



Working Together: CalABLE and Your Benefits Providers

March 24, 2021



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■ Presentations Slides

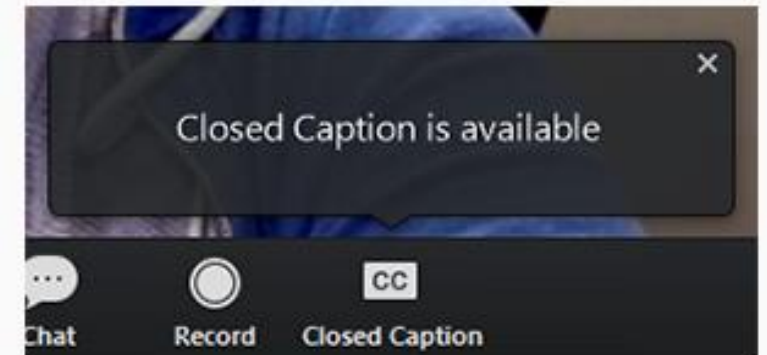
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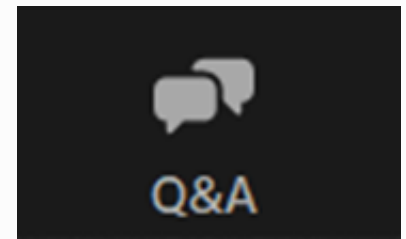
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- Audio-only participants may email us at calable@treasurer.ca.gov
- We will address your questions at the end of the presentation.



Welcome

Fiona Ma, California State Treasurer



Today's Topics

- I. ABLE Basics
- II. Social Security Administration (SSA)
- III. Department of Social Services (DSS)
- IV. Department of Health Care Services - Medi-Cal
- V. Resources
- VI. Q & A

ABLE Basics

Achieving a Better Life Experience Act (ABLE)

Background

- 2014 - The ABLE Act was established to empower people with disabilities and help them save to cover the additional costs of living and working with a disability.
- Added Section 529A Qualified ABLE Program to the Internal Revenue Code
- Allowed states to create **tax-advantaged** savings and investment programs for people with disabilities.



ABLE Background

- An ABLE account **will not affect eligibility for means-tested benefits like SSI or Medi-Cal.**
- Allows individuals with disabilities to maintain public benefit status even while saving and investing above the established resource limit of \$2,000.
- The assets in your ABLE account are protected so people with disabilities can provide financial support for themselves and their families.

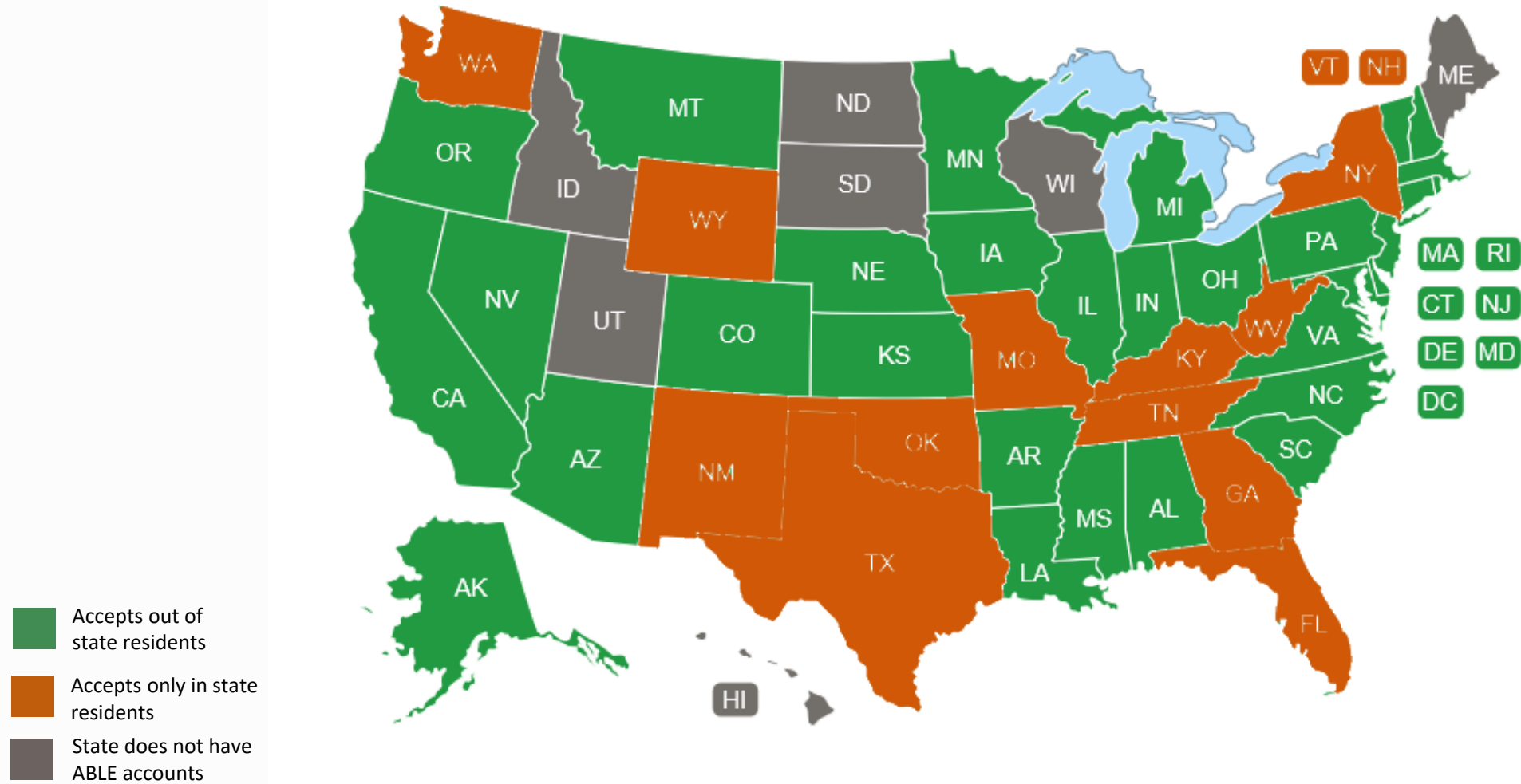
California ABLE Act: “CalABLE”

