
SENATE COMMITTEE ON APPROPRIATIONS

Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

AB 1126 (Patterson) - Medi-Cal managed care plans: enrollees with other health care coverage

Version: January 5, 2026

Urgency: No

Hearing Date: June 15, 2026

Policy Vote: HEALTH 9 - 0

Mandate: No

Consultant: Agnes Lee

Bill Summary: AB 1126 would require the Department of Health Care Services (DHCS) to take certain actions to clarify health care provider billing requirements in cases when Medi-Cal enrollees have other health coverage.

Fiscal Impact: The DHCS estimates costs of \$328,000 (\$164,000 General Fund and \$164,000 federal funds) in 2027-28 and \$310,000 (\$155,000 General Fund and \$155,000 federal funds) in 2028-29 and ongoing thereafter for state administration.

Background: The Medi-Cal program is available to individuals who meet the eligibility requirements, including people who might have another form of health coverage such as Medicare or commercial coverage through an employer. However, under federal law, the Medi-Cal program is the payer of last resort and Medi-Cal must seek any payment available from third parties. Medi-Cal recipients must report any other health coverage they have and health plans and insurers must report to DHCS information on all participants in order to identify all Medi-Cal recipients with other health coverage. When a recipient has other health coverage, the other coverage is the primary form of coverage, and the Medi-Cal program covers services that are not included in the other health coverage. It is often difficult for Medi-Cal recipients to coordinate two forms of coverage and obtain the benefits of both, particularly for recipients with commercial coverage who are required to enroll in a Medi-Cal managed care plan. Medi-Cal providers must bill the other health coverage for any services covered and bill Medi-Cal only for the excluded services. Medi-Cal recipients also face difficulties finding providers who accept both their primary coverage and have a contract with their Medi-Cal managed care plan.

Proposed Law: Specific provisions of the bill would:

- Require DHCS, in the case of a Medi-Cal enrollee of a Medi-Cal managed care plan who also has other health care coverage and for whom the Medi-Cal program is a payer of last resort, to ensure that a provider that is not contracted with the Medi-Cal managed care plan and that is billing the Medi-Cal managed care plan for Medi-Cal allowable costs not paid by the other health care coverage does not face administrative requirements significantly in excess of the administrative requirements for billing those same costs to the Medi-Cal fee-for-service delivery system.
- Prohibit, in the case of a Medi-Cal enrollee of a Medi-Cal managed care plan who also has other health care coverage, excluding Medicare, and for whom the Medi-

Cal program is a payer of last resort, a provider participating in the Medi-Cal fee-for-service delivery system from being required to contract as an in-network provider with the Medi-Cal managed care plan in order to bill the Medi-Cal managed care plan for Medi-Cal allowable costs for covered health care services.

- Require DHCS to take the actions that it deems necessary to provide clarification regarding the conditions for billing Medi-Cal managed care plans to providers that render services to Medi-Cal managed care enrollees who also have other health care coverage.
- State the intent of the Legislature that DHCS offer educational resources to an enrollee of a Medi-Cal managed care plan who needs assistance with understanding continuity of care and coordinating Medi-Cal and their other health care coverage when requested by the enrollee.
- Require DHCS, on an annual basis, from 2027 through 2030, to update the Assembly Committee on Health and the Senate Committee on Health on the effectiveness of implementation.

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