Imagine Doug and Melissa Miller, a young, married couple with a one year-old son named Jacob. Doug manages a small business and Melissa was taking courses in nursing at a community college until, that is, she suffered a debilitating injury in an automobile accident. Now permanently disabled, Melissa, along with her husband, must find the means to pay for an array of medically-related costs. Leaving no stone unturned, they seek the aid of government-subsidized healthcare and disability benefits to account for the changed circumstances in their family.

The main public healthcare program in the state of California is Medi-Cal, the state’s implementation of Medicaid. There are various ways to become eligible for Medi-Cal: two of them include being enrolled in SSI (including SSDI, Social Security Disability Insurance) and otherwise having some disability. Other criteria that could be used for Medi-Cal eligibility include old age (65 and over), blindness, pregnancy, children under 21 years of age undergoing certain parental circumstance, or enrollment in CalWorks (the state’s TANF program), Refugee Assistance, or foster care services. With a permanent disability—one expected to last more than twelve months and prevents her from working—Melissa would qualify for SSDI, according to a benefits calculator on the Social Security Administration’s website. And as far as SSDI’s work requirements: having previously worked five years as a banker, she has earned twenty working “credits,” the minimum required to begin earning disability benefits at her age.
While this along qualifies her for Medi-Cal, an income test and a property test are still required to determine whether she will receive the Medicaid benefits at no cost to her or if she will have to enroll in a cost-sharing program, in which case she would have to pay an amount up to the difference between her share of income and the amount known as the Medical Need Allowance Level, per month—after this difference is paid, however, Medi-Cal would pay for all further medically-eligible costs for the remainder of the month. The test used to determine Melissa’s share of income is as follows: First we take into account the total monthly income in Melissa’s household in the present time: $3250 ($39000/12 months). Then we subtract from this amount an automatic $85 in automatic earned and unearned income deductions. We divide this second amount, $3165, by two to account for the fact that Doug’s income is being shared by both himself and Melissa—this gives us now $1582.50. Deducted from this figure is the Medical Need Allowance, which is determined by the number of persons in the household—a family size of two (not counting herself) corresponds to an MNA of $750. Melissa’s resulting eligible income is now $832.50. Based on this income test, Melissa would qualify as an individual recipient of “no Share of Cost” Medi-Cal if her countable income is under $1133, which is indeed the case as we have calculated:

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\frac{3250 - 85}{2} - 750 = 832.50 < 1133.00
\]

The property requirements state that, as part of a family of three, Melissa must hold no more than $3150 in shared, countable property. The house Doug and Melissa own and are making payments on is automatically exempt from this requirement as it is their home, and generally one automobile is excluded as well. A closer look at the specific property exclusions, however, show that additional vehicles can be excluded if their fair market value is under $4650. In the case of the Millers, we could say that both cars would be excluded from the property test under this
provision—they would not have to transfer or liquidate any vehicles. The property test also includes all checking and savings accounts, however. Doug and Melissa share $4500 in a checking account, which would put them over the limit dictated by the Medi-Cal requirements; to meet the eligibility standards; they would have to spend the difference of the $4500 and the maximum allowable amount of $3150. Would they not pass the property test, Melissa and Doug would have a month after applying to make any necessary changes (eg. spending down the checking account, selling off excessive assets) in order to meet the requirements. Additionally, this option would have only been available to them as Melissa would qualify for Medi-Cal’s Long-Term Care program because of her permanent disability and because she is staying in a care facility for more than one month. Passing both the income and the property tests, however, we can conclude that Melissa would indeed qualify for Medi-Cal.

Of course, it’s fine that Melissa can qualify for Medi-Cal, but the question remains of what services exactly California’s Medicaid program would cover. Medi-Cal covers all doctor visits and hospital care, as well as prescription drugs and vision care—including her current stay in the rehabilitation hospital, even though disability claims for Medi-Cal reportedly take up to 90 days (three months) to be fully processed and to verify that the claimee indeed has a long-lasting disability. And as far as Melissa’s debts from her month-long stay in a hospital Intensive Care Unit—debts likely staggering in the tens of thousands of dollars, at minimum—the State of California has a provision to allow Medi-Cal beneficiaries to request retroactive benefits for the three months preceding the month in which they applied for the Medicaid program. Typically, Medi-Cal benefits take effect retroactively at the beginning of the month in which one submits an application, but this can be extended further through this request, which can be made either at the time of initial application or sometime within twelve months of the period that one is making
a retroactive request. The only caveat would lie within the requirement that the Medi-Cal recipient must have been eligible for the program at the beginning of each of the three months—certainly questionable considering that the Millers share $4500 ($1400 over the property test’s limit) in their checking account. Retroactive requests are typically automatically approved, but if Melissa is denied these additional three months of benefits, she would have to find other means—loans, family contributions, etc.—to pay off these costs. Finally, the purchase of a wheelchair-ready van the Millers are considering would also not fall under the benefits, as it would not fall into the category of “necessary, durable medical equipment,” although this does mean that the state will gladly pitch in the funds to pay for the wheelchair itself.

