

Basic eligibility requirements for Medi-Cal in California for 2009 - Resources

Financial Eligibility - Total Resources

MediCal qualification requires that an **unmarried** applicant's total countable resources be less than \$2,000. For a **married** couple, if one spouse requires MediCal and the other does not, the "institutionalized spouse" (IS) may transfer assets to the "community spouse" (CS) who may retain non-exempt assets (CSRA) of up to \$109,560 in order to prevent impoverishing the spouse at home. The transfer of assets to the CS needs to occur within 90 days following eligibility determination.

Exempt Resources

Some assets are considered unavailable and exempt from the countable resource calculation. Exempt assets primarily include the family home, as long as the applicant **intends** to return to it, one car, personal belongings, and prepaid funeral plans. "Intent to return home" is a key concept to maintain exempt status - always check "yes" on the Medi-Cal application to indicate a subjective intent to return to the family home.

Federal law imposes a \$500,000 cap on the value of the exempt home which can be raised to \$750,000 by the states. California uses the higher limit. When fully implemented, the value will probably be based on assessed value from the property tax assessor records, not fair market value.

Retirement accounts are exempt from counting as "resources" if they are in "distribution mode" where withdrawals of accrued income and principal are taken out on a regular basis. This money is considered as "income" for the month received. For example, an IRA for a person over age 70½ with an annual Required Minimum Distribution would be in "distribution mode." It is important to consider the effect of *monthly* distributions versus *annual* distribution and the impact on a share of cost calculation. A share of cost taken from monthly income would minimize estate recovery while an annual distribution may minimize the share of cost requirement.