CalABLE - California’s ABLE Program

- A national program and mirrors the federal law
- Online-based savings and investment program
- Program administered by the State Treasurer and overseen by seven-member Board
- Launched on December 18, 2018



United States ABLE Programs Map

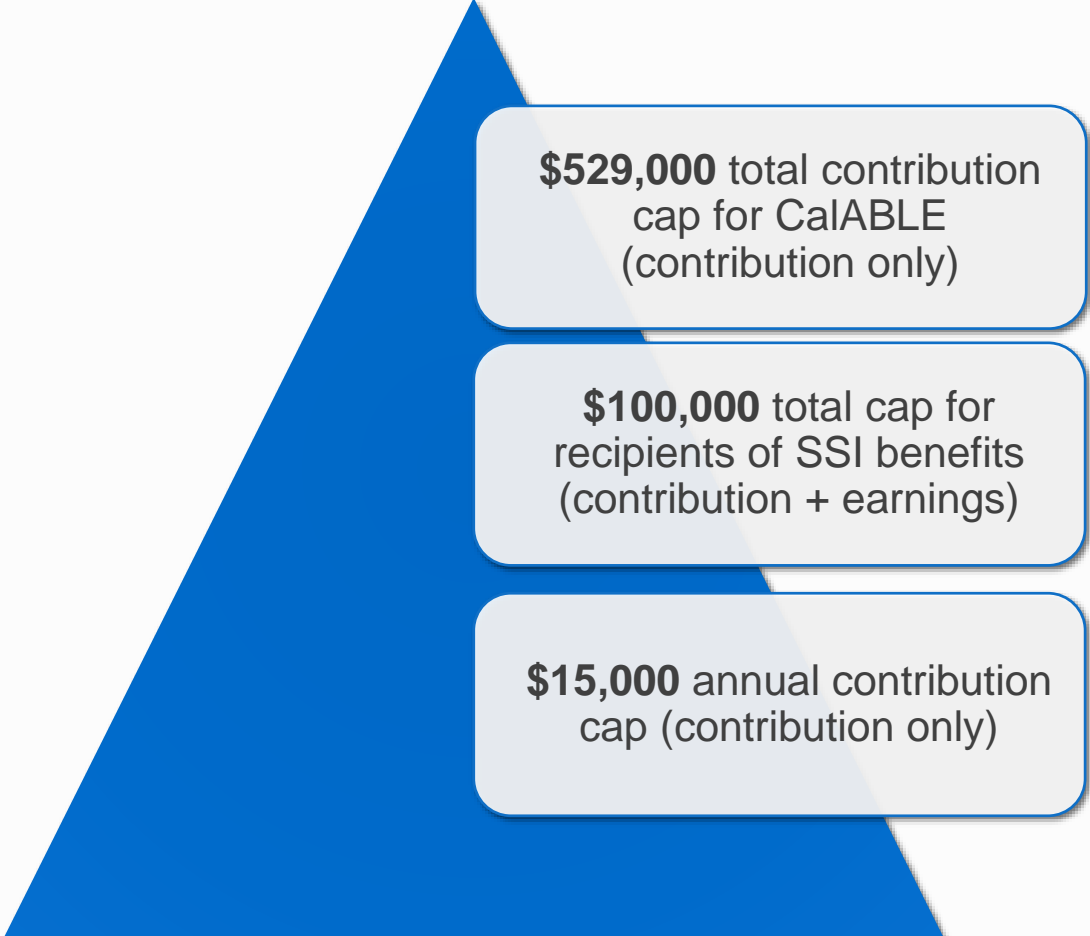


Who is Eligible?

- Must be disabled before age 26 – **AND** –
- Meets the eligibility criteria for disability benefits like SSI or SSDI - **OR-**
- Self-certification: Has been diagnosed by a qualified physician with a physical or mental disability resulting in marked and severe functional limitations that is expected to last at least one year.
- Condition is listed on SSA's List of Compassionate Allowances or Blue Book Listings

Account Contributions

- Before the ABLE Act
 - A person with a disability could not save more than \$2,000 without impacting their SSI
- Now
 - You can save up to \$15,000 per year and up to \$100,000 in total before SSI is impacted
- CalABLE will automatically reject excess contributions



\$529,000 total contribution cap for CalABLE (contribution only)

\$100,000 total cap for recipients of SSI benefits (contribution + earnings)

\$15,000 annual contribution cap (contribution only)

What is a Qualified Disability Expense (QDE)?

- Any expense related to the designated beneficiary as a result of living a life with disabilities that **helps maintain or improve your health, independence or quality of life**
- Categories are **intentionally broad**, and include education, **housing***, transportation, health care expenses and more

Social Security Administration

Guest Speaker

Michael Kojis, PASS Specialist
Social Security Administration

Michael Kojis is a specialist for the Social Security Administration's PASS program, which lets disabled individuals set aside income and resources to pay for items or services needed to achieve a specific work goal. The objective of PASS is to help disabled individuals fund their educational or business startup costs -- leading to employment that reduces dependency on SSI or SSDI benefits. Michael also serves as a an agency liaison and policy contributor for various SSA work incentives. Prior to working at SSA, Michael held positions as a project supervisor with the San Diego Urban Corps; and case manager/lead trainer for the San Diego Labor Council.





