of Public Social Services (DPSS) office to learn about the Medi-Cal rules for long-term care. These rules are very different than the Medi-Cal rules that apply if you are not in a nursing home. For more information about qualifying for Medi-Cal long-term care coverage, see the California Advocates for Nursing Home Reform's (CANHR) website at canhr.org.

Note: If you are hospitalized and think you might have to go to a nursing home, you can also ask to speak with the hospital's Medi-Cal specialist for assistance.

Apply for Medi-Cal as soon as you know you can't afford your medical expenses or nursing home placement because processing your application takes time. Medi-Cal must first

determine your eligibility by verifying your income and personal assets before any Medi-Cal coverage can be approved. You can request that Medi-Cal pay retroactively for the 3 months prior to the month in which you apply.

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This fact sheet contains general information and should not be relied upon to make individual decisions. If you would like to discuss your specific situation, call the Health Insurance Counseling and Advocacy Program (HICAP). HICAP provides free and objective information and counseling on Medicare and can help you understand your specific rights and health care options. You can call **1-800-434-0222** to make an appointment at the HICAP office nearest you.