

Aged and Disabled Federal Poverty Level Program

CANHR is a private, nonprofit 501(c)(3) organization dedicated to improving the quality of care and the quality of life for long term care consumers in California.

The Aged and Disabled Federal Poverty Level Program (A&D FPL) serves over 140,000 elderly and people with disabilities. The program makes Medi-Cal coverage available with no share of cost provided that the beneficiary's countable monthly income meets the financial eligibility requirements. A&D FPL applies only to those receiving Medi-Cal at home or in a Residential Care Facility for the Elderly (RCFE). It is not applicable to those receiving Medi-Cal for long term care in a Skilled Nursing Facility (SNF).

Who is eligible?

If you are 65 years of age or older OR you are blind or disabled with a countable monthly income below **\$1,161** for an individual and **\$1,571** for a couple you may qualify for the A&D FPL program. In addition, the applicant's assets must be below \$2,000 for an individual and \$3,000 for a couple. This limit does not include exempt assets.

To qualify as **disabled**, the applicant must demonstrate that he/she receives Social Security Disability Income (SSDI) OR would be eligible because of his/her disability to qualify for Supplemental Security Income (SSI) but has been determined ineligible due to his/her income being too high. In other words, the applicant must show that he/she cannot work due to a physical or mental impairment (expected to last at least 12 months).

Countable income limits

In determining eligibility, Medi-Cal deducts a Maintenance Need Allowance (MNA) from the total countable earned and unearned income. The resulting net income must be below the income limit. (See below for examples of calculations)

Maintenance Need Allowances (MNA) for family members not applying for coverage:

1 Person	\$600
2 Persons	\$750
2 Adults	\$934
3 Persons	\$934
4 Persons	\$1100
5 Persons	\$1259
6 Persons	\$1417

The SSI income deductions rules also apply, so there may be other deductions made before determining your eligibility.

The following is deducted each month:

- \$20 from **unearned income**
- Health insurance premiums
- Earned income deductions:
 - o \$65
 - o Any part of the \$20 deducted from unearned income can be deducted from earned income.
 - o Work expenses related to disability (cost of items related to impairment that are necessary to becoming or remaining employed—maintenance of a van that fits your needs, certain clothing, attendant care services, transportation, medical devices, work-related equipment, etc.)
 - o Half of the remaining earned income.

How does the Maintenance Need Allowance work?

When determining eligibility for Medi-Cal with no share of cost, the MNA is only deducted from the countable income if there are other family members living in the home who are not applying for Medi-Cal. A big family needs a larger income, therefore less of that income will be counted towards eligibility for A&D FPL.

Example: JIM AND ELLEN ARE MARRIED WITH 3 CHILDREN. Ellen is disabled and is applying for Medi-Cal with no share of cost. The family's only income is Jim's earned wages of \$4055 per month

$$\begin{aligned} & \$4055 \text{ (Jim's monthly income)} \\ & - \$20 \text{ (deduction from unearned income)} \\ & = \$4035 \\ & - \$65 \text{ (deduction from earned income)} \\ & = \$3970 \\ & \times 1/2 \text{ (half of the remainder)} \\ & = \$1985 \\ & - \$1100 \text{ (MNA for 4 other family members)} \\ & = \mathbf{\$885} \text{ (net income)} \end{aligned}$$

Ellen is eligible for A&D FPL because their countable income is under the \$1,571 eligibility threshold (the eligibility threshold for couples).

Can I work and still be eligible?

Yes. The A&D FPL program is designed to allow the working disabled to keep a portion of their earned income out of the countable monthly income, thus allowing them to maintain eligibility in many cases. When calculating the countable monthly income, Medi-Cal subtracts \$65 from the earned income and cuts the remainder in half before adding it to the unearned income, making it easier for the working disabled to stay below the eligibility income threshold.

If you get a higher paying job or if circumstances change significantly while on A&D FPL, you may want to consider applying for another category of Medi-Cal (i.e. 250% Working Disabled). However, as long as you continue to meet both the disability and financial requirements, you will maintain eligibility. Medi-Cal verifies your assets, income and earnings annually, keeping track of any change in your situation.

