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

AB 2208 (Stefani) - Medi-Cal: cost sharing and accessibility

Version: July 2, 2026
Urgency: No
Hearing Date: August 3, 2026
Policy Vote: HEALTH 8 - 2
Mandate: Yes
Consultant: Agnes Lee

Bill Summary: AB 2208 would establish cost-sharing provisions in the Medi-Cal program in response to recent federal requirements and require insurance affordability programs to accept self-attestation from applicants for purposes of determining program eligibility.

Fiscal Impact:

- The Department of Health Care Services (DHCS) estimates the following:
    - One-time automation costs of approximately $633,000 ($63,000 General Fund and $570,000 federal funds) for CalSAWS, and $281,000 ($28,000 General Fund and $253,000 federal funds) for CalHEERS.
    - Staffing costs of $178,000 ($89,000 General Fund and $89,000 federal funds) in 2026-27 and $169,000 ($84,500 General Fund and $84,500 federal funds) ongoing thereafter to operationalize cost-sharing requirements, conduct stakeholder engagement, update policy documents, and oversee compliance.
- Unknown potential ongoing costs for higher program caseloads due to requiring, rather than authorizing, insurance affordability programs to accept self-attestation from applicants or recipients for purposes of determining program eligibility (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. 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, including new work or community engagement requirements for certain adults.

H.R. 1 also requires states to impose new cost-sharing requirements on certain adults. States must impose cost-sharing in an amount greater than $0 and less than $35, as determined by the state, and not to exceed 5 percent of the family income as applied on a monthly or quarterly basis. H.R. 1 exempts services to pregnant women, services to individuals with household incomes below the federal poverty line, inpatient services,

emergency services, hospice care, covid tests, vaccines, primary care, mental health care services, substance use disorder services, or services provided by a federally qualified health center, rural health clinic, or a certified community behavioral clinic, and specifies additional limitations on cost-sharing for prescription drugs.

Proposed Law: Specific provisions of the bill would:

- Provide that for any visit, service, device, or item for which the Medi-Cal program's payment is $10 or less, no copayment is required.
- Require that a copayment of $0.01 be made for nonemergency services received in an emergency department or emergency room when the services do not result in the treatment of an emergency medical condition or inpatient admission.
- Provide that the copayment amounts may be collected and retained, or waived by the provider.
- Specify that the copayments do not apply to certain services.
- Prohibit a provider of services from denying care or services to an individual solely because of nonpayment of copayment under this section.
- Require, rather than authorize, all insurance affordability programs to accept self-attestation, instead of requiring an individual to produce a document, for age, date of birth, family size, household income, state residence, pregnancy, work or community engagement activities or exemptions to those requirements, and any other applicable criteria needed to determine the eligibility of an applicant or recipient, to the extent permitted by state and federal law.

Related Legislation:

SB 164 (Committee on Budget and Fiscal Review, Chapter 27, Statutes of 2026), the health budget trailer bill, included provisions related to H.R. 1's work requirements and eligibility redetermination process.

AB 2161 (Bonta) would include provisions related to H.R. 1's work requirements and eligibility redetermination process. The bill is scheduled to be heard August 3, 2026 in this committee.

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.

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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