ABLE and SSI

A future of possibilities...





An Excludable Resource

- Federal policy allows an SSI recipient to save up to \$100,000 in an ABLE account
- The ABLE funds do not count towards the \$2000 resource limit for an individual, \$3000 for a couple
- Any unspent distribution, if not for housing, will likely not count as a resource for SSI



Income Considerations



Contributions to the account may be made by any person, up to a total limit of \$15,000/yr.

Contributions by persons other than the account owner are not considered income for SSI


Working account owners can contribute above the \$15,000 annual limit, if they or their employer are not contributing to a retirement plan

Special Notes

- If an SSI recipient decides to contribute part or all of their own income from work, unemployment, SSDI, etc., those funds still count as income for SSI before going into the ABLÉ account



- If so desired, Social Security benefits may be directly deposited into an ABLÉ account
- Even retroactive SSI or SSDI benefits can be deposited as well



ABLE account distributions
are excludable, if for Qualified
Disability Expenses (QDEs)

QDE examples: Education,
Housing, Transportation,
Health, & Assistive Technology

Other Expense Factors



Basic living expenses, such as food, are also QDEs.

- As are personal support, prevention and wellness services,
- Legal fees, financial management, and
- Funeral and burial costs



Housing expenses too are QDEs, such as:

- Mortgage, rent, property taxes
- Gas, electric, water, and
- Sewer and garbage removal



Any distribution for housing expenses, or for non QDEs, is counted as a resource for SSI if retained by the account owner past the month of receiving it.

Finally, it is recommended that the monthly ABLE account statements, as well as receipts for large distributions, be kept in order, for any SSI reviews.

