



March 30, 2018

Honorable Jim Wood
Chair, Assembly Health Committee
State Capitol, Room 6005
Sacramento, CA 95814

RE: AB 1785 (Nazarian) Medi-Cal eligibility: assets
AAP-CA Position: Support

Dear Chair Wood,

The American Academy of Pediatrics, California (AAP-CA), representing over 5,000 California pediatricians, supports AB 1785 (Nazarian), which would exclude the principal and interest of a 529 college savings plan from any asset or resources test to determine Medi-Cal eligibility for beneficiaries not determined using Modified Adjusted Gross Income (MAGI)-based financial methods.

The non-MAGI Medi-Cal population generally serves low-income individuals who are seniors, have disabilities, or are in long-term care. Non-MAGI-based applicants are subject to assets or resources tests to qualify for Medi-Cal. 529 plans are a tax-advantaged savings plan; legally known as “qualified tuition plans.” Money held in a 529 account is considered an asset, which can be used to determine Medi-Cal eligibility.

The heavy burden of attending college has encouraged older generations to help set up college savings accounts for their families. When grandparents set up an account, naming grandchildren as beneficiaries, they risk compromising Medi-Cal coverage in order to support their grandchild’s education.

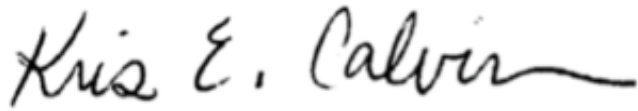
A child’s dedicated savings account is proven to increase the likelihood of a child attending college. Low and moderate-income children with school savings of \$1 to \$499 before reaching college age are more than three times likely to enroll in college than a child with no savings account.

Asset limitations present a serious barrier to savings for families who rely on public assistance. By removing 529 accounts from determining Medi-Cal eligibility, families can prioritize higher education without having to compromise vital public benefits. This bill is a simple way to close the door on asset limits for all Medi-Cal populations, not just those determined by MAGI.

AB 1785 (Nazarian) is a necessary step to ensure California does its part in preventing asset limits from creating a barrier to savings for low-income families. This policy ensures that no individual, especially grandparents facing critical decisions about their healthcare, will be penalized for investing in the future education of the young people in their lives.

Pediatrician members of AAP California Chapters 1, 2, 3 and 4 across the state urge you to vote AYE on AB 1785 (Nazarian). Thank you for your public service and leadership on behalf of the health and wellbeing of children, youth, and families in California.

Sincerely,

A handwritten signature in black ink that reads "Kris E. Calvin" with a long, sweeping horizontal line extending to the right.

Kris Calvin
Chief Executive Officer, American Academy of Pediatrics, California

cc: Assembly Health Committee Members
Office of Honorable Adrin Nazarian, California State Assembly (Author)
AAP-CA Leadership; Lobbyist Lydia Bourne