Another program that Melissa and Doug would likely look into is Sacramento County’s CMISP, the County Medically Indigent Services Program. This program is similar to Medi-Cal in its scope of benefits except that all out-of-hospital services must be cared for at Sacramento’s County Health Care clinic (emergency services are covered by method of referral and only if the hospital has made prior arrangements to accept CMISP). CMISP is meant as a healthcare program of last resort for residents of Sacramento County, however, and because Melissa would fully qualify for Medi-Cal, she would be ineligible for this program unless there were certain benefits which Melissa would not be allowed to receive—not the case for the Millers. Also, as a side note, it may be possible for Doug to be eligible for CMISP if he so wanted, as the County of Sacramento uses the same income and property tests as does the state in determining Medi-Cal eligibility.

Considering the circumstances of the Miller family, it appears as though Melissa will be able to receive benefits for previous and further healthcare she needs for her disability at no cost to the household. This comes, however, at the expense of having to spend down their bank account
and thus having fewer resources for any further financial matters that may arise, such as potential caregiving costs for their son, Jacob. In the specific case of Jacob, he would qualify for the state’s SCHIP healthcare program for children, Healthy Family, as the maximum net income (after a $290 deduction) allowed for a family of three is $3978 per month, and Doug’s average monthly earnings is $3250. This would provide little Jacob with health insurance with premiums under $22 per month, but it is important to note that the benefits are strictly health-related and would not nearly extend to any daycare or other caregiving needs. It would probably be in the entire family’s interest if they made some lifestyle changes to ensure some sort of “rainy day” fund. Perhaps it may be cutting down on more “luxurious” utilities such as mobile phone plans or cable television packages, or it might mean eating out less and adopting more low-cost diets. It could mean selling off the vehicle worth $8000, a smart idea considering that it is probable that Melissa would not be able to drive it; or perhaps it might just mean the purchase of less non-essential goods—going as far perhaps to spend less on Christmas gifts to friends and family members. Looking further into the future though, it also means that Doug would not be able to take significant raises or promotions as it might push the family into exceeding the limits of Medi-Cal’s income test. It appears as though by taking at least some of these austerity measures, the situation with the Miller family will be financially sound and they will be able to have all their medical needs covered at low-to-no cost.

Finding all the information required to estimate the various benefits and costs for the Millers did take some searching and delving-into, but it was all readily available online. It might be said that most of the government-run websites visited for research did not rank highly in terms of user-friendliness, and often was it needed to scroll and skim through page after page, link after link, to find the little nuggets of information that were needed to verify the effects of a certain
situation. Rarely was any simple formula given to calculate figures—vague directions were mainly the rule, with the exception of what seemed to be fairly new calculator-wizards designed to easily let people enter their age, income amounts, etc., and quickly see whether or not they are likely to qualify. It may leave something to say about the public perception of many welfare programs—that they are poorly-run and that decisions on potential benefits are largely made on an arbitrary if not random basis—when the websites of the Social Security Administration and Medi-Cal (itself buried within other information) are not designed with easy in mind. Nevertheless, providing that the Millers are web-savvy, it is very likely that their situation will greatly improve with the help of California’s state-run healthcare programs.

URL to a wiki on social benefits available in Sacramento, based partly on the information above:

http://california17317.wikispaces.com/

Sources Used:

Sacramento County Health and Human Services
- http://www.dhhs.saccounty.net/PRI/Pages/Patient-Information/GI-Patient-Information.aspx
- http://www.dhhs.saccounty.net/PRI/Pages/CMISP/GI-CMISP-Program-Exclusions.aspx

Sacramento County Department of Human Assistance
- http://dhaweb.saccounty.net/Medical/documents/CMISP%20FAQs.pdf

California Department of Health Care Services
- http://www.dhcs.ca.gov/services/medi-cal/Pages/MediBen_Svcs.aspx
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California Healthy Families
•  [http://www.healthyfamilies.ca.gov/HFProgram/Costs.aspx](http://www.healthyfamilies.ca.gov/HFProgram/Costs.aspx)

BenefitsCalWIN
•  [https://www.benefitscalwin.org/](https://www.benefitscalwin.org/)

Social Security Administration
•  [http://www.socialsecurity.gov/retire2/credits1.htm](http://www.socialsecurity.gov/retire2/credits1.htm)
•  [http://www.socialsecurity.gov/retire2/AnypiaApplet.html](http://www.socialsecurity.gov/retire2/AnypiaApplet.html)
•  [http://www.socialsecurity.gov/retire2/credits3.htm](http://www.socialsecurity.gov/retire2/credits3.htm)

The Health Consumer Alliance
•  [http://www.healthconsumer.org/Medi-CalOverview.pdf](http://www.healthconsumer.org/Medi-CalOverview.pdf)
•  [http://healthconsumer.org/cs044ABD-MN.pdf](http://healthconsumer.org/cs044ABD-MN.pdf)

Other fact-finding forums
•  [http://www.trulia.com/voices/General_Area/What_is_the_average_cost_of_utilities_in_Sacramento-143780](http://www.trulia.com/voices/General_Area/What_is_the_average_cost_of_utilities_in_Sacramento-143780)