



February 18, 2020

The Honorable Wendy Carrillo
California State Assembly
CA State Capitol
Sacramento, CA 95814

Re: AB 683 (Carrillo) – Medi-Cal: Eligibility – Support

Dear Assemblymember Carrillo,

I am writing on behalf of the California Alliance for Retired Americans (CARA) and its over one million affiliated members to support AB 683. CARA has built an alliance of grassroots and retiree organizations to address quality of life issues for seniors and their families in our state.

AB 683 will increase the assets limits for Medi-Cal programs serving seniors and persons with disabilities, which will increase access to Medi-Cal and to financial stability that is crucial given our housing and homelessness crisis.

Currently, a senior enrolled in the Aged & Disabled Medi-Cal program, is restricted to \$2,000 in a bank account and a couple to \$3,000. The current asset limit prevents seniors and persons with disabilities from having adequate resources to weather a crisis, such as an eviction, a leaking roof, or a major vehicle repair. When faced with the decision of qualifying for Medi-Cal or having additional savings, most seniors rationally spend down their savings as the cost of their health care is more than they have saved. This puts them at risk of further instability or homelessness when financial crises happen. These rules also disproportionately punish seniors of color because they are more likely to have cash savings, instead of an exempt home.

AB 683 makes three important changes to the Medi-Cal asset rules: (1) it will update the assets limits for programs serving seniors and persons with disabilities to \$10,000 for an individual and an additional \$5,000 for each additional household member, with annual indexing; (2) it will expand and simplify the list of items to be excluded from the assets test for those Medi-Cal programs still subject to the assets test; and (3) it will eliminate the assets test entirely for the Medicare Savings Programs, programs where Medi-Cal pays for an individual's Medicare premiums and co-payments.

We understand that the cost to raise the assets level now is significant because we have not adjusted this limit in over 30 years. Cost of living has increased considerably since 1989 and \$2,000 is no longer enough savings to ensure that someone will not end up on the street if they have to find a new place to live. Helping seniors and persons with disabilities save for

financial crises is a wise investment, particularly given the rise in homelessness among seniors.

For these reasons, CARA strongly supports AB 683. We thank you for introducing this important bill, and we look forward to working with you to pass AB 683 into law.

Sincerely,

A handwritten signature in cursive script that reads "Hene Kelly". The signature is written in dark ink and is positioned to the left of the typed name.

Hene Kelly
Legislative Director
415-533-5244