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DIRECTOR

State of California—Health and Human Services Agency
Department of Health Care Services



GAVIN NEWSOM
GOVERNOR

June 9, 2022

TO: ALL COUNTY WELFARE DIRECTORS Letter No.: 22-15
ALL COUNTY WELFARE ADMINISTRATIVE OFFICERS
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS
ALL COUNTY HEALTH EXECUTIVES
ALL COUNTY MENTAL HEALTH DIRECTORS
ALL COUNTY MEDS LIAISONS

SUBJECT: Reminder of Changes to Asset Limits and *Sneede v. Kizer*

This letter announces changes to the way asset (property) limits are calculated under *Sneede v. Kizer*. The changes are the result of changes to the asset limits which were enacted by Assembly Bill (AB) 133 (Chapter 143, Statutes of 2021) which apply to all Non-Modified Adjusted Gross Income (Non-MAGI) Medi-Cal programs, including Medicare Savings Programs and Long-Term Care. In this context, the term “assets” refers to non-exempt property.

Changes to the asset limits will occur in two phases. In the first phase, starting on July 1, 2022, the asset limits will increase. The second phase will begin no sooner than January 1, 2024, subject to federal approval, and will eliminate the asset test entirely. All other Non-MAGI Medi-Cal rules regarding the treatment of assets still apply, such as exemptions for the individual’s home and vehicle. For additional information related to the asset limit changes, please see [ACWDL 21-31](#). Additional guidance will be released for the second phase of this process at a later time.

Currently, *Sneede* asset limits apply based on who is included in a Mini Budget Unit (MBU) following family budget unit composition rules. If children are the only individuals in an MBU, the asset limits are further determined by whether the children live with one or both parents in the Medi-Cal Family Budget Unit (MFBU). This does not include step-parents. If certain conditions exist (as described in the Medi-Cal Eligibility Procedures Manual, [Article 8F](#), page 8F-6), the asset limits are prorated for one-parent MBU and two-parent MBU.

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When the increased asset limits are implemented effective July 1, 2022, property limits under *Sneede* will no longer be prorated. However, MBU's will continue to be used. The new asset limits will apply to the *Sneede* MBU property determinations within each MBU, regardless of MBU composition, as follows:

- \$130,000 for an individual in the MBU
- \$65,000 for each additional individual in the MBU.

If you have questions or if we can provide further information, please contact Sara McDonald at (916) 345-8061 or by e-mail at Sara.McDonald@dhcs.ca.gov.

Original Signed By

Sandra Williams, Chief
Medi-Cal Eligibility Division