Changes to Medi-Cal's Eligibility & Benefits in the Proposed ACA Repeal Bill

The GOP's Proposed ACA Repeal Bill would drastically reduce funding to our Medi-Cal program by eliminating the guarantee of federally matched funds through a per capita cap. In addition, the proposed ACA replacement would permit the following changes to our Medi-Cal program:

Allows States to Eliminate the Medicaid Expansion

Sec. 112(a) allows California to opt out of Medi-Cal expansion. We are counting on the Governor and Legislature to stay the course and not leave 3.5 million adult low-income Californians without coverage.[1]

Reduces Federal Funds to California for Medi-Cal Expansion Adults

Sec. 112(b)(1) would make expansion adults too expensive for states to cover by cutting the federal financial participation nearly in half. Under the ACA, federal matching assistance percentage (FMAP) for expansion adults will be 90% in 2020 and after. Proposed Section 112(b)(1) would cut the FMAP for the childless adults in this group to 50% for anyone who enrolls in Medi-Cal after Jan. 1, 2020, or who has a break in Medi-Cal eligibility for more than one month. This would place a tremendous burden on California, fiscally and administratively.

Allows States to Reduce Benefits for Medicaid Expansion Adults

California ensured all adults covered under Medi-Cal received the same level of benefits, including certain mental health and substance abuse services as well as rehabilitative and habilitative services and devices not previously available. By reducing the requirement to cover essential health benefits (EHBs) beginning Jan. 1 , 2020, the proposed Sec. 112(c) provision would mean that Medi-Cal expansion adults would not be guaranteed certain Medi-Cal covered services if state law also changed.

Requires Medi-Cal Expansion Adults to Renew Their Medi-Cal Twice a Year

Medi-Cal beneficiaries are already required to report changes that affect their eligibility, such as when their income goes up. Sec. 116 would require Medi-Cal expansion adults to go through an additional eligibility redetermination every year. Whenever Medi-Cal beneficiaries are required to fill out additional paperwork, some inevitably lose coverage. To prevent this loss, the Medi-Cal program has several protections in place requiring counties to attempt to contact beneficiaries before cutting them off and allowing for a 90-day cure period where coverage can be reinstated back to the date lost. The semi-annual reporting requirement doubles the amount of time that county workers must spend processing each ongoing Medi-Cal expansion adult case, resulting in many people losing their Medi-Cal only to have it reinstated later.

Eliminates Periods of Retroactive Eligibility

Medi-Cal currently allows applicants to submit claims for bills up to 3 months prior to the month of application if an applicant would have been eligible in those months. This is an important tool to fight medical debt as

[1] The expansion adults at risk of losing coverage are adults between ages 19-65 with incomes up to 138% of the federal poverty level. This includes some parents with incomes between 109-138% FPL.

many people either do not know they are Medi-Cal eligible or have problems applying for Medi-Cal and need assistance. Sec. 114(b) would eliminate this protection so eligibility would only start in the month of application. If enacted, this provision would make things particularly difficult for people who apply during or after a hospitalization if the hospitalization started the month prior, those bills would not be covered.

Ends Hospital Presumptive Eligibility and Presumptive Eligibility for Medi-Cal Expansion Adults

Presumptive eligibility is a process that allows people to quickly enroll in Medi-Cal based on basic income information and later submit a complete application. Starting in 2014, Medi-Cal implemented the Hospital Presumptive Eligibility Rule. That rule allows participating hospitals to do a basic screen to get individuals on Medi-Cal temporarily and those individuals later follow up with a complete application to stay on the program. Sec. 111(1) eliminates hospital presumptive eligibility, while Sec. 111(3) eliminates the ability to use presumptive eligibility for expansion adults and only allows it for former foster youth under age 26.

Eliminates the Reasonable Opportunity Period to Verify Citizenship or Immigration Status

Medi-Cal applicants can access health care services while waiting for their citizenship or immigration status to be verified. This period of time is known as the reasonable opportunity period. Sec. 114(c) eliminates this period and does not allow Medi-Cal to start until after status is verified. While most people are able to have their status verified in real time via an electronic verification process, occasionally the electronic verification process does not work. If California chose to continue covering this period, California would have to foot the bill for the period prior to verification.

Stops Medi-Cal for Lottery Winners

Sec. 114(a) contains provisions to ensure that winners of the lottery and other windfalls aren't "gaming the system" due to the lump sum rules in Medi-Cal that allow income to be counted only in the month it is received. The section allows for winnings above $80,000 to be attributed across many months. Considering how few Californians on Medi-Cal get windfalls of over $80,000 and then choose to remain on Medi-Cal, this provision will cost far more to implement than any savings it would achieve.

Lowers the Cap on Allowable Home Equity for Persons Needing Long Term Care

Medi-Cal beneficiaries who need nursing home or long term care in certain circumstances must have home equity below a certain limit. Sec. 114(d) lowers the allowable limit by $250,000, from an indexed rate starting at $750,000, to an indexed rate starting at $500,000. This disproportionately harms people in some areas of California with very high home prices.

Lowers the income cap for children age 6-19

Sec. 111(1)(b) reverts the income cap for children age 6-19 from 133% FPL to 100% FPL. Because Medi-Cal already covers these children through Children's Health Insurance Program (CHIP) funds instead of Medicaid funds, this will not change coverage in California. However, the CHIP program itself is subject to reauthorization under this Congress prior to this provision taking effect.