

*Medi-Cal Share of Cost Clinic:
A Partnership of the Legal Aid Society of San Mateo County and Fenwick & West LLP*

Is Your Share of Cost Calculated Correctly?

This handout will help you:

- 1) Understand what a Share of Cost is.
- 2) Understand if your Share of Cost is calculated correctly.
- 3) Know what to do if you believe your Share of Cost is not correct.

1) WHAT IS A SHARE OF COST?

- People whose income is below \$1,235 per month for an individual (or \$1,664 for a couple) receive free Medi-Cal. People with higher incomes have Share of Cost Medi-Cal. These income cut-offs are set by the State of California.
- If you have Medi-Cal with a Share of Cost, you will be obligated to pay or incur bills for medical care up to the amount of your Share of Cost before Medi-Cal will pay for your health care.
- For more discussion of what your Share of Cost is, see the handout titled “Understanding Your Share of Cost.”

2) IS YOUR SHARE OF COST CALCULATED CORRECTLY?

- Countable Income:
 - Medi-Cal uses your “net countable income” rather than your “actual income” when determining your Share of Cost. Net countable income reflects certain Medi-Cal deductions.
 - When Medi-Cal calculates your net countable income, they start with your *gross income* (amount you are entitled to before taxes or Medicare Premiums are taken out).
 - If your income has changed since you last reported it to Medi-Cal, you can ask Medi-Cal to recalculate your Share of Cost based upon your most recent income.
 - If you are married, your spouse’s income is generally included in the Share of Cost calculation.
- Deductions:
 - You have a right to deductions in calculating your income for Medi-Cal.
 - Everyone is entitled for a \$20 deduction from their income.
 - You also receive a deduction for any health insurance premiums that you are paying.
 - In other words, if you have or buy another health insurance policy – for example, a dental or a vision insurance policy – you can deduct the amount you pay for the monthly premium from your income.

- This includes a deduction of your Medicare Part B premium payment.
 - **If Medi-Cal does not know about health insurance premiums that you are paying, you need to tell them.**
 - If you need more information about purchasing a supplemental insurance policy, please see the handout called “Purchasing Supplemental Insurance.”
- Special Deductions for Persons who are Working:
- If you are working, then you will be entitled to additional deductions from your earned income.
 - If your spouse is working, then your spouse’s income is generally included in your countable income. The same earned income deductions apply.
 - If you are employed and your income drops because you are not working as much, you can ask Medi-Cal to recalculate your Share of Cost based on your most current income.
 - You are allowed a \$65 deduction from the income you earn from working, and then whatever earned income is left will be divided by 2.
 - For example, if you work and earn \$1,000 per month, then the deduction for that earned income would look like this:

$$(\$1,000 - \$65)/2 = \$467.50$$
- Special Deductions for Self-Employed Individuals:
- You are allowed to take certain additional deductions for work expenses if you are self-employed.
- To calculate your Share of Cost, Medi-Cal first subtracts the earned income deductions from your earned income, then adds any unearned income and subtracts health insurance premiums and a \$20 deduction from your remaining income. Then Medi-Cal subtracts the Maintenance Need Level that corresponds to your family size (\$600 for an individual, \$934 for a couple). The amount remaining is your Share of Cost.

Example of Share of Cost Calculation:

Monthly Income:

From employment	\$1,000
Subtract earned income deductions:	-\$65 and divide by 2
Remaining earned income	\$467.50
Add gross unearned income	\$1,000
Total income	\$1,467
Subtract general income deduction	-\$20
Net Countable Income	\$1447
<u>Subtract Maintenance Need:</u>	<u>-\$600 (single person deduction)</u>
Share of Cost:	\$847

3) WHAT CAN YOU DO IF YOUR SHARE OF COST IS NOT CORRECT?

- If you believe that your Share of Cost is not correct because the income that Medi-Cal used when calculating the Share of Cost is incorrect, because you have purchased a small insurance policy to bring your income below the income limit, or because there have been changes to your income, you are entitled to ask Medi-Cal for a **HEARING**.
 - You can request a hearing by telephone, mail or fax. The Hearing Request Form can be found on the back of any Medi-Cal “Notice of Action” or you can request one from your local Medi-Cal office.
 - Request a hearing by calling 800-952-5253 OR
 - Request a hearing by faxing the form to 650-596-3478 OR
 - Request a hearing by mailing the form to: Hearings Unit, 472 Harbor Blvd., Building C, Belmont, CA 94002
 - After requesting a hearing, the Fair Hearings Unit will contact you. If they have not contacted you within one month of submitting your hearing request, contact the Fair Hearings Unit at 650-595-7954 to follow-up on the status of your hearing request.
- After requesting a hearing you need to tell the Fair Hearings Unit why you think your Share of Cost is not correct. They will then recalculate your Share of Cost based upon the information that you provide them.
- You will receive a new Notice of Action after Medi-Cal has done its recalculation.

If you have concerns or encounter difficulties while resolving your Share of Cost, please contact:

The Health Consumer Center
Legal Aid Society of San Mateo County
The Natalie Lanam Justice Center
Sobrato Center for Nonprofits - Redwood Shores
330 Twin Dolphin Drive, Suite 123
Redwood City, CA 94065
(650) 517-8907