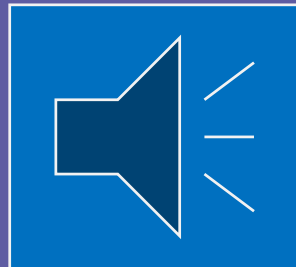


Reference: SSA Program Operations Manual System SI 01130.740



Ways to
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SSA

1-800-
772-1213



www.ssa.gov

**WHO IS THE
MOST AWESOME
PERSON TODAY?**



Department of Social Services



Guest Speaker

Yazmin Saenz, CalFresh Policy Section Chief
Department of Social Services

Yazmin Saenz joined the California Department of Social Services, CalFresh and Nutrition Branch in July 2015. Most recently, her role has been supporting the development of policies and procedures, providing technical assistance and guidance, and leading special projects to improve program access. Prior to joining CDSS, she worked for Santa Cruz County as a Benefits Representative Supervisor and has nearly 8 years of county eligibility experience.





CalFresh and CalABLE

March 2021

CalFresh Program Overview: What is CalFresh?

- CalFresh, California's Supplemental Nutrition Assistance Program (SNAP), provides monthly food benefits for individuals and families with low-income.
- CalFresh is the largest food assistance program in California with the aim of reducing hunger and improving access to nutritious, affordable food.
- CalFresh benefits are issued monthly to eligible households via an Electronic Benefit Transfer (EBT) card.
- Households experiencing an "emergency" situation will receive benefits within 3 days of application.

CalFresh Basic Eligibility: Who's Eligible

- “Households” get CalFresh benefits.
- To get CalFresh benefits, the household’s monthly gross income must be less than the gross income limit — 130% Federal Poverty Level (FPL).
 - Household that *include* an elderly or disabled person have to meet 165% of the FPL.
 - If *all* members of the household are elderly and/or disabled the household does not have a gross income limit.
- To qualify, the household’s net income must be less than the net-income limit — 100% FPL. To determine net income, there are various deductions and credits used to reduce the household’s overall earned or other income.
- After all deductions are applied, and it has been determined the household’s net income is below the net income limit, these various deductions and credits are used to calculate the amount of benefits the household will receive.

How is a CalABLE account treated for CalFresh?

For CalFresh eligibility purposes, ABLE/CalABLE accounts are excluded as both income and resources.

How are income contributions treated?

Income contributed or directly deposited into a CalABLE account is counted as income in the month received and considered an excluded resource thereafter.

Example:

A household has their SSI income of \$847 directly deposited into their CalABLE account. The \$847 is counted as unearned income in the month received and excluded as a resource thereafter.

How are withdrawals treated?

Any withdrawals from a CalABLE account used toward qualifying expenses are not be counted as income for CalFresh.



Department of Health Care Services - Medi-Cal

Guest Speaker

Meuy Saeteune, Program Analyst
Medi-Cal Eligibility Division
Department of Health Care Services

Meuy Saeteune is currently a Program Analyst in the Financial Eligibility Unit within the Medi-Cal Eligibility Division at the Department of Health Care Services. Meuy started her career at DHCS as analyst for the Managed Care Operations Division as an Ombudsman. Prior to state service, Meuy worked with Sacramento County as an Eligibility Specialist for the Medi-Cal program.



Guest Speaker

Oksana Hill, Chief of the Special Collections Branch

Third Party Liability and Recovery Division

Department of Health Care Services

Oksana Hill is the Chief of the Special Collections Branch within the Third Party Liability and Recovery Division. She oversees several tort recovery programs, including Estate Recovery, Special Needs Trust, Medical Malpractice, Class Action, and Workers' Compensation. During the past nine years with the Division, her successes include redesign of the Personal Injury and other recovery programs, implementation of innovative business processes, and the development of the new case management system. Oksana also serves as the Assistant Division Chief.





Medi-Cal and CalABLE

Questions & Answers

Presented by:

Medi-Cal Eligibility Division

Third Party Liability and Recovery Division

Department of Health Care Services



Contributions to ABLE Accounts

- **Does contributing to an ABLE account help reduce my income to qualify for programs?**
 - A beneficiary cannot reduce their countable income by diverting it into an ABLE account.
 - Having an ABLE account does not change the income counting rules for Medi-Cal



Income Contribution Example

- A beneficiary has their SSA income of \$900 directly deposited into their ABLE account each month. The \$900 is countable income in that month even though it is deposited into an ABLE account.
- The result is the same if the beneficiary first deposits their income into a Non-ABLE checking account and then transfers that income to an ABLE account. The income is counted one time, when it is received.



