

DATE: August 18, 2023

TO: ALL COUNTY WELFARE DIRECTORS Letter No.:23-17
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: ASSET ELIMINATION AND OVERPAYMENTS DUE TO EXCESS
PROPERTY (REFERENCE: MEDI-CAL ELIGIBILITY PROCEDURES
MANUAL, [ARTICLE 16](#), [MEDIL I 19-02](#))

The purpose of this All-County Welfare Directors Letter (ACWDL) is to provide counties with guidance regarding the elimination of assets for Non-Modified Adjusted Gross Income (Non-MAGI) Medi-Cal programs and the elimination of the requirement to compute and report potential overpayments based on excess property¹.

Background

As enacted by Assembly Bill (AB) 133 (Chapter 143, Statutes of 2021), the elimination of asset limits for all Non-MAGI Medi-Cal programs, including Medicare Savings Programs (MSPs) and Long-Term Care (LTC) becomes effective on January 1, 2024.

The Medi-Cal Eligibility Procedures Manual (MEPM) provides information and procedures regarding computing, referring, and investigating potential Medi-Cal overpayments and recovering funds due to such overpayments. Potential overpayments are defined in the California Code of Regulations (CCR), Title 22, [Sections 50781](#) and [50781.5](#) and Article 16A of the MEPM.

Overpayments Due to Excess Property Beginning January 1, 2024

Beginning January 1, 2024, counties are no longer required to compute and report potential overpayments based on excess property, as outlined in MEPM Article 16C Section II, because resources, including property or other assets, will no longer be used to determine eligibility for Non-MAGI Medi-Cal programs. Activities related to overpayments that occur prior to January 1, 2024, including computations, reporting/referring, investigations, prosecutions, and collections, may continue after January 1, 2024, or until DHCS considers the matter resolved/closed.

¹ The term “excess property” means resources, including property and other assets.

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There will be **no change** to the requirement to compute and report potential overpayments related to increased and/or unreported income, and failure to report other health coverage. Counties shall continue to follow the process for computing these overpayments as outlined in MEPM Article 16C, Sections I, III, and IV. Counties shall continue to follow the process for reporting any potential non-property overpayments to the DHCS Audits and Investigations Division, as outlined in Medi-Cal Eligibility Division Information Letter (MEDIL) I 19-02.

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

Sincerely,

Yingjia Huang
Assistant Deputy Director
Health Care and Benefits
Department of Health Care Services