



March 15, 2022

The Honorable Dr. Jim Wood, Chair  
Assembly Health Committee  
State Capitol  
Sacramento, CA 95814

**Re: Support for AB 1900 (Arambula)**

Dear Assemblymember Wood

California Health Advocates supports AB 1900 (Arambula), which would raise the maintenance need level of the Medi-Cal Medically Needy program to 138% of the Federal Poverty Level (FPL). AB 1900 would benefit low-income older Californians and persons with disabilities who rely on Medi-Cal but still struggle to access care because they are required to pay over \$800 each month before Medi-Cal will cover the cost of their health care. This high share of cost forces aging adults, people with disabilities, and their families to make impossible decisions—choosing between needed health care or paying rent and having food on the table.

For low-income individuals over the 138% FPL income limit for free Medi-Cal, they are required to pay a “share of cost.” The share of cost is calculated by subtracting the “maintenance need income level”—the amount expected to cover non-medical expenses—from an individual’s monthly income. All income over the maintenance need income level becomes the individual’s share of cost, functioning like a monthly deductible. For example, if an individual’s income is \$1500 a month, their monthly share of cost is \$900. This means that Medi-Cal will not cover any health care services in a given month until the individual has incurred \$900 of medical costs in that month, which is 60% of their monthly income.

Founded in 1997, California Health Advocates is the leading Medicare advocacy and education non-profit in California. CHA is dedicated to providing quality Medicare, Medicare Supplement, and long-term care insurance information, training, and education. CHA supports the local Health Insurance Counseling and Advocacy Programs (HICAP) with training, materials and technical assistance. HICAP is California’s State Health Insurance Assistance Program (SHIP). We have provided technical assistance to the HICAPs on the issue of “share of cost.” Many Medicare beneficiaries find themselves having to delay care, or purchase a vision or dental plan to reduce their countable income in order to eliminate their “share of cost”. It is a very complex process and could easily be avoided if the maintenance level were to increase to 138% FPL.

The Medi-Cal maintenance need income level for a single individual has been frozen at \$600 since 1989, which is 55% FPL. It is impossible to pay for rent, food, and all other living expenses with \$600

in California. This leaves many low-income older adults and people with disabilities of all ages from accessing needed supports to remain or return to the community after a stay in a nursing facility.

Increasing California's maintenance need income level to 138% FPL, the current income cutoff for free Medi-Cal coverage, would eliminate this cliff. For example, an individual who makes \$1500 would have a share of cost of \$18—a more appropriate cost to obtain Medi-Cal coverage for individuals who have incomes just over the limit for free coverage.

For these reasons, California Health Advocates supports AB 1900 and respectfully asks for your support of this important legislation to provide parity for low-income seniors and persons with disabilities who are living with an unaffordable share of cost in the Medi-Cal program.

Sincerely,

A handwritten signature in black ink that reads "Christina Dimas-Kahn". The signature is written in a cursive, flowing style.

Christina Dimas Kahn  
Board Chair  
California Health Advocates