

MEDI-CAL 2026

By Jared Ong

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In 2024, California became the first state in the country to eliminate asset limits for their state-based Medicaid program, known as Medi-Cal. Now, less than two years later, [Medi-Cal asset limits are back](#) after Governor Newsom and the Legislature reached a budget agreement following a Congressional Medicaid budget cut to the tune of [\\$1 trillion over the next 10 years](#).

Beginning January 1, 2026, the asset limit for Medi-Cal eligibility will be reinstated, reversing the now temporary elimination that began in 2024. Across California, this change will affect millions of families, seniors and individuals with special needs alike.

Here is what you need to know about the Medi-Cal asset limit changes and resources for the future.

2026 MEDI-CAL ASSET LIMITS

For decades, Medi-Cal imposed strict rules around how much an individual could own and still qualify for coverage. These “asset tests” limited things like savings accounts, investments, and secondary properties.

Effective January 1, 2026 the Medi-Cal asset limit will be reinstated to **\$130,000 for an individual** and **\$195,000 for couples, plus \$65,000 for additional household members** (up to 10 members per household). If you are already a Medi-Cal member, assets will be reviewed at your annual renewal.

The asset limit reinstatement applies to:

- New Medi-Cal applicants who apply on or after January 1, 2026
- Current beneficiaries who are up for renewal after January 1, 2026

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If you already have Medi-Cal, you [do not need to report assets](#) during your 2025 renewal. Once your 2026 renewal comes up, HCS will provide you with tools and important information to help you report correctly and remain covered.

Eligibility required for Medi-Cal include those that are:

- 65 years of age or older
- Blind
- Disabled (physical, mental, or developmental)
- Under 21 years old
- Pregnant
- In a skilled nursing or intermediate care home
- On refugee status for a limited time
- A parent or caretaker relative of an age eligible child
- Have been screened for breast cancer and/or cervical cancer
- Enrolled in CalFresh, SSI/SSP, CalWorks (AFDC), Refugee Assistance, Foster Care or Adoption Assistance Program

In addition to the reinstatement of Medi-Cal asset limits, starting January 1, 2026, adults who do not have Satisfactory Immigration Status (SIS) will no longer be able to enroll in the full Medi-Cal benefits program. Complete details related to immigration benefits and eligibility can be found on the [HCS FAQ page](#).

WHAT COUNTS TOWARD THE LIMIT?

Asset limits are the maximum value of assets or resources a person can own and still qualify for certain government benefits, like Medi-Cal. If an individual's countable assets, such as bank accounts, stocks,

investments, or non-primary real estate, exceed the set limit, they may not qualify for the program.

Medi-Cal separates assets into countable and exempt categories.

Countable Assets

- Cash and bank accounts, like checking or savings accounts
- Stocks, bonds, mutual funds and other investments
- Non-primary real estate
- Additional vehicles

Exempt Assets

- Primary residence
- One vehicle used for daily transportation
- Cash value of retirement accounts, but only if the account is setup for ongoing regular periodic payments
 - The distributions from the retirement account will be applicable for income test limits
- Personal belongings and household goods
- Certain burial funds and plots
- Special Needs Trusts and ABLE accounts

If assets exceed the limit, Medi-Cal may deny coverage until resources are “spent down” below the threshold. Transfer of assets after January 1, 2026 must be handled carefully, as certain transfers could trigger penalties or delayed eligibility. It's important to note income rules are not changing.

CONSIDERATIONS FOR SPECIAL NEEDS FAMILIES

For Individuals with disabilities, Medi-Cal isn't just health insurance — it's a gateway to critical services like in-home support, therapies, and

medical care. Following the reinstatement, if your loved ones assets exceed the limit, they risk losing Medi-Cal coverage.

That's why it's imperative for families with special needs loved ones to utilize financial tools like:

Special Needs Trusts (SNTs): A [Special Needs Trust \(SNT\)](#) allows assets to be set aside for a disabled person's supplemental care, such as education, special therapies, or living needs, without jeopardizing Medi-Cal eligibility.

ABLE Accounts: An [ABLE Account](#) is a tax advantaged savings account for individuals with disabilities that can be used for disability-related expenses while protecting benefits.

SNTs and ABLE accounts can be used in tandem and essentially shield assets from being counted toward Medi-Cal asset limits.

We go in-depth on [how to harmonize your SNT and ABLE account here](#), but we highly recommend working with an attorney or [financial advisor experienced in special needs planning](#) to help ensure compliance and long-term stability.

NEXT STEPS FOR INDIVIDUALS, FAMILIES, AND CAREGIVERS

Whether you are an individual applying for Medi-Cal or a family member assisting in the application process, early planning is key to protecting benefits and ensuring uninterrupted care.

Start with these 4 steps to ensure you are fully prepared for the reinstatement.

1. **Take inventory of all assets:** Include bank accounts, investments, property, and any funds held for a person with special needs.
2. **Identify what's countable and what's exempt:** Understand which resources may affect eligibility and which are protected.

3. **Explore planning tools:** Consider Special Needs Trusts, ABLE accounts or other legal and financial instruments to protect assets while maintaining eligibility.
4. **Consult professionals.** Work with a fiduciary, attorney, and financial planner experienced in Medi-Cal and special needs planning to avoid costly mistakes.



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