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FUTURE DEAD PEOPLE®

## A GUIDE TO 2026 MEDI-CAL CHANGES

### A Brief History of Medi-Cal

Medi-Cal, California's version of Medicaid, was created in 1965 to provide healthcare for low-income families, seniors, and people with disabilities.

- **Before 2022:** Strict asset caps limited countable assets to \$2,000 for individuals and \$3,000 for couples (excluding exempt assets like a home and one car).
- **2022 Reform:** Under AB 133, the limit temporarily jumped to \$130,000 (individual) and \$195,000 (couple).
- **2024 Expansion:** Asset tests were eliminated entirely. For long-term care, eligibility was based solely on income—no asset counting, no penalty for transfers after January 1, 2024.

### 2025: A Transitional Year

For 2025, these rules remain in place—but it's a short-lived window:

- **No asset test:** Eligibility for Medi-Cal long-term care continues to be income-based only.
- **Share-of-cost rules:** Nursing home residents pay income minus premiums and a Personal Needs Allowance.
- **Transfer rules:** The 30-month look-back applies only to gifts made before January 1, 2024. Transfers after that date do not create penalties, but this will change in 2026.





## 2026: The Big Shake-Up

Starting January 1, 2026, California reinstates asset limits for Medi-Cal long-term care eligibility.

### **New Asset Limits:**






- \$130,000 per individual
- \$195,000 per couple
- +\$65,000 for each additional household member

### **Spousal Protections:**

- Community Spouse Resource Allowance—approximately \$157,920 in 2025 will also apply.

### **Exempt Assets Still Safe**

Some assets remain excluded from Medi-Cal's count:

-  Primary home equity (some future limits may apply)
-  One vehicle
-  Household goods and furnishings
-  Certain burial funds
-  Retirement accounts in payout status

## Transfer Penalties Return

- Gifts or transfers after January 1, 2026, will once again trigger a look-back period.
- Ineligible transfers could result in penalty periods where Medi-Cal does not cover care.

**Planning Tip:** 2025 is a critical year. Families have a short window to take advantage of today's rules before 2026's stricter limits apply.





## Planning Strategies Before 2026

At Goff Legal, we help you make proactive choices:

### 1. Preserve Eligibility

- Review current income and assets to confirm whether you'll qualify under 2026 rules.
- Use timely exemptions and compliant asset transfers during 2025's open window.

### 2. Protect Your Home & Savings

- Structure ownership to shield exempt property.
- Consider irrevocable trusts and other planning tools to safeguard your estate.

### 3. Update Existing Trusts

- Ensure trust language complies with Medi-Cal's updated definitions.
- Make revisions before transfers trigger penalties in 2026.

### 4. Plan for Spousal Needs

- Maximize spousal protections so the healthy spouse keeps as much as possible.

### 5. Avoid Costly Mistakes

- work with professional team to ensure gifting is done properly and documents are set up correctly.

## Why Act Now

- ✓ **Grandfather favorable rules:** Use 2025 to lock in strategies under today's looser guidelines.
- ✓ **Avoid future penalties:** Get ahead of 2026's reinstated look-back period.
- ✓ **Protect your legacy:** Preserve your savings, home, and inheritance for loved ones.

## We're Here to Help!

2026 is right around the corner. Don't wait until the rules change to update your plan. Acting now gives you more options and more control.

☎ Contact Goff Legal today for a free discovery call at (916) 625-6556 or at [gofflegal.com](http://gofflegal.com).