



CalABLE and Medi-Cal

4/16/2024



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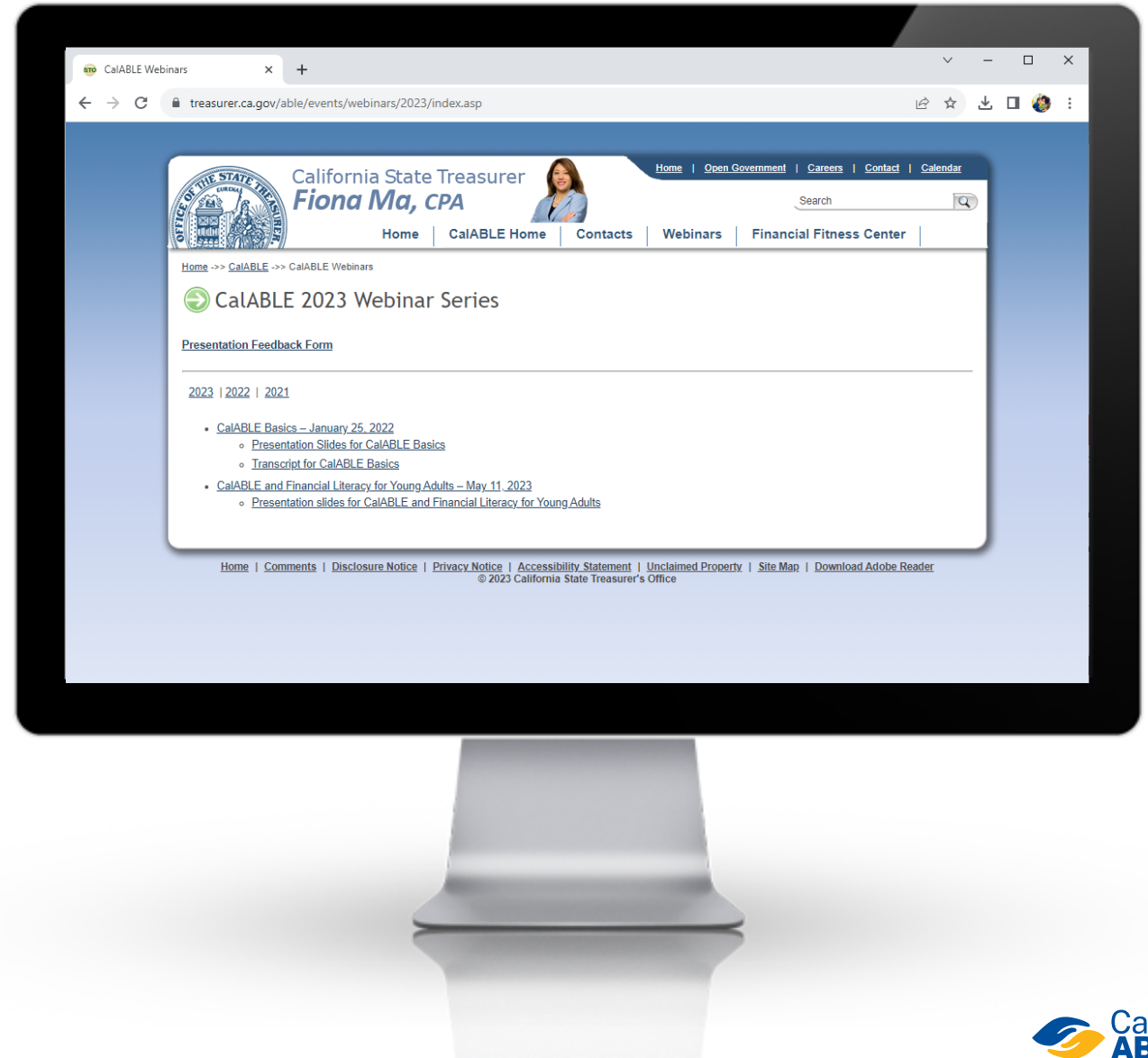
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Presentation Slides

Please visit the CalABLE website for a copy of today's slides.

