



March 25, 2019

The Honorable Jim Wood, Chair  
Assembly Health Committee  
California State Capitol Room 6005  
Sacramento, CA 94249-0002

**Re: AB 1088 (Wood) Medi-Cal: eligibility – SUPPORT**

Dear Assemblymember Wood,

The California Alliance for Retired Americans (CARA) supports AB 1088 which would stop seniors and persons with disabilities from losing access to free Medi-Cal due to a confusing Medi-Cal rule that creates fluctuations in how income is counted even though a person's actual income has not changed. CARA is California's largest grassroots senior advocacy organization representing over 1 Million seniors and people with disabilities and their families through our 270+ affiliated organizations.

When a Medicare enrollee applies for Medi-Cal, income counting rules deduct their out of pocket payment for their Medicare Part B premium. Once they qualify for Medi-Cal, the state pays their Part B premium as a benefit of free Medi-Cal. Because the beneficiary is no longer paying out of pocket, they no longer receive the income deduction. If their income is close to the income eligibility cap, they are become ineligible for free Medi-Cal and are enrolled in a Medi-Cal share of cost program. Those affected end up not only with high-cost Medi-Cal, but they must also pay their own Part B premiums again, despite no change in their actual income.

For beneficiaries facing this problem, their Medi-Cal costs skyrocket, going from free to several hundred dollars a month. For example, a senior with a monthly income of \$1,300 who pays Part B premiums out of pocket, is eligible for free Medi-Cal. After the state starts paying their premium, they will move to Medi-Cal with a \$700 *monthly* share of cost. This shift can disrupt access to services and upend their financial stability.

AB 1088 would allow seniors to remain on free Medi-Cal despite the elimination of the payment of the Part B premium as an income deduction. Those who are eligible for free Medi-Cal when they enroll, will stay eligible when the state starts paying their Part B premiums if their income doesn't otherwise increase. This ensures that our low-income seniors can access the medical care they need.

For these reasons, CARA strongly supports AB 1088 and looks forward to working with you on its passage.

Sincerely,

A handwritten signature in black ink that reads "Hene Kelly".

Hene Kelly  
Legislative Director  
415-533-5244