



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



January 25, 2023

TO: ALL COUNTY WELFARE DIRECTORS Letter No.: 23-01  
ALL COUNTY WELFARE ADMINISTRATIVE OFFICERS  
ALL COUNTY MEDICAL PROGRAM SPECIALISTS/LIAISONS  
ALL COUNTY HEALTH EXECUTIVES  
ALL COUNTY MENTAL HEALTH DIRECTORS

SUBJECT: 2023 MEDICARE CATASTROPHIC COVERAGE ACT SPOUSAL  
IMPOVERISHMENT CAPS

RE: ACWDLs [90-01](#), [90-03](#), [91-84](#), [17-25](#), [18-19](#), [22-25](#) and MEDILs I [21-07](#) and I [22-35](#)

The purpose of this letter is to inform counties of an increase to the maximum income and property caps under the Medicare Catastrophic Coverage Act, and provide information on how to apply the Spousal Impoverishment provisions with the increased asset limits for Non-MAGI Medi-Cal.

Effective January 1, 2023, the Community Spouse Resource Allowance (CSRA) standard amount is \$148,620 and the Minimum Monthly Maintenance Needs Allowance (MMMNA) is \$3,716 per month. Due to the delay in implementation of these amounts, counties must review any applications, renewals or changes in circumstances completed since January 1, 2023, involving cases of institutionalized/HCBS spouses to ensure that the correct figures are utilized.

The CSRA is separate from the institutionalized/HCBS' spouse's asset limit of \$130,000 for 2022. This means that, at the point of application the amount of countable property that the institutionalized spouse and community spouse's combined property must be below the CSRA<sup>1</sup> plus the property limit for one. Using the standard CSRA amount, the couple's combined asset limit as of January 1, 2023, is \$278,620 (\$148,620 + \$130,000).<sup>2</sup> The combined property limit applies as of the first month for which Medi-Cal is requested but not for months earlier than January 1, 2023.

<sup>1</sup> The applicant or beneficiary may increase the CSRA by court order or fair hearing (Section 50490.5 of ACWDL 90-01)

<sup>2</sup> ACWDL [22-25](#) provides guidance regarding asset limit increases effective July 1, 2022, and the elimination of the asset limits for all Non-MAGI programs, effective January 1, 2024.

## **Spousal Impoverishment Reminders**

### ***Property Eligibility***

The combined property limit applies to someone who meets the definition of an institutionalized spouse in Section 50046.5 in ACWDL [90-01](#), who has a community spouse as defined in Section 50031.5 in ACWDL [90-01](#) and to Home and Community-Based (HCBS) spouses in accordance with ACWDLs [17-25](#) and [18-19](#). The CSRA applies to the initial month of eligibility **only**, whether the first month of retroactive period, or the month of application (Section 50490.3(a) in ACWDL [90-01](#)).

Once initial eligibility is established, the CSRA is no longer considered available to the institutionalized/HCBS spouse (Section 50490.3(b) in ACWDL [90-01](#)). The community spouse's sole and separate property is no longer considered during the continuous period of institutionalization in accordance with (Section 50490.3(e) in ACWDL [90-01](#) and ACWDLs [17-25](#) and [18-19](#)).

The CSRA transfer period begins with the initial month of eligibility and ends the last day of the month in which the 90<sup>th</sup> day, from the date the approval notice of action (NOA) is mailed, falls (Section 50490.7 in ACWDL [90-01](#)). At the end of the CSRA transfer period, any countable property held in the name of the institutionalized/HCBS spouse in excess of the \$130,000 will be considered excess property, unless undue hardship applies (Section 50096.5 in ACWDL [90-01](#)).

### ***Income Eligibility***

In contrast, the MMMNA<sup>3</sup> applies to the determination of the spousal income allocation from the institutionalized/HCBS spouses' income to the community spouse at application, renewal and change in circumstances (ACWDLs [90-03](#), [17-25](#), [18-19](#) and MEDILs I [21-07](#) and I [22-35](#)). As long as there is the expectation that nursing facility level of care would be required for 30 consecutive days (Section 50033.5 and Questions 26, 27 and 29 in ACWDL [90-01](#), and ACWDLs [17-25](#) and [18-19](#)), in accordance with ACWDL [91-84](#), the spousal income allocation applies in the month of

- Application for an institutionalized/HCBS spouse,
- Admission for an institutionalized spouse who is a beneficiary, or
- Request for HCBS by an HCBS spouse who is a beneficiary.

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<sup>3</sup> Pursuant to Section 50603(f) in ACWDL [90-03](#), a higher monthly spousal income allocation amount may be used in place of the calculated maximum based on the MMMNA if ordered by the court or through fair hearing.

**Please Note:** When determining whether the gross income of the community spouse is below the MMMNA, remember to deduct amounts paid by the community spouse for Medicare or other health insurance premiums (ACWDL [90-03](#), Question 22).

The Department of Health Care Services (DHCS) will publish a Medi-Cal Eligibility Division Information Letter (MEDIL) to inform counties when the following forms are updated with the 2023 CSRA and MMMNA amounts:

- Medi-Cal General Property Limitations ([MC 007](#))
- Notice Regarding Standards for Medi-Cal Eligibility ([DHCS 7077](#)), and
- Medi-Cal Eligibility and Recovery ([DHCS 7102](#)).

**Note:** Per Medi-Cal Eligibility Division Information Letters (MEDILs) [I 20-07](#), [I 20-08](#), [I 20-18](#), [I 20-25](#), [I 20-26](#), and ACWDL [22-18](#) counties must delay processing of Medi-Cal annual renewals, and defer discontinuances and other negative actions until the beneficiaries post-continuous coverage requirement renewal. The county shall continue to process determinations or redeterminations for those individuals who would gain access to health care coverage and resolve barriers related to access to care.

For upcoming continuous coverage unwinding guidance, please reference ACWDL [22-18](#).

If you have any questions regarding this issue, please contact Meuy Saeteune by email at [Meuy.Saeteune@dhcs.ca.gov](mailto:Meuy.Saeteune@dhcs.ca.gov) or by phone at (916) 345-8064 or Sharyl Shanen-Raya by email at [Sharyl.Shanen-Raya@dhcs.ca.gov](mailto:Sharyl.Shanen-Raya@dhcs.ca.gov) or by phone at (916) 345-8066.

**Original Signed By**

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