<https://www.treasurer.ca.gov/able/events/webinars/2024/index.asp>



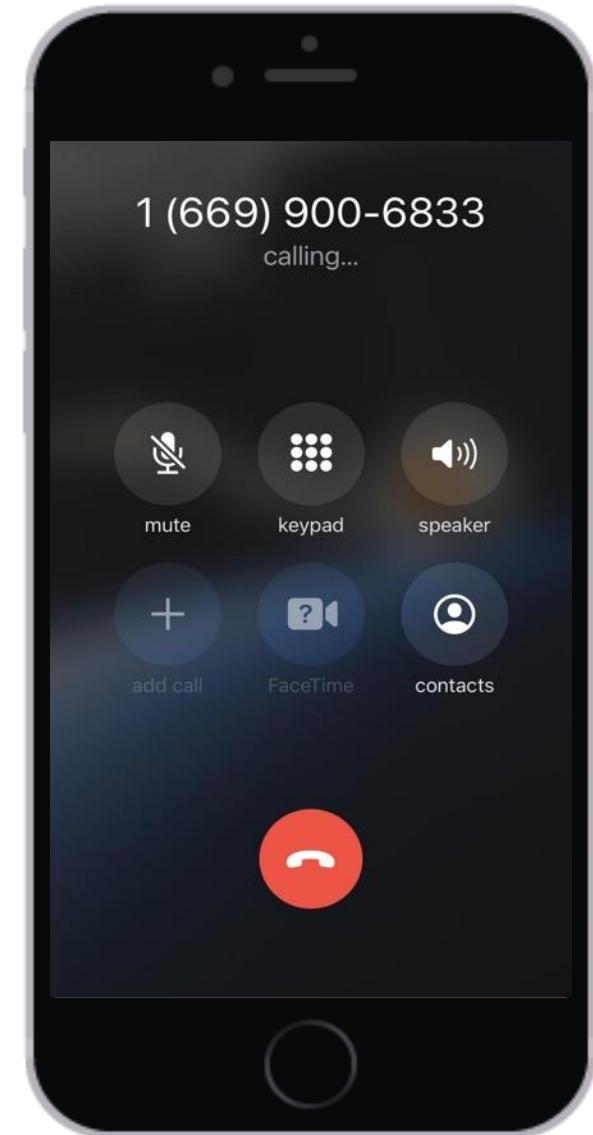
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Via telephone:

1. Call: 1-669-900-6833
2. Enter Webinar ID: 821 5789 7313



Submitting Questions

Q&A Box

Submit your questions using the Q&A box at any time

Email Us

Audio-only participants may email us at CalABLE@treasurer.ca.gov

Survey

Submit your feedback and unanswered questions

We will answer as many questions as possible. Please email us at CalABLE@treasurer.ca.gov if your question is not answered.



Welcome

Fiona Ma

California State Treasurer

Meet CalABLE's Newly Appointed Executive Director Thomas Martin

Thomas most recently served as the Chief of Future Operations and Planning for the Veterans Homes Division at the California Department of Veterans Affairs (CalVet), where he was responsible for research and strategic planning for the state's eight Veterans Homes, which provide long-term care for up to 2,300 former servicemembers. Before becoming chief, Thomas also served in other roles at CalVet, including Assistant Deputy Secretary and Chief of Veterans Homes Operations. Prior to joining CalVet, Thomas held several appointments in the Office of the Governor.

Thomas has been diagnosed with autism spectrum disorder (ASD) and is the proud father of two children diagnosed with ASD and other developmental disabilities. He holds a master's degree in government with honors from California State University, Sacramento and a bachelor's degree in political science and history from the University of California, San Diego.





CalABLE and Medi-Cal.

4/16/2024



Poll: I am a...

- ☒ Account owner
- ☒ Authorized legal representative / Parent

- ☒ State Employee
- ☒ Service Provider

- ☒ Potential CalABLE participant
- ☒ Other



Poll:

Do you have Medi-Cal?



Yes



I'm thinking
of applying



No



CalABLE Basics



CalABLE is a tax-advantaged savings and investment program designed to help people with disabilities achieve their financial dreams.

