CONCURRENCE IN SENATE AMENDMENTS
AB 2161 (Bonta)
As Amended August 19, 2026
Majority vote

SUMMARY

Facilitates consumer-friendly implementation of federally mandated work requirements in Medi-Cal by requiring consumer notices, requiring that coverage be preserved while compliance with work requirements is verified, requiring a county to consider all other bases of eligibility if compliance with work requirements cannot be not verified, and requiring a county to request information from a beneficiary before an adverse action is taken when there is conflicting eligibility information. Makes a technical change to correctly reflect the federal definition of the populations required to comply with work requirements and expands the types of work and educational programs that can be used to verify compliance. Allows the Department of Health Care Services (DHCS) to defer implementation of any provision that results in costs beyond what has been appropriated to the department.

Senate Amendments

1) Conform to policy recently enacted in SB 164 (Committee on Budget and Fiscal Review), Chapter 27, Statutes of 2026, the health-related trailer bill accompanying the 2026 Budget Act, including removing provisions that would have exempted Medi-Cal members with Unsatisfactory Immigration Status (UIS) from compliance with work requirements.

2) Add several provisions to conform to federal guidance by expanding which educational and work programs can be used to verify compliance, clarifying how income is counted for purposes of proving compliance.

3) Narrow and recast language that made the bill contingent on appropriation, to conform to recently enacted budget language and in acknowledgement that DHCS has already received an appropriation to implement work requirements.

4) Delete several provisions, including a provision implementing six-month eligibility checks, a provision requiring counties to contact managed care plans for data to help verify compliance with work requirements, and a provision that required DHCS to provide a semiannual update on the status of related regulations.

COMMENTS

Basic Medi-Cal Eligibility Redetermination Requirements and Processes. Medi-Cal is California's Medicaid program. As with most components of Medicaid, the federal government has rules establishing minimum requirements for eligibility groups that must be covered and eligibility rules that must be followed. States also have a variety of options in how they design their programs, provided they seek federal approval for program changes.

Currently, individuals who have been found eligible and are enrolled in Medi-Cal must have their eligibility redetermined every 12 months to retain coverage for the next year. If, during the 12-month period, new information that affects eligibility becomes available to the county, either reported by the individual or accessed through other electronic data sources, a beneficiary or enrollee will automatically have their eligibility redetermined based on the new information.

Beneficiaries must report to the county any change in their circumstances that may affect their Medi-Cal eligibility within ten calendar days of the change.

The Patient Protection and Affordable Care Act (ACA) required states to implement data-sharing strategies to simplify eligibility and redetermination processes for beneficiaries. Medicaid agencies now verify eligibility largely through available data sources rather than paper documentation. State law establishes specific process requirements and due process safeguards for redeterminations of eligibility.

"ACA Expansion" Population. California expanded Medi-Cal as authorized under the ACA, beginning in 2014 to adults ages 19-64 without dependent children who had incomes below 138% of the federal poverty level (ACA Expansion population). Some large states, including Florida and Texas, did not adopt this optional expansion, and eliminating the ACA expansion of Medicaid had been a key goal of "repeal" efforts over the last 15 years by opponents of the ACA.

H.R. 1 Eligibility Rules. Federal H.R. 1 of 2025, officially titled the "One Big Beautiful Bill Act," includes significant Medicaid-related changes that reduce federal investment in Medicaid, including new eligibility rules for the ACA Expansion population. More stringent eligibility rules result in federal cost savings from individuals losing Medicaid coverage. H.R. 1 represents the largest ever cut to the Medicaid program, with savings from Medicaid eligibility-related and financing changes projected to partially offset the loss of federal revenue associated with tax cuts that disproportionately benefit the wealthy and corporations.

Work or Community Engagement Requirements. Section 71119 of federal H.R.1, with certain exceptions, requires the ACA expansion population—generally, adults ages 19 through 64 without dependent children— to engage in a minimum of work or community engagement requirements (called "community engagement requirements" in H.R. 1) beginning in 2027. This means an individual needs to document at least 80 hours per month of work, community service, or job training to keep Medi-Cal coverage. The law outlines mandatory and short-term hardship exemptions, which must be verified every six months. New work or community engagement rules impose significant administrative work on counties to verify compliance and on beneficiaries and applicants to prove they comply. The new requirements are estimated to lead to large coverage losses. DHCS estimates 1.4 million Medi-Cal members will lose coverage by January 2028 because of the imposition of work requirements.

