

'MAGI Medi-Cal' to Medicare

Questions and Answers About Making this Transition

What is MAGI Medi-Cal?

The Affordable Care Act of 2010 allowed some adults not previously eligible for Medi-Cal to qualify for Medi-Cal coverage. Persons under 65 with incomes up to 138% of the Federal Poverty Level (\$1836 / individual, \$2490 / married in 2026) could now qualify. This coverage is called MAGI Medi-Cal because it is based on an individual's Modified Adjusted Gross Income. It is not the same as a private insurance plan through "Covered California," and the notes below do not apply for those transitioning from those plans. If you have MAGI Medi-Cal coverage and are now eligible for Medicare, you may have some of the following questions.



I just received my Medicare card in the mail even though I did not ask for it. What is happening to my medical insurance coverage?



Enrollment in Medicare Parts A (Hospital) and B (Doctors) is automatic if you are already getting Social Security (SSA) benefits. You should receive your card in the mail about 3 months prior to your Medicare effective date. (Make sure the SSA has your current mailing address.) After you are eligible for Medicare you can no longer stay on MAGI Medi-Cal. You will automatically be evaluated for other Medi-Cal programs.

Social Security said they will deduct a monthly amount from my SSA benefit to pay the Medicare Part B premium. Do I have to pay that? It is tough for me to make ends meet.

Your Part B premium may be deducted from your Social Security benefits for a couple of months, but then it will be paid by the State, and SSA will reimburse you for any deductions. In 2026 that is 202.⁹⁰ a month. Meanwhile, Medi-Cal will evaluate if you are eligible for other programs that will help cover Medicare costs. If you're not eligible, you'll eventually have to pay the Part B premium yourself (but not retroactively).

I am turning 65, but I have deferred Social Security benefits. I have not received a Medicare card. Can I just do nothing and stay on my old Medi-Cal plan?

No. After you are eligible for Medicare, whether or not you enroll, you can no longer stay on MAGI Medi-Cal. If you are not receiving Social Security benefits you will need to proactively enroll in Medicare during your Initial Enrollment Period (IEP) when you turn 65. This period runs from 3 months before until 3 months after your birthday month. You may receive a bill from Medicare for 3 months of Part B premiums, but you can ignore that one time while California sets up to pay it on your behalf. HICAP can tell you more about how to enroll. If you delay enrolling, you may have to wait until the General Enrollment Period, between January and March each year. Your coverage won't be effective until the first of the next month after you enroll. During this time you will have no medical insurance. You may also have a lifetime late enrollment penalty.

I just got a letter in the mail saying I am assigned to a Medicare Prescription Drug Insurance Plan. What is that?



After you are eligible for Medicare, your MAGI Medi-Cal plan will no longer cover Prescription Drugs (Rx). Once you have Medicare, you will be assigned to a fully paid Medicare Rx insurance plan with no monthly premium and co-payments ranging from \$1.⁶⁰ for generic and \$4.⁹⁰ for brand drugs (in 2026). Be sure to give your pharmacy your

new plan information instead of using your Medi-Cal card. Also, check with your pharmacy to make sure your new insurance plan covers all your drugs. If not, HICAP can help you change to a different plan that may cover your prescriptions.

I just signed up for Medicare at age 65. Will I get a drug plan automatically?

Yes, but not right away. As soon as you're enrolled in Medicare A/B, you'll be automatically enrolled in 'Extra Help' for your prescription drugs through Medicare. MAGI Medi-Cal will no longer cover your prescriptions. You'll also be automatically signed up for a Medicare Rx plan, although it may take several months to be effective. While you wait, you can use a special program called LINET to get your Rx's at 'Extra Help' prices. HICAP can help you with that. You may also sign up for a Part D Drug Plan yourself if you don't want to wait. You can do that as soon as you have your Medicare number. HICAP can help you choose the best plan for your prescription drug needs.

Will anything else happen automatically?

With your eligibility for Medicare, you may need to furnish updated information to Medi-Cal. Starting in 2026, your assets are considered and Medi-Cal will send you a package requesting asset and income information. The asset limit is \$130,000 for single and \$195,000 if married. Assets are checking and savings accounts. The home you live in, one car and other personal property is excluded. Tax protected accounts like IRA's are excluded if you are taking withdrawals.

My Medicare starts soon and I have not received anything from Medi-Cal. Should I be worried?

Medi-Cal usually processes your transition from MAGI by the month before you become eligible for Medicare. So, do not be concerned that you have been forgotten (unless you have moved and not told Medi-Cal of your address change). You should call Medi-Cal if you have not received the information request package or a Notice of Action for your new Medi-Cal program by the middle of the month in which you turn 65.

Your MAGI Medi-Cal will continue until you have been processed for applicable low-income programs. Your Part B premium may be deducted from your Social Security benefits for a couple of months, but then it will be paid by the State. SSA will then reimburse you for those deductions. You can continue to see your doctors with no co-payments. You'll be eligible for Medicare's 'Extra Help' for your prescription drugs for at least the remainder of the current year and possibly the following year. You'll also be either automatically enrolled in a Medicare Rx plan, or you can choose your own.

I currently have MAGI coverage though Kaiser. Is there anything different about that?

Kaiser offers a plan for Medi-Cal participants which coordinates with Medicare and Medi-Cal. If you want to use Kaiser for medical care and are enrolled in Medicare, you should call member services at (800) 777-1238 and switch your plan or enroll for the first time. If you qualify for full Medi-Cal with no Share of Cost, that plan has no premium and no co-pays. It also includes drug coverage at the same pricing as Extra Help mentioned previously.

I received a "Notice of Action" letter saying I did not qualify for any of the full Medi-Cal benefits. They say I now have a 'Share of Cost'. What do I do now?

Upon re-evaluation, you may have a 'Share of Cost' which is like a monthly deductible before Medi-Cal assists with payments. Your 'Extra Help' for drug coverage will continue until the end of this year (or even the end of the next year if the notice effective date is after 7/1). But you will have the Part B Medicare premiums deducted once the state stops making payments. Although you can continue to use the Contra Costa Health Plan or Kaiser providers, you will have co-pays. In this case, call HICAP for assistance in selecting your Medicare insurance options, eliminating your 'Share of Cost' and ways to reduce prescription costs once your 'Extra Help' expires.



Contra Costa County Health Insurance Counseling and Advocacy Program (HICAP)

Contact Us: (925) 655-1393, (800) 510-2020, or (800) 434-0222

Visit: cchicap.org then 'Contact Us' Email: ehsdhicap@ehsd.cccounty.us



Navigating Medicare

This publication was supported by the Administration for Community Living (ACL), U.S. Department of Health and Human Services (HHS) as part of a financial assistance award totaling \$79,376 with 100 percent funding by ACL/HHS. The contents are those of the author(s) and do not necessarily represent the official views of, nor an endorsement, by ACL/HHS, or the U.S. Government.