With CalABLE, you can save money without losing your eligibility for other benefits.

The money in these accounts can be used for qualified disability-related expenses, such as education, housing, and transportation.



Who is Eligible for CalABLE?

You have a disability that began before age 26

- You meet the eligibility criteria for disability benefits like Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI).

Or

- You can self certify if your disability is on the SSA List of Compassionate Allowances or Blue Book listing
 - You may be asked to provide a [signed letter](#) from a qualified physician

* The age limit for onset of disability to increase from 26 to 46 starting in 2026 (ABLE Age Adjustment Press Release)



How much you can contribute to your CalABLE account in 2024?

\$18,000

Amount contribution cap

(contributions only)

\$100,000

**Total cap of recipients
of SSI benefits**

(contributions + earnings)

\$529,000

**Total contribution cap
for CalABLE**

(contributions + earnings)

CalABLE will automatically reject excess contributions

Invest your money

- CalABLE offers 8 professionally managed investment portfolios
- Potential tax-free growth
- Opportunity to build wealth through compound earnings
- Low annual fee of \$30
 - Investment and state administrative fees generally total between 0.28% - 0.45% of the account's balance per year

Please see the appendix for [investment options](#) and [account fees](#)

Poll:

What are you saving for?

☒ First home

☒ Education

☒ Service dog

☒ Recreation and vacation

☒ Accessible vehicle

☒ Technology or equipment

☒ Health and wellness





What can I spend my money on?

Education

Housing

Transportation

Employment training
and support

Assistive technology and
related services

Personal support services

Health Prevention
and wellness

Funeral and burial

Legal fees

Expenses for ABLÉ account
oversight and monitoring

Financial management and
administrative services

And more

You can spend your CalABLE funds on anything that helps you live your best life!

This means any expense that helps the account holder maintain or improve their health, independence or their quality of life.

Categories are intentionally broad and include education, employment, housing, transportation, healthcare expenses, travel, experiences, and more.



How do I open an account?

What do I need to know before I open an account?

- Participants can only have one ABLE account
- The person with a disability is always the ABLE account owner and beneficiary of the funds
- Account can be opened by the person with a disability or an Authorized Legal Representative



Who can be an Authorized Representative:

Power of Attorney

Legal guardian/conservator

Spouse

Parent

Sibling

Grandparent

Representative payee appointed for the eligible individual by the Social Security Administration

The role of the Authorized Legal Representative

An Authorized Legal Representative (ALR) is someone who is allowed under state and federal law to make decisions for the CalABLE account beneficiary. There can be only one ALR per account, but regardless of who opens the account, the beneficiary is the sole owner of all the funds.

[Open an Account](#)[Log In](#)[Español](#)[How it works](#)[Eligibility](#)[Benefits](#)[Investment options](#)[Prepaid Card](#)[Qualified expenses](#)[Resources](#)

CalABLE equips you to save for the future without affecting eligibility for public benefits

Since inception, CalABLE is changing the way people with disabilities can plan and save for their financial futures.

[Open an account](#)

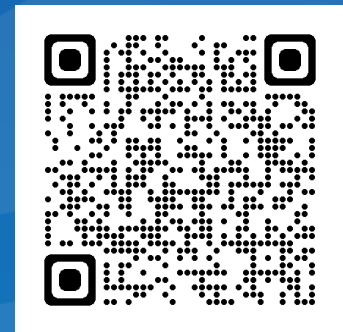
See how it works

Members of the disability community shouldn't have to struggle to build financial security because of the risk of losing public benefits and the high cost of expenses. With CalABLE, you can save for needs and dreams, and afford to live your best life.

Contact Us

CalABLE Service Center

- **Phone: 833-Cal-ABLE (833-225-2253) between 6am and 5pm PT**
 - For those with a hearing impairment, please contact us at the number above via a relay service
- **Customer Support:** <https://www.sumday.com/customer-support/calable>
- **You can sign up to receive our emails, newsletters and information by scanning the QR code.**



Medi-Cal and CalABLE

Overview

- » The California ABLE Act allows qualified individuals with disabilities to open tax-advantaged ABLE accounts in California under California's ABLE program.
- » ABLE accounts allow individuals with disabilities to establish tax-free savings accounts without losing eligibility to public benefit programs.

