



The Honorable Gavin Newsom  
 Governor, State of California  
 California State Capitol  
 1021 O Street Suite 9000  
 Sacramento, CA 95814

November 8, 2023

**Re: 71 Organizations Request for Timely Implementation of Medi-Cal Share of Cost Reform**

Dear Governor Newsom:

The 71 undersigned organizations write today to request that implementation of Medi-Cal Share of Cost reform be included in your January 2024-25 Budget Proposal. We sincerely appreciate that Medi-Cal Share of Cost Reform was approved in the FY 2022-23 budget with the commitment to make the reform effective in January 2025, subject to budget appropriation. We urge the timely implementation of this reform beginning January 1, 2025 in order to end the severe financial burden the existing program has on many older adults and people with disabilities. Once implemented, California would join New York state in leading the nation in making Medicaid more affordable for low-income older adults and people with disabilities.

The current Medi-Cal Share of Cost program forces low-income individuals to live at the maintenance need level in exchange for Medi-Cal services. The current Medi-Cal maintenance need level is \$600 a month for a single person, equivalent to 49% of the federal poverty level. California’s maintenance need level has not increased since 1989. If an individual’s income is over \$600 a month, they are responsible for paying the remaining income towards their health care each month before they are eligible for Medi-Cal. For example, if an individual’s countable income is \$1800 a month, their monthly Medi-Cal share of cost is \$1200 and they have \$600 left to pay their rent, food, utilities, clothing and all other expenses each month. It is impossible to live off of \$600 a month.

This level of cost sharing is irreconcilable with other recent efforts in California to make health care affordable and equitable, including efforts to expand access to Medi-Cal and lower the cost of Covered California plans – which is why we are grateful that the Administration and Legislature agreed to raise the maintenance need income level to 138% FPL in the FY 2022-23 budget, beginning January 1, 2025. Implementing this reform on time would mean that older adults and people with disabilities will no longer have to make the impossible choice of paying for their health care or making rent and having food on the table.

For the vast majority that do not meet their share of cost, the current policy denies low-income people with disabilities of all ages from accessing needed supports to remain living in their homes and communities. These impacts also spread beyond the individuals who need services for their families - particularly women and women of color - who must fill in the caregiving gaps, risking their own economic security and perpetuating inequities. Forcing individuals and families to pay such high costs for health care services, or to go without care, also perpetuates poverty intergenerationally, disproportionately harming families of color who already face lower wages, less savings, and higher interest rates.

Older adults have the highest poverty rate of all age groups in California, with 15.2% of older adults age 65+ experiencing poverty<sup>1</sup>. This alarming trend has been growing in recent years, exacerbated by the disproportionate impact of the COVID-19 pandemic and the end of pandemic related protections and subsidies. Older adults are the fastest growing population in California experiencing homelessness<sup>2</sup>. The primary reason older adults experience homelessness is due to their economic instability and inability to keep up with rising rents and the cost of living. In order to protect economic security and mitigate the rise of homelessness among older adults and people with disabilities, while improving access to health care and long-term services and supports, we strongly urge the Administration to commit to timely implementation of the Share of Cost program in the FY 2024-25 budget.

Sincerely,

AARP California  
Agency on Aging Area 4  
Alameda Alliance for Health  
Alzheimer's Association  
Alzheimer's Los Angeles

Asian Resources, Inc  
Bet Tzedek  
California Advocates for Nursing Home Reform  
California Association of Area Agencies on Aging  
California Association of Health Plans

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<sup>1</sup> Public Policy Institute of California, [Who’s in Poverty in California](#), 2023

<sup>2</sup> CalMatters, [The fastest-growing homeless population? Seniors](#), February 2023

California Association of Public Authorities for IHSS	LeadingAge California
California Collaborative for Long-Term Services and Supports (CCLTSS)	Legal Aid Society of San Mateo County
California Commission on Aging	Legal Assistance for Seniors
California Foundation for Independent Living Centers	LifeLong Medical Care
California Health Advocates	LifeSTEPS
California In-Home Supportive Services Consumer Alliance	Local Health Plans of California
California Pan-Ethnic Health Network	Marin Center for Independent Living
California Senior Legislature	Maternal and Child Health Access
Californians for Disability Rights	Meals on Wheels Orange County
CalPACE	Mental Health Association for Chinese Communities (MHACC)
Caring Across Generations	MSSP Site Association
Choice in Aging	National Association of Social Workers - California Chapter
Coalition of California Welfare Rights Organizations	National Immigration Law Center
Communities Actively Living Independent & Free	National Multiple Sclerosis Society
Community Living Campaign	On Lok
CRLA Foundation	Partners in Care Foundation
Designing Accessible Communities	Partnership for the Advancement of New Americans
Disability Rights California	Pink Panthers
Family Caregiver Alliance	Placer Independent Resource Services
Friends Committee on Legislation of California	SEIU California
Hand in Hand: The Domestic Employers Network	Senior Advocates of the Desert
Health Access California	Senior and Disability Action
Health Net of California	Senior Coastsiders
Health Plan of San Mateo	Senior Services Coalition of Alameda County
Homebridge Inc.	Serving Seniors
Independent Living Resource Center, Inc	The National Health Law Program
Independent Living Resource Center SF	UDW/AFSCME 3930
Inland Empire Health Plan	Western Center on Law and Poverty
Jewish Family Service of Los Angeles	WISE & Healthy Aging
Justice in Aging	Young Invincibles

Cc: Secretary Dr. Mark Ghaly, California Health and Human Services Agency  
Michelle Baass, Director, California Department of Health Care Services  
Joe Stephenshaw, Director, California Department of Finance  
Senator Toni Atkins, Senate President pro Tempore  
Senator Mike McGuire, Senate President pro Tempore Designee  
Senator Nancy Skinner, Chair, Senate Budget Committee  
Senator Caroline Menjivar, Chair, Senate Budget Subcommittee #3

Senator Susan Eggman, Chair, Senate Health Committee  
Assemblymember Robert Rivas, Speaker of the Assembly  
Assemblymember Phil Ting, Chair, Assembly Budget Committee  
Assemblymember Dr. Akilah Weber, Chair, Assembly Budget Subcommittee # 1  
Assemblymember Dr. Wood, Chair, Assembly Health Committee  
Angela Pontes, Deputy Legislative Secretary, Office of Governor Gavin Newsom  
Richard Figueroa, Deputy Cabinet Secretary, Office of Governor Gavin Newsom  
Kim McCoy Wade, Senior Advisor on Aging, Disability, and Alzheimer's, Office of Governor Gavin Newsom  
Marjorie Swartz, Policy Consultant, Senate President pro Tempore Toni Atkins  
Scott Ogus, Committee Consultant, Senate Budget Committee  
Jen Flory, Committee Consultant, Senate Health Committee  
Rosielyn Pulmano, Policy Consultant, Speaker Robert Rivas  
Andrea Margolis, Committee Consultant, Assembly Budget Committee  
Lisa Murawski, Committee Consultant, Assembly Health Committee