Example 1:

CINDY AND TODD ARE MARRIED WITH ONE CHILD. Both Cindy and Todd are applying for Medi-Cal. Todd is employed, earning \$3500 a month. Cindy doesn't work and receives \$225 social security every month, thus her countable unearned monthly income is \$205 (\$225-\$20=\$205).

$$\begin{aligned} & \$3500 \text{ (Todd's monthly income)} \\ & - \$65 \text{ (deduction from earned income)} \\ & = \$3435 \\ & \times 1/2 \text{ (half of the remainder)} \\ & = \$1717.50 \\ & + \$205 \text{ (Cindy's countable unearned income)} \\ & = \$1922.50 \\ & - \$600 \text{ (MNA for person not applying)} \\ & = \mathbf{\$1322.50 \text{ (net income)}} \end{aligned}$$

Cindy and Todd are both eligible because their family income is **below \$1571**.

Note: *Married couples applying can only use the \$20 and \$65, plus 1/2 the remainder once. In other words, if Cindy and Todd both had earned incomes, they would not be allowed to deduct \$65 from each income. One income would be counted in full.*

Example 2:

SAM IS SINGLE AND EMPLOYED. He receives \$1000 Social Security (unearned income) every month, before Medicare premiums are taken out. His countable unearned income is \$980 (\$1000-\$20=\$980). He also earns \$800 a month. His *countable* earned income is \$367.50 per month:

$$\begin{aligned} & \$800 \text{ (earned income)} \\ & - \$65 \text{ (earned income deduction)} \\ & = \$735 \\ & \times 1/2 \text{ (half of the remainder)} \\ & = \$367.50 \\ & + \$980 \text{ (countable unearned income)} \\ & = \mathbf{\$1347.50 \text{ (net income)}} \end{aligned}$$

Sam is not eligible for A&D FPL, as his countable monthly income is \$209.50 *over* the allowable amount of \$1138. As a result, he will have a share of cost of \$747.50:

$$\begin{aligned} & \$1347.50 \text{ (net income)} \\ & - \$600 \text{ (MNA)} \\ & = \mathbf{\$747.50 \text{ (SOC)}} \end{aligned}$$

Note: *Those who have a countable income slightly above \$1,161 might consider improving their current health coverage or purchasing needed coverage. The premiums will reduce your countable monthly income, bringing it below the limit. In Sam’s case, he can either pay \$186.50 SOC or he can pay a health insurance premium of \$209.50 or more to bring his countable income below \$1,161.*

Important: All Medi-Cal beneficiaries that have a Medi-Cal share-of-cost of more than \$500 will no longer have their Medicare Part B premium covered by Medi-Cal, it will automatically be deducted from the beneficiary’s Social Security check.

Private health coverage under A&D FPL

Enrolling in private health coverage would not put you at risk for becoming ineligible for A&D FPL. The cost of premiums may even help to reduce your countable monthly income, bringing you below the income limit allowed. With private health coverage, you would be able to access providers and services that may not have been available to you otherwise. Under these circumstances, the private health coverage is billed first. Medi-Cal pays for the services it covers after the private health carrier pays or denies a claim.

Example:

MARTHA IS SINGLE. She receives a pension of \$250 per month and \$975 from Social Security before premiums are withheld for Medicare. Her total monthly income is \$1225. She pays \$125 per month for a Medicare Supplemental Health policy.

$$\begin{aligned} & \$1225 \text{ (monthly income)} \\ & - \$20 \text{ (deduction from unearned income)} \\ & = \$1205 \\ & - \$125 \text{ (Medicare premium)} \\ & = \mathbf{\$1080 \text{ (Martha's countable unearned income)}} \end{aligned}$$

Martha is eligible for Medi-Cal at no share of cost because her countable monthly income is below the \$1,161 eligibility threshold.

How much is covered under A&D FPL?

A&D FPL provides free, full services under Medi-Cal (health care services that are deemed “medically necessary”). Such services include physician visits, adult day health services, some dental care, ambulances, and some home health. Other medical expenses, such as x-ray and laboratory costs, orthopedic devices, eyeglasses, hearing aids, are also covered. Certain drugs are covered that are on Medi-Cal’s approved list. If you have both Medi-Cal and Medicare, Medicare Part D covers most drugs.

How to apply

To apply for the Aged and Disabled Federal Poverty Level Program, go to your county Medi-Cal office to submit an application. You can download an application online, but a hard copy must be submitted in person or by mail. An eligibility worker at the Medi-Cal office will calculate your income and determine if you are eligible for the program.

It typically takes 30–90 days to process an application. It may be a quicker process for Social Security Disability Insurance (SSDI) beneficiaries because they have already met the disability requirements for the program. Others will have to undergo a medical determination of disability before being enrolled.