Medi-Cal Eligibility

Two decorative wavy lines in shades of blue and teal, flowing horizontally across the lower half of the slide.

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 member has not reported to the county.

» **Will my benefits be cancelled if I have an ABLE account?**

- Having an ABLE account does not disqualify a member or applicant for Medi-Cal.

Contributions to ABLE Accounts

» Does contributing to an ABLE account help reduce my income to qualify for programs?

- A member 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 member 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 member 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.

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 individual 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 member to the county, and the county must determine if the distribution is countable as income.

Elimination of Medi-Cal Asset Limits

» Does the elimination of the asset test for Non-Modified Adjusted Gross Income (Non-MAGI) Medi-Cal programs impact treatment of CalABLE accounts?

- Prior to the elimination of the asset test, all funds in an ABLE account were already disregarded in determining property eligibility for Non-MAGI Medi-Cal.
- As of January 1, 2024, Medi-Cal no longer considers property/assets in determining eligibility.
 - For information, visit DHCS' webpage [Asset Limit Changes for Non-MAGI Medi-Cal](#).

If you have additional questions regarding Medi-Cal eligibility rules related to ABLE accounts, please contact the Department of Health Care Services' Medi-Cal Eligibility Division by email at nonmagiinbox@dhcs.ca.gov or by phone at (800) 541-5555.



Medi-Cal Estate Recovery

Can Medi-Cal seek recovery on the remaining assets in the ABLE Account?

- » Medi-Cal will not file a claim directly on ABLE accounts.
- » However, in rare situations where assets from an ABLE account are transferred to an individual's probated estate, those assets may be subject to Medi-Cal Estate Recovery.

Medi-Cal Estate Recovery

- » Medi-Cal's Estate Recovery program will only recover on assets from an ABLE account if they are transferred to a probated estate and only if ALL of the following apply:
 - The individual is a deceased Medi-Cal member aged 55 or older.
 - The individual leaves an estate that is subject to formal probate.
 - Current law, only estates that exceed \$184,500 are subject to formal probate.
 - The individual received nursing facility services or home and community-based services, including related hospital and prescription drug services.

Medi-Cal Estate Recovery:

- » Additionally, Medi-Cal's Estate Recovery program will not pursue repayment if:
 - There is a surviving spouse or surviving registered domestic partner
 - There is a surviving child who is under 21 years of age
 - There is a surviving child (of any age) who is blind or disabled, as defined by the federal Social Security Act
- » Medi-Cal will never collect more than either the value of the Medi-Cal member's estate subject to probate or the amount paid by Medi-Cal for benefits, whichever is less.
- » Specific limitations, waivers, or exemptions may also apply.

If you have additional questions regarding Medi-Cal Estate Recovery, please contact the Department of Health Care Services' Estate Recovery program by email at ER@dhcs.ca.gov or by phone at (916) 650-0590.