Medi-Cal Benefits and ABLE Accounts

- **Does Medi-Cal know that I have an ABLE account, or do I need to tell them?**
 - Medi-Cal will not know about any accounts the beneficiary has not reported to the county.
 - Once an account is established, the beneficiary should report within 10 days of the new change.
- **Will my benefits be cancelled if I have an ABLE account?**
 - Having an ABLE account does not disqualify a beneficiary or applicant for Medi-Cal.



Third Party Contributions

- **I am my son's IHSS provider. Can I deposit this income into an ABLE account?**
 - Third party contributions (made by persons other than the designated beneficiary) to an ABLE account are disregarded in determining Medi-Cal eligibility.



Qualifying for other Programs

- **Is CalABLE compatible with other Medi-Cal programs such as the Health Homes Program, Coordinated Care Initiative, or ACEs Aware?**
 - These are special programs and they have different rules for program enrollment, aside from a Medi-Cal eligibility determination.
 - For example, Coordinated Care Initiative is county specific and would require the beneficiary to have full scope Medi-Cal prior to being enrolled in the program.



Treatment of Distributions

- Distributions from ABLE accounts are not counted for Medi-Cal eligibility purposes when they are used for Qualifying Disability Expenses (QDE's)
- Distributions for Non-QDEs may affect Medi-Cal eligibility and must be reported by the beneficiary to the county and the county must determine if the distribution is countable as income or property.



Estate Recovery

- **Will Medi-Cal seek estate recovery against remaining ABLE account funds upon a beneficiary's death?**
 - Federal law requires states to seek recovery against the estates of certain deceased Medicaid beneficiaries.



Estate Recovery

What does this mean?

- When funds in an ABLE account have become part of a deceased beneficiary's estate, Medi-Cal will recover only if ALL of the following apply:
 - The deceased Medi-Cal member was aged 55 or older
 - Leaves an estate that is subject to formal probate. Under current law, only estates that exceed \$166,250 in value are subject to formal probate.
 - Received nursing facility services or home and community-based services, including related hospital and prescription drug services.
 - Is not survived by a spouse or registered domestic partner, child under 21 years of age, or disabled child of any age.
- Recovery is limited to the amount of payments made for the services listed above (including managed care premiums) or the value of the estate, whichever is less.
- Heirs of the estate may apply for a hardship waiver if an Estate Recovery claim would cause a substantial hardship.



Other Questions

What happens to money in the ABLE account when a beneficiary passes away?

According to Welfare and Institutions Code Sections 4875-4885:

- Up to \$100,000 is exempt from money judgments from general creditors.
- Prior to death, the beneficiary can designate another ABLE account beneficiary to receive the funds. The beneficiary's estate can also make this designation. The funds can be inherited by loved ones from the beneficiary's estate if not subject to Estate Recovery.

Submitting Questions

Please use the Q&A box to submit any questions you have. We will try to answer them all.

Additional Resources

- Frequently Asked Questions: <https://www.treasurer.ca.gov/able/final.pdf>
- CalABLE YouTube channel: <https://www.youtube.com/channel/UCk02cbbE8PCkHATlvrsTfIA> has additional information on topics such as CalABLE 101, Special Needs Trusts, Qualified Disability Expenses and Rollovers.



Government Resources

- Program Operations Manual System (POMS) (4/16/2020)
<https://secure.ssa.gov/apps10/poms.nsf/lnx/0501130740>
- Treatment of ABLE Accounts in HUD-Assisted Programs
<https://www.hud.gov/sites/dfiles/PIH/documents/PIH-2019-09.pdf>
- CalABLE Account Impacts on Medi-Cal Fact Sheet
<https://www.treasurer.ca.gov/able/resources/factsheets/medi-cal-program-fact-sheet.pdf>

Additional Resources



A collaboration between
NDI and CalABLE

[nationaldisabilityinstitute.org
/achievable-corner](https://nationaldisabilityinstitute.org/achievable-corner)

CalABLE Resources - treasurer.ca.gov/able/resources.asp

ABLE National Resource Center - ABLENRC.org

Disability Benefits 101 - DB101.org



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Before investing in any ABLE program, you should consider whether your home state provides its taxpayers with favorable state tax or other benefits that are only available through investment in the home state's ABLE program. You also should consult your financial, tax, or other adviser to learn more about how state-based benefits (or any limitations) would apply to your specific circumstances. You also may wish to directly contact your home state's ABLE program, or any other ABLE program, to learn more about those plans' features, benefits and limitations. State-based benefits should be one of many appropriately weighted factors to be considered when making an investment decision.

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