

April 9, 2018

The Honorable Jim Wood  
Chair, Assembly Health Committee  
State Capitol, Room 6005  
Sacramento, CA 95814

**Re: Support for AB 2430 (Arambula)**

Dear Assemblymember Wood,

The County of Monterey supports AB 2430 (Arambula), which would raise the income level of the Aged and Disabled Medi-Cal program (A&D program) to 138% of the federal poverty level (FPL). This will create parity between senior and disabled Medi-Cal beneficiaries, and other adult Medi-Cal beneficiaries.

Implemented in 2001, the A&D program provides free, full-scope Medi-Cal to low-income seniors and persons with disabilities. When the program was created, income eligibility was set at 100% FPL, plus income disregards of \$230 for individuals and \$310 for couples – bringing eligibility to 133% FPL. However, because the income disregards have remained static, the income eligibility limits have lost value every year and are currently 123% FPL, or \$1,242 a month for an individual.

When a beneficiary's income increases above 123% FPL, they are moved into the Medically Needy program with a share of cost. The share of cost means that a beneficiary must spend all of their monthly income, less \$600, on healthcare before Medi-Cal will cover any services. For example, a senior earning \$1,255 monthly (124% FPL) must pay \$655 out of pocket on health care costs before Medi-Cal will pay for services, leaving only \$600 per month for all other living expenses.

The 15% FPL difference in Medi-Cal eligibility for Monterey County seniors 65 and over, translates into more than 10,000 residents living above the FPL limit but still considered low income. These seniors struggle to afford basic needs already and the Medi-Cal share of cost forces unthinkable financial choices. Many cannot afford rent or food, leading to some of the elderly moving in to long term nursing facilities as a means to survive and at incredible costs to the state.

The low eligibility threshold, coupled with the high share of cost, means that unlike all the adult beneficiaries covered under the Affordable Care Act who qualify for free Medi-Cal up to 138% FPL, seniors and people with disabilities must pay more than half their income before they can access Medi-Cal coverage.

For these reasons, Monterey County supports AB 2430 and respectfully asks for your support of this important legislation to provide parity for low-income seniors and persons with disabilities who are currently living with a high share of cost in the Medi-Cal program.

Sincerely,

Luis A. Alejo  
Chair, Board of Supervisors

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