Reminders

APRIL IS FINANCIAL CAPABILITY MONTH

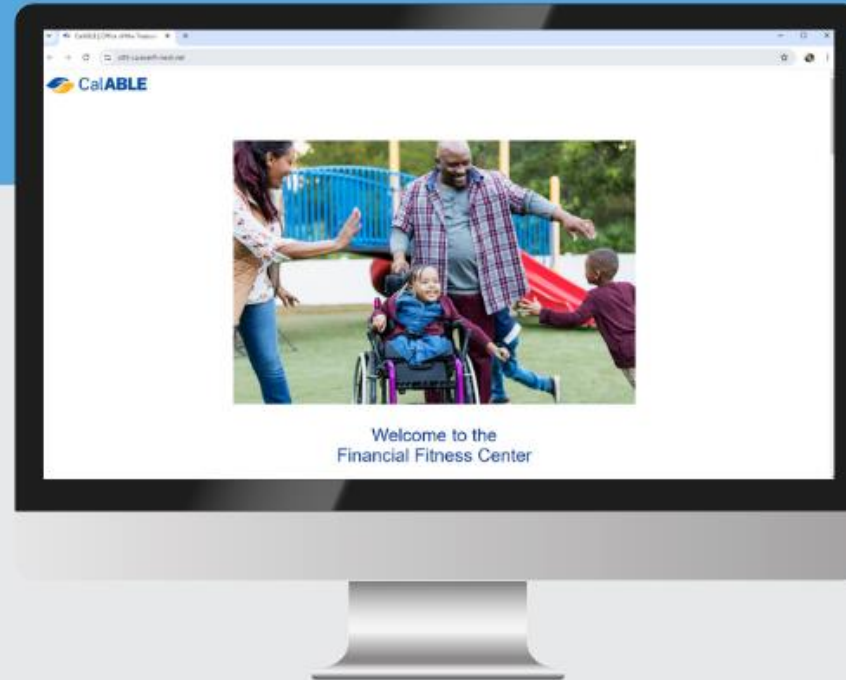
Use CalABLE's Financial
Fitness Center to learn
about:

Financial Foundations

Investing in Your Future

Building Financial Resilience

And more!



calable.ca.gov/resources

Meet the CalABLE Ambassadors!



Adrienne



Charles



Curtis



Miguel



Otto



Raymond



Steven



Tianni

Resources



[Partner Toolkit](#)



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Stay up to date with the latest news and join the conversation on social media



2:00 P.M. - 3:30 P.M. PT

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CalABLE Monthly Webinar Series



CalABLE is a savings and investment program offered by the state of California to people with disabilities that began before reaching age 26.

In this webinar, we will explore:

- CalABLE Basics
- CalABLE security measures
- Fraud prevention tips



Detalles en español en el post de abajo



Fill out the anonymous webinar survey!

1. I am a... CalABLE participant, ALR, potential CalABLE participant, service provider, State employee, other.
2. Do you have any questions we didn't answer?
3. Email or phone number (optional if you would like follow-up)
4. What did you like most about this event?
5. What could we have done better?
6. After this presentation, do you have enough information to open a CalABLE account?
7. Things I wish I knew when I started CalABLE



Disclosure 1

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Disclosure 2

CalABLE's investment options are selected by the California ABLE Act Board. Account balances in CalABLE will vary with market conditions and are not guaranteed or insured by the California ABLE Act Board, the State of California, the Federal Deposit Insurance Corporation ("FDIC"), Vestwell, or any other organization.

Neither Vestwell nor the California ABLE Act Board are investment or tax advisors and do not provide tax, legal, financial, or other investment advice. You should consult appropriate professional advice or consultation if you have questions related to taxes or investments. Consider the investment objectives, risks, charges and expenses before investing in the CalABLE. Please call toll-free 833-CAL-ABLE for a Disclosure Statement containing this and other information. Read it carefully. Before investing in any savings 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 savings 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 savings program, or any other state savings 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.

The FDIC-Insured Portfolio is FDIC-insured up to \$250,000, subject to certain restrictions. Interests in the CalABLE program are not registered with or in any way approved by the Securities and Exchange Commission or by any state securities commission.

Thank you!



