

November 2025

Important changes about Medi-Cal asset limits rules

Dear Medi-Cal Member,

A new California law sets a limit on the total amount of assets (property) a person or family can have to qualify for Medi-Cal. Starting January 1, 2026, California will count assets when determining eligibility for Medi-Cal members and applicants whose eligibility is based on being age 65 or older, having a disability, living in a nursing home, or being part of a family that is over the income for Medi-Cal using federal tax rules.

The new asset limits are:

- \$130,000 for one person.
- Plus \$65,000 for each additional household member (up to 10 people total).
- There may be higher asset limits for some married couples and registered domestic partners (ask your county office about “Spousal Impoverishment” to see if you qualify).

What are assets?

Assets are things you own that have a monetary value. Assets include:

- **Bank accounts** (checking, savings, CD balances)
- **Cash**
- **Secondary vehicles and homes** (secondary homes meaning homes you own, but do not live in)
- **Stocks, bonds, and investment accounts**
- **Other financial resources, no matter where those items are located**

Assets also include things you own jointly with others.

Some Assets Do Not Count

Some things you own do not count toward the asset limit, such as:

- The home you live in
- One vehicle
- Household items
- Certain retirement accounts

Not all assets count toward the asset limit, but all assets should be reported so the county Medi-Cal office can make an official decision.

If you have too many counted assets, you may reduce your assets to continue to qualify. The [MC 007](https://bit.ly/MC007-ENG) (<https://bit.ly/MC007-ENG>) form has more information about what counts as an asset and explains how to reduce your excess assets to qualify for Medi-Cal. Ask your county Medi-Cal office for a copy of the [MC 007](#).

You do not need to do anything right now.

If you already have Medi-Cal, you must report your assets when you renew your coverage or report any changes **on or after January 1, 2026**.

However, if you are over the asset limit, you may want to consider spending some of your money or transferring countable assets out of your name so you can continue receiving coverage. If you do not meet the asset limit at the time of your renewal, you may lose your Medi-Cal coverage.

If you have questions or need help, contact your county Medi-Cal office or visit our website at <https://www.dhcs.ca.gov/Get-Medi-Cal/Pages/asset-limits.aspx>. Find your county Medi-Cal office information at <http://dhcs.ca.gov/COL>. For general questions about Medi-Cal, call the free Telephone Service Center (TSC) at **1-800-541-5555**

Thank you,

Department of Health Care Services
State of California

FREQUENTLY ASKED QUESTIONS

When will asset limits count?

Starting January 1, 2026, California will count assets (property) when determining eligibility for Medi-Cal members and applicants whose eligibility is based on being age 65 and older, having a disability, living in a nursing home, or being part of a family that is over the income limits for Medi-Cal using federal tax rules. This means that, starting in 2026, Medi-Cal will ask for information about the things you own, which may change your eligibility status.

What are assets?

Assets are things you own that have a monetary value. These items include, but are not limited to, bank accounts, cash, second vehicles, second homes, and other financial resources, no matter where those assets are located. Please see below for examples.

Examples of Asset Types

| Not Countable | Countable |
|---|-----------------|
| Primary Home (where you live) | Second Homes |
| Primary Vehicle | Second Vehicles |
| Household items (furniture, clothing, etc.) | Cash |
| Retirement funds (like IRAs), if you are receiving the Required Minimum Monthly Distribution or periodic payments of interest and principal | Bank Accounts |

What are asset limits?

Asset limits are the maximum amount of countable assets you can have and still get or stay on Medi-Cal under certain programs. Starting January 1, 2026, the asset limit is \$130,000 for one person only, and the limit increases by \$65,000 for each additional family member (10 people maximum). Not all members of your household may be included when determining eligibility. For example, if you are living with your adult children, they would not be included when determining your family size or your countable assets.

Some married couples and registered domestic partners may have higher asset limits (ask your county Medi-Cal office about “Spousal Impoverishment” to see if you qualify).

Who do the asset limits apply to?

Asset limits will apply to Medi-Cal members and applicants whose eligibility is based on being age 65 or older, having a disability (physical, mental, or developmental), living in a nursing home, or being part of a family that is over the income limits for Medi-Cal using federal tax rules.

Why are asset limits being counted?

California passed a law requiring that asset limits be used in the Medi-Cal eligibility determination for certain Medi-Cal programs that are not based on Modified Adjusted Gross Income federal tax rules, starting January 1, 2026.

What do I need to do now?

You do not need to do anything right now. If you already have Medi-Cal, you must report your assets when you renew your coverage on or after January 1, 2026.

However, if you are over the asset limit, you may want to consider spending some of your money or transferring countable assets out of your name so you can continue receiving coverage. If you do not meet the asset limit at the time of your renewal, you may lose your Medi-Cal coverage.

Will transferring assets out of my name affect my Medi-Cal?

For most individuals, giving away or selling their assets does not impact their Medi-Cal eligibility.

If you are living in a nursing home or may need long-term care Medi-Cal in the future, assets that you give away in 2025 will NOT affect your Medi-Cal benefits.

However, after January 1, 2026, giving away your nonexempt (counted) assets for less than their value could delay the effective date of your coverage for long-term care Medi-Cal.

How can I reduce my countable assets?

Most individuals can give away or sell their countable assets to bring themselves within the asset limit without impacting their Medi-Cal eligibility.

If you are living in a nursing home or may need long-term care Medi-Cal in the future, assets that you give away in 2025 will NOT affect your Medi-Cal benefits. After January 1, 2026, individuals who want to qualify for long-term care Medi-Cal, and are over the asset limit, must spend down their countable assets to qualify. Spending down your assets is buying things you want or need to reduce your countable assets.

Some examples of ways to reduce/spenddown assets include:

- Pay medical bills (non-reimbursable medical bills)
- Buy clothes or items for your home
- Pay rent or your home mortgage

- Pay educational expenses
- Make repairs to your home
- Pay off your auto loan
- Pay off other debts

What happens if I need Medi-Cal long-term care (like a nursing facility or community-based services) and transfer my assets?

If you enter a long-term care facility, you are subject to a "look-back" period, which is when Medi-Cal looks at transfers of nonexempt (counted) assets you may have made within the past 30 months before entering the facility. Depending on the amount of the transfer, you may receive a transfer penalty, which could delay your Medi-Cal for long-term care coverage.

Transfers made on or after January 1, 2026, will be subject to a look-back period. Transfers made on or after January 1, 2024, through December 31, 2025, will NOT be included in the look-back period.

What are the ways a person in long-term care can transfer assets?

Individuals in long-term care can give away and/or sell non-exempt (countable) assets in the following ways without losing Medi-Cal coverage for long-term care services under the following conditions:

- The assets are transferred (given) to the spouse (or to another person who will use them to assist the spouse at home).
- The assets are transferred (given) to a blind or disabled child of the person in the facility.
- The assets are being exchanged for something of equal value.

Contact your county Medi-Cal office for information on acceptable ways to transfer assets to keep your Medi-Cal.

What if I live in a nursing facility and have a spouse or registered domestic partner?

Married individuals who need Medi-Cal-covered nursing facility care either at home or in a facility can split their assets with their spouse/registered domestic partner up to a certain amount. Contact your county Medi-Cal office for more information.

What if I live in a nursing facility and own my own home?

If you live in a nursing facility and own a home you intend to return to, it is exempt as the primary home. The home also continues to be exempt if the Medi-Cal applicant's or member's spouse/registered domestic partner or dependent relative continues to live in it. Additional houses beyond the primary home are counted as an asset.