2026 Budget Act and UIS Populations. Individuals who meet other Medi-Cal eligibility criteria, but for whom federal matching funds are unavailable for full-scope Medi-Cal, are referred to as having UIS for purposes of federal matching funds. Because coverage for individuals who have UIS is state funded, the state has discretion to establish eligibility rules for this category of individuals. As part of the Governor's 2026-27 Proposed Budget released in January, the Newsom Administration proposed extending work or community engagement rules for individuals with UIS. The final budget adopted this proposal, and this bill was amended to conform to the policy enacted in the budget with respect to UIS populations.

According to the Author
In 2025, the Trump administration championed H.R. 1, which enacted new, stringent Medicaid eligibility rules with the intent to remove low-income people from the Medicaid rolls and offset the cost of tax cuts for the wealthiest Americans. These new eligibility rules include work or community engagement requirements for individuals ages 19-64 in Medicaid who are not raising young children, requiring beneficiaries to jump through hoops to prove they are working or are

otherwise exempt to maintain their coverage. It also subjected these individuals to eligibility re-checks every six months. These rules are designed not to help people find jobs or stay covered, but to bury them in paperwork until they lose coverage. *Through the Health budget trailer bill in June, California adopted a framework for implementation of the new federal requirements. This bill makes modest but important adjustments to the current framework, making a needed technical adjustment to ensure very low-income parents can maintain their coverage, expanding the types of programs that count for compliance, and requiring robust notification and cure processes to help people keep covered when verifying compliance*.

Arguments in Support
Co-sponsors Western Center on Law & Poverty, Health Access California, Justice in Aging, and National Health Law Program support this bill, arguing it protects Medi-Cal coverage for low-income Californians from H.R. 1's administrative red tape and conforms to federal definitions which exclude parents and caretakers with incomes below 109% from work reporting requirements. The Co-sponsors argue this bill implements work reporting requirements in least harmful way and clarifies notification rights so that people know how to demonstrate compliance before their Medi-Cal coverage is terminated.

Arguments in Opposition
None on file.

FISCAL COMMENTS

According to the Senate Appropriations Committee:

1) *Unknown ongoing costs due to increased Medi-Cal caseloads (General Fund and federal funds).*

2) *Unknown ongoing costs, likely minor, for DHCS for state administration (General Fund and federal funds).*

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

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

VOTES:

ASM HEALTH: 12-2-2
YES: Bonta, Addis, Aguiar-Curry, Ahrens, Caloza, Carrillo, Mark González, Patel, Rogers, Schiavo, Sharp-Collins, Stefani
NO: Johnson, Sanchez
ABS, ABST OR NV: Chen, Patterson

ASM APPROPRIATIONS: 11-2-2
YES: Wicks, Aguiar-Curry, Calderon, Caloza, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache
NO: Dixon, Tangipa
ABS, ABST OR NV: Hoover, Ta

ASSEMBLY FLOOR: 58-12-10
YES: Addis, Aguiar-Curry, Ahrens, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Connolly, Elhawary, Fong, Gabriel, Garcia, Gipson, Mark González, Haney, Harabedian, Hart, Irwin, Jackson, Kalra, Krell, Lee, Lowenthal, McKinnor, Nguyen, Ortega, Pacheco, Papan, Patel, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Michelle Rodriguez, Rogers, Blanca Rubio, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Valencia, Ward, Wicks, Wilson, Zbur, Rivas
NO: Davies, DeMaio, Dixon, Ellis, Gallagher, Jeff Gonzalez, Hadwick, Johnson, Macedo, Patterson, Sanchez, Tangipa
ABS, ABST OR NV: Alanis, Castillo, Chen, Flora, Hoover, Lackey, Muratsuchi, Celeste Rodriguez, Ta, Wallis

UPDATED

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