Q & A

Appendix

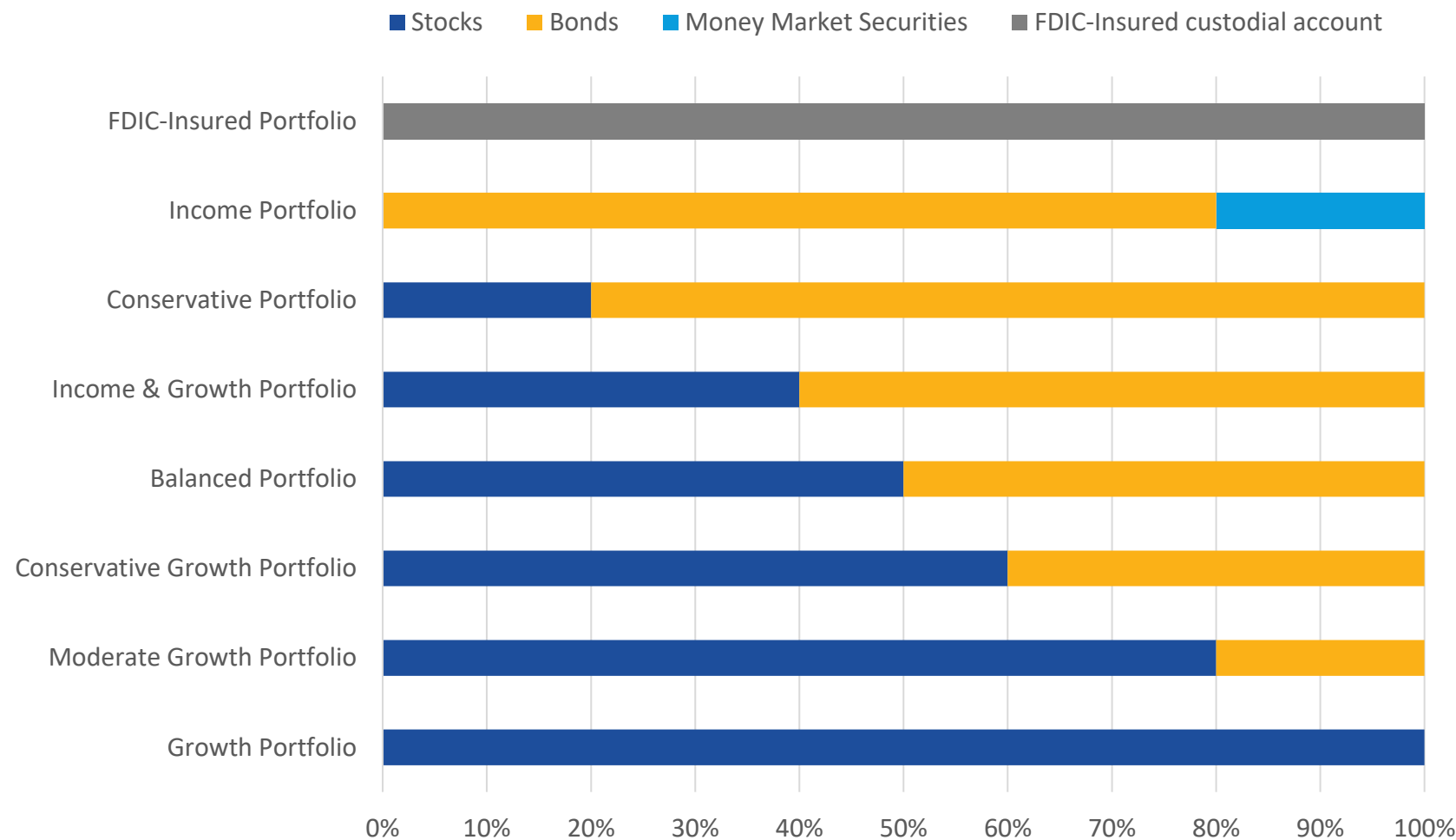


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CalABLE Investment Portfolio Options

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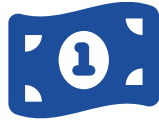


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CalABLE Investment Portfolio Options:



FDIC Account



Income Portfolio



Conservative Portfolio



**Income and
Growth Portfolio**



Balanced Portfolio



**Conservative Growth
Portfolio**



Moderate Growth Portfolio



Growth Portfolio

CalABLE Investment Portfolio Options 1-4



FDIC Account

The FDIC account offers insurance protection for amounts contributed to the Cash Option, up to FDIC-permitted limits. The Cash Option allocates 100% of its assets to a demand deposit account established by the Trust at the Bank (the “Bank Account”).



Income Portfolio

The Income Portfolio seeks to provide investors limited capital appreciation with minimal risk to principal. The Portfolio is designed for investors with a very low tolerance for short-term market fluctuations who want low risk to principal and have a high desire for current income with limited capital appreciation. The Portfolio investments include a mix of fixed income investments with a significant cash (Money Market Fund) position.



