



# The Elimination of the Share of Cost Buyout Program

## ***What is Share of Cost?***

Some consumers have income that is too high to qualify for IHSS or Medi-Cal. If they meet other eligibility requirements, they may still be eligible for both programs with a monthly share of cost (SOC). The SOC is the amount that the individual will have to pay for services out of their own pocket, similar to a monthly deductible.

## ***How is SOC calculated?***

SOC for IHSS and Medi-Cal are determined in the following ways.

### IHSS SOC

Income – SSI maximum benefit level\* – applicable deductions = SOC

\* As of October 1<sup>st</sup>, SSI maximum benefit levels are \$845/month for an individual and \$1,407.20 for couples.

### Medi-Cal SOC

Income – maintenance need level\*\* – applicable deductions = SOC

\*\* The current maintenance need levels are \$600/month for a single adult. The levels increase with each additional adult and child living in the household (i.e., \$750 for one adult and one child, \$934 for a family of three, etc.).

## ***What is the SOC Buyout Program?***

All IHSS consumers are also enrolled in Medi-Cal. The SOC buyout program was implemented to protect consumers who would have to pay a greater SOC under Medi-Cal rules than they would have to pay under IHSS guidelines. The buyout program reduces the total SOC for certain consumers by paying for the difference between their IHSS SOC and their Medi-Cal SOC.

### ***Why is the program being eliminated?***

The State of California is in a financial crisis. Recent legislation passed to help balance the State budget will eliminate the SOC Buyout Program beginning October 1<sup>st</sup>. This means that nearly 10,000 consumers throughout the state will no longer benefit from the program and will have to pay a higher SOC.

### ***How will this effect a consumer's SOC?***

Not all consumers with a SOC are on the buyout program. Those who are will receive a notice from the state regarding any changes in their SOC. Below are examples of how this could affect some consumers.

#### **Example 1**

Jane is an IHSS consumer who lives alone and has an income of \$1,200 per month.

##### Jane's IHSS SOC

$$\$1,200 - \$845 - \$20 \text{ (a standard deduction)} = \$335/\text{month}$$

##### Jane's Medi-Cal SOC

$$\$1,200 - \$600 - \$20 \text{ (a standard deduction)} = \$580/\text{month}$$

$$\text{Difference} = \$245/\text{month}$$

Up until October 1<sup>st</sup>, Jane has been responsible for paying a \$335/month SOC and the buyout program has picked up the additional \$245/month. Beginning October 1<sup>st</sup>, Jane will be responsible for paying the full Medi-Cal SOC of \$580/month.

#### **Example 2**

Mike is an IHSS consumer who lives with his son and has an income of \$1,250 per month.

##### Mike's IHSS SOC

$$\$1,250 - \$845 - \$20 \text{ (a standard deduction)} = \$385/\text{month}$$

##### Mike's Medi-Cal SOC

$$\$1,250 - \$750 - \$20 \text{ (a standard deduction)} = \$480/\text{month}$$

## **Difference = \$95/month**

Up until October 1<sup>st</sup>, Mike has been responsible for paying a \$385/month SOC and the buyout program has picked up the additional \$95/month. Beginning October 1<sup>st</sup>, Mike will be responsible for paying the full Medi-Cal SOC of \$480/month.

### ***What can I do if my SOC is increased?***

Consumers affected by this change will not be able to file an appeal based on these increases. However, an appeal may be filed if the consumer believes that their SOC has been calculated incorrectly, or if they feel that the notice is inadequate and does not advise them of the adverse action that is being taken against them. Appeals can be filed by calling **800-952-5253**. For more information on appealing the adjustment to your share of cost, contact the legal aid foundation at **213-640-3926**.

In addition, consumers can contact their Medi-Cal eligibility worker for information on programs that allow individuals to receive Medi-Cal with a \$0 SOC such as:

- The 250% Working Disabled Program – allows an individual to earn an income and purchase full-scope Medi-Cal by paying a monthly premium
- The Aged and Disabled Federal Poverty Level Program - provides free, full scope Medi-Cal services for seniors and individuals with disabilities who meet certain income and asset requirements
- The Medi-Cal 1619b waiver – allows working SSI recipients to maintain eligibility for Medi-Cal even if their SSI payments have been reduced to \$0
- The Medi-Cal Pickle Program - provides free Medi-Cal to individuals who became ineligible for SSI due to COLAs for Social Security