SENATE COMMITTEE ON APPROPRIATIONS
Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

AB 2161 (Bonta) - Medi-Cal: redeterminations and work or community engagement

Version: May 18, 2026
Urgency: No
Hearing Date: August 3, 2026

Policy Vote: HEALTH 8 - 2
Mandate: Yes
Consultant: Agnes Lee

Bill Summary: AB 2161 would include provisions implementing recent federal requirements related to the eligibility redetermination process and work or community engagement requirements in the Medi-Cal program.

Fiscal Impact:

- Unknown ongoing costs, potentially tens of millions, due to increased Medi-Cal caseloads from exempting certain state-funded populations from the 6-month redetermination and work or community engagement requirements (General Fund).

- Unknown ongoing costs, potentially hundreds of thousands, for the Department of Health Care Services (DHCS) for state administration (General Fund and federal funds).

- Unknown one-time costs, potentially hundreds of thousands, for automation updates (General Fund and federal funds).

- Unknown costs to counties for administration. Costs would be potentially reimbursable by the state, subject to a determination by the Commission on State Mandates.

Background: The Medi-Cal program provides health care services to qualified low-income individuals. Counties are responsible for determining eligibility for the program at the local level. The Medi-Cal program is primarily governed by the federal Medicaid program. H.R. 1 (Public Law No 119-21) made a number of significant changes that restrict eligibility and funding for the federal Medicaid program. Changes include, but are not limited to:

- ***Work requirements.*** The new “community engagement requirements” (or “work requirements”) require nondisabled adults between the ages of 19 and 65 who gained coverage through the federal Affordable Care Act (“ACA expansion adults”) to demonstrate 80 hours of work, education, or volunteer activities in order to be eligible for Medicaid coverage, unless they qualify for a limited exemption.

- ***Semiannual eligibility redeterminations.*** H.R. 1 requires an eligibility redetermination process every 6 months for nondisabled adults between the ages of 19 and 65 who gained coverage through the federal Affordable Care Act

("ACA expansion adults"). Prior to the enactment of H.R. 1, the federal Medicaid program required the eligibility of all Medicaid recipients to be renewed once every 12 months or when the recipient reported a change in circumstances.

Proposed Law: Specific provisions of the bill would:

- Delete the requirement that an individual who receives state-funded Medi-Cal coverage, as specified, is subject to the 6-month redetermination process; and provide that the 6-month redetermination requirement does not apply to any other individual whose Medicaid eligibility is not specifically required by federal law to be redetermined every six months.

- Make changes to the types of beneficiary signatures that a county may accept for purposes of an annual or 6-month redetermination process.

- Make changes to the "90-day cure period" provisions related to the redetermination process.

- Delete the requirement that an individual who receives state-funded Medi-Cal coverage, as specified, is subject to the work or community engagement requirements; and limit compliance to applicants or beneficiaries who are federally required, as specified, to meet work or community engagement requirements.

- Impose requirements related to the process for verifying that an applicable individual has met the requirement to demonstrate work or community engagement, as specified.

Related Legislation:

SB 164 (Committee on Budget and Fiscal Review, Chapter 27, Statutes of 2026), the health budget trailer bill, included provisions similar to provisions in AB 2161.

AB 2201 (Boerner) would impose requirements regarding the Medi-Cal eligibility redetermination process. The bill is scheduled to be heard August 3, 2026 in this committee.

AB 2208 (Stefani) would establish cost-sharing provisions in the Medi-Cal program in response to H.R. 1 and include provisions related to the eligibility verification process.

Staff Comments: The Budget Act of 2026 includes the following:

- $196.9 million General Fund in 2026-27 for county eligibility workload related to H.R. 1 implementation.

- $33 million ($15.5 million General Fund and $17.5 million federal funds) in 2026-27, $11.3 million ($5.7 million General Fund and $5.7 million federal funds) in 2027-28, $3.3 million ($1.6 million General Fund and $1.6 million federal fund) in 2028-29 and 2029-30 for DHCS staff positions and resources to support implementation of eligibility and other changes related to H.R. 1.

- $20,453,000 in 2026-27 in federal funds to support administrative and eligibility system costs associated with the implementation of federal work and community engagement requirements.

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