Conservative Portfolio

The Portfolios included in the Conservative Year are designed for investors with a low tolerance for short-term market fluctuations who expect modest capital appreciation with limited risk to principal.



Income and Growth Portfolio

The Income and Growth Portfolio seeks to conservatively grow the Portfolio with modest income at higher risk. The Portfolio is designed for investors with a moderate tolerance for short-term market fluctuations that who expect moderate capital appreciation and have a modest desire for income. The Portfolio investments include exposure to a mix of bonds with a blend of globally diversified equity securities.

CalABLE Investment Portfolio Options 5-8



Balanced Portfolio

The Balanced Portfolio seeks to provide a balanced mix of steady return and growth but comes with additional risk. The Portfolio is designed for investors with a modest tolerance for short-term market fluctuations and a desire for income and moderate capital appreciation. The Portfolio investments include a balanced mix of bonds and globally diversified equity securities.



Conservative Growth Portfolio

The Conservative Growth Portfolio seeks to grow the Portfolio moderately with low income but comes with increasing degree of risk. The Portfolio is designed for investors with a moderately high tolerance for short-term market fluctuations who expect significant capital appreciation and have a minimal desire for current income. The Portfolio investments include a blend of globally diversified equity securities with exposure to a mix of bonds.



Moderate Growth Portfolio

The Moderate Growth Portfolio seeks capital appreciation but comes with high degree of risk. The Portfolio is designed for investors with a high tolerance for short-term equity market fluctuations who expect capital appreciation and have low desire for income. The Portfolio investments are generally a blend of globally diversified equity securities.



Growth Portfolio

The Growth Portfolio seeks to maximize growth but comes with the highest degree of risk. The Portfolio is designed for investors with a very high tolerance for short-term equity market fluctuations who expect maximum capital appreciation and have no desire for income. The Portfolio investments are generally a blend of globally diversified equity securities.

Allocation of Underlying Mutual Funds by Target Risk Investment Option

Each Target Risk Investment Option pursues its investment objective by investing in certain underlying mutual funds. The table to the right reflects the target allocations of underlying mutual funds for each of the Target Risk Investment Options, as well as the FDIC-Insured Investment Option, under the Plan's investment policy.

Fund Name	Ticker	Percent Allocation of Investment Option						
		Income Portfolio	Conservative Portfolio	Income and Growth Portfolio	Balanced Portfolio	Conservative Growth Portfolio	Moderate Growth Portfolio	Growth Portfolio
Fidelity® Total Market Index Fund	FSKAX	0%	7%	13%	17%	20%	26%	33%
Schwab Total Stock Market Index Fund®	SWTSX	0%	6%	13%	16%	19%	26%	32%
Fidelity® International Index Fund	FSPSX	0%	5%	10%	12%	15%	20%	25%
Fidelity® Emerging Markets Index Fund	FPADX	0%	2%	4%	5%	6%	8%	10%
Fidelity® U.S. Bond Index Fund	FXNAX	30%	30%	25%	22%	17%	9%	0%
Schwab U.S. Aggregate Bond Index Fund	SWAGX	30%	30%	25%	20%	17%	8%	0%
Fidelity® Long-Term Treasury Bond Index Fund	FNBGX	5%	5%	4%	4%	4%	3%	0%
Schwab Treasury Inflation Protected Securities Index Fund	SWRSX	3%	3%	2%	2%	2%	0%	0%
Vanguard Emerging Markets Bond Fund Admiral Shares	VEGBX	6%	6%	2%	1%	0%	0%	0%
Vanguard High-Yield Corporate Fund Admiral Shares	VWEAX	6%	6%	2%	1%	0%	0%	0%
Vanguard Cash Reserves Federal Money Market Fund Admiral Shares	VMRXX	20%	0%	0%	0%	0%	0%	0%

Changing investment selections

You may change the way in which future contributions are invested at any time. However, you may only change your investment choices **twice per calendar year** once the money is in your account.

