

Date of Hearing: April 29, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 2208 (Stefani) – As Introduced February 19, 2026

Policy Committee: Health

Vote: 12 - 3

Urgency: No

State Mandated Local Program: Yes

Reimbursable: Yes

SUMMARY:

This bill maintains the ability of Medi-Cal enrollees to apply for up to three months of retroactive Medi-Cal coverage despite reductions in federal Medicaid matching funds to one or two months, implements one-cent copayments for specified Medi-Cal populations as allowed by federal law, allows Medi-Cal enrollees to update eligibility information using mobile devices, and makes changes to conform the application process to new eligibility requirements under federal law.

Specifically, this bill:

- 1) Maintains up to three months of retroactive Medi-Cal coverage, regardless of the availability of federal matching funds, and requires the Department of Health Care Services (DHCS) to seek federal reimbursement for these services to the maximum extent federally allowable.
- 2) Applies copayments to specified populations (generally, adults without dependent children with income exceeding 100%, and up to 138%, of the federal poverty level (FPL), known as the Affordable Care Act (ACA) or Medicaid Expansion population), as follows:
 - a) Requires a copayment of one cent for nonemergency services, as defined, received in an emergency department or emergency room.
 - b) Allows the provider to collect and retain, or waive, copayment amounts.
 - c) Prohibits DHCS from reducing the reimbursement to providers as a result of the copayment, and provides the copayment amounts are in addition to any reimbursement otherwise due to the provider for services rendered under the Medi-Cal program.
 - d) Exempts specified services and populations from the imposition of copayments.
 - e) Prohibits a provider of services from denying care or services to an individual solely because of nonpayment of the specified copayment.
 - f) Prohibits the total aggregate amount of deductions, cost-sharing, or similar charges imposed for all individuals for a family from exceeding 5% of the family's monthly income.

- g) Implements copayments only to the extent that any necessary federal approvals are obtained and federal financial participation is available, and no sooner than October 1, 2028.
- 3) Requires that an individual have the option to apply for insurance affordability programs (generally, Medi-Cal and Covered California) through a mobile-friendly website.
- 4) Adds smart phones or other smart devices to the list of available methods for reporting renewal information.
- 5) Requires an application or changes to an application comply with federal House Resolution 1 (H.R. 1 of 2025; Public Law 119-21), to be user-tested for accuracy and readability and requires them to be operational by the date as required by the federal Secretary of Health and Human Services.
- 6) Allows the existing form used to apply for health care affordability programs to be used to determine compliance with work or community engagement requirements without seeking additional information.
- 7) Requires insurance affordability programs to accept self-attestation, instead of requiring an individual to produce a document, for various applicable criteria, including compliance status with work or community engagement requirements, needed to determine the eligibility of an applicant or recipient, to the extent permitted by state and federal law.
- 8) Requires the state to reimburse local agencies if the Commission on State Mandates determines this bill contains costs mandated by the state.

FISCAL EFFECT:

Based on DHCS's estimated savings from reducing retroactive eligibility in fiscal year (FY) 2026-27, maintaining three months of retroactive eligibility would cost approximately \$23 million (\$9.6 million General Fund (GF)) in FY 2026-27. In FY 2027-28 and beyond, with full-year implementation, GF costs could be in the low tens of millions of dollars per year. Costs to the Medi-Cal program would likely decrease over time as the state implements the various provisions of H.R. 1 and more people lose Medi-Cal coverage. The author has requested \$23 million in the state budget to fund the provisions of this bill.

The Legislative Analyst's Office recently warned of GF structural deficits of around \$35 billion per year in FY 2027-28 and ongoing.

COMMENTS:

- 1) **Purpose.** This bill is co-sponsored by The Western Center on Law and Poverty, Health Access, Justice in Aging, Latino Coalition for a Healthy California, National Health Law Program, and The Children's Partnership. According to the author:

As Washington threatens to rip health care away from over three million Californians, our state must act. I'm proud to author legislation that ensures that no one has to choose between lifesaving care and

crushing medical debt by capping costs for low-income Medi-Cal patients at a penny, protecting retroactive Medi-Cal coverage, and requiring clear communication about benefits. When the federal government turns its back on patients, California will step in to protect them.

- 2) **Background.** A Medi-Cal beneficiary generally has 30 days to respond to a request for information needed to preserve eligibility. If the beneficiary does not provide the necessary information to the county within the 30-day period, the county may send the beneficiary a 10-day Notice of Action terminating their eligibility. If terminated, the beneficiary still has 90 days from termination to “cure” or provide the information requested. An applicant who successfully enrolls may be granted retroactive eligibility for up to three months, provided they can demonstrate eligibility in those months. H.R. 1, beginning January 1, 2027, will restrict retroactive Medicaid coverage – and federal funding – to one month for the Medicaid Expansion population and two months for other populations. In the Governor’s 2026-27 Proposed Budget released in January and related trailer bill language, the Newsom administration proposed to align California’s policy with H.R. 1. This bill instead preserves three months of retroactive coverage, at state cost for the additional months where federal matching funds are unavailable.

Medi-Cal currently does not impose copayments on enrollees. H.R. 1, beginning October 1, 2028, requires states to impose cost-sharing on Medicaid Expansion enrollees with income over 100% of the FPL, but grants significant flexibility to states on implementation. This bill makes the federally required copayments one cent.

- 3) **Related Legislation.** This bill is part of a package of bills related to implementing various aspects of H.R. 1 and sponsored by the coalition sponsoring this bill.

AB 2161 (Bonta) implements federally required changes to Medi-Cal eligibility rules related to work and community engagement requirements and redeterminations in a manner that prioritizes maintaining Medi-Cal coverage, limits implementation to what is federally required, and codifies mandatory and state-optional exemptions to the rules. AB 2161 is pending in this committee.

AB 2201 (Boerner) extends eligibility-related flexibilities to streamline asset and income verifications where allowed under federal law. AB 2201 is pending in this committee.

SB 1202 (Weber Pierson), requires DHCS to establish a dashboard to track enrollment data related to the implementation of H.R. 1 and is pending in the Senate Appropriations Committee.

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