Please note:

Before investing, carefully consider the Plan's investment objectives, risks, fees, and expenses. This information and more about the Plan may be found in the CalABLE Account Plan Disclosure Booklet, which should be read fully and carefully before investing. The investment option descriptions contained on this website are provided for informational purposes only and do not constitute financial, investment, or other advice nor is any information presented to you intended as an offer, recommendation, endorsement, or solicitation to purchase any investments. Beneficiaries or their Authorized Legal Representatives are solely responsible for the selection of their investment options.

Account Fees Example

What are the account fees?

\$3,000 Assumed Assets

	FDIC-Insured Portfolio	Investment Portfolios
Account Maintenance Fee	\$ 30.00	\$ 30.00
Underlying Investment Fees*	\$ 0.00	\$ 0.92 – \$ 2.23
Program Management Fee	\$ 0.00	\$ 3.00
State Administrative Fees	\$ 8.40	\$ 8.40
Total Annual Fees**	\$ 38.40	\$ 42.32 – \$ 46.63

* 0.000% FDIC
0.074% Income

0.060% Conservative
0.041% Income and Growth

0.036% Balanced
0.032% Conservative Growth

0.031% Moderate Growth
0.031% Growth

** An additional \$10 fee will be assessed if paper statements are selected. There is no fee for e-delivery of statements.

CalABLE vs Special Needs Trusts

CalABLE vs. Special Needs Trusts

	CalABLE	Special Needs Trusts
Set Up	Can open by yourself online in 20 minutes or less.	Generally, need to work with an attorney to create.
Ownership & Control	Individual with a disability is the owner. They, or an Authorized Legal Representative, can manage and spend the money.	A Trustee manages the Trust and has sole discretion over spending.
Purchases	Broad range of allowable uses, including food and housing.	Broad range of allowable uses, but not food or housing.
Cost	Free to open. Fees start at just \$30 a year. Investment fees will vary.	Varies; anywhere from a few hundred to a few thousand to start, plus ongoing costs.
Contribution Limits	Anyone can contribute. Deposits limited to \$17K/year (possibly more if individual is employed)	Contributors are limited (may not include Beneficiary). No deposit limits.
Medi-Cal Payback	Medi-Cal will not seek recovery from a CA resident and CalABLE account.	Only first-party (self-settled) trusts must pay back Medi-Cal.
Investment Options?	Yes, eight options. Offers ability to grow your money. Account owner chooses how to invest.	Yes, options vary. Offers ability to grow your money. Trustee chooses how to invest.
Taxes	Tax-free withdrawals for qualified expenses.	Earnings are taxed.

Creating Your Gifting Page



How do I set up my gifting page?

1. Sign in: Click the gifting link on your account overview page.
2. Choose what people see: Select whether or not you want to share the progress you've made toward your gifting limit.
3. Review & Publish: Get a preview of what it will look like when someone visits your gifting pages and click on "Go Live" if everything looks good.
4. Share: Once your page is created, you'll get a direct link to it that you can post directly on social media or send to friends and family.
5. Received Contributions: You'll get an email to let you know every time someone makes a gift contribution to your account.

Why Choose CalABLE?



5. Why choose CalABLE?

- CalABLE empowers you to save and plan for your future – You are in the driver's seat
- Your benefits are protected
- Your money is protected from Medi-Cal recovery
- Family and friends can contribute to your account
- You can grow your money tax-free
- You can spend your money on items and experiences that make your life better
- You become a part of the CalABLE Community – **We are CalABLE**



Ask family and friends to contribute via Gifting!

- Set up a gifting page, and anyone who has a link can contribute towards your goal!
- Gift contributions do not count as income
- Gift contributions count toward your yearly contribution limit. So, if you've already reached the limit, your page will remain public, but no one can contribute again until next year.



Access your money easily with a prepaid card

- Load funds onto your prepaid debit card anytime from your CalABLE account
- Use it to pay for qualified disability expenses anywhere Visa® debit cards are accepted*
- Track your spending and upload receipts
- No monthly fees*

*Please see the cardholder agreement for any fees that may apply

