

THIRD READING

Bill No: SB 1202
Author: Weber Pierson (D), et al.
Amended: 5/14/26
Vote: 21

SENATE HEALTH COMMITTEE: 11-0, 4/8/26
AYES: Weber Pierson, Valladares, Caballero, Durazo, Gonzalez, Grove,
Menjivar, Padilla, Pérez, Rubio, Smallwood-Cuevas

SENATE APPROPRIATIONS COMMITTEE: 7-0, 5/14/26
AYES: Cervantes, Seyarto, Cabaldon, Dahle, Grayson, Richardson, Wahab

SUBJECT: Medi-Cal: dashboard and outreach

SOURCE: Health Access (co-source)
Justice in Aging (co-source)
National Health Law Program (co-source)
Western Center on Law and Poverty (co-source)

DIGEST: This bill requires the California Department of Health Care Services (DHCS) to establish a dashboard to track enrollment data related to the implementation of recently enacted federal enrollment barriers. This bill requires DHCS, counties, and Medi-Cal managed care plans to undertake linguistically and culturally appropriate outreach efforts to Medi-Cal recipients to educate them on the changes to federal law and maintaining Medi-Cal eligibility.

ANALYSIS:

Existing federal law:

- 1) Requires the eligibility of all Medicaid recipients to be renewed when the recipient reports a change in circumstances or once every 12 months. [42 Code of Federal Regulations (C.F.R.) §435.916 and §435.919]

- 2) Starting January 1, 2027, as enacted by H.R. 1 (Public Law No. 119-21), requires individuals with incomes below 138% of the federal poverty level who are under age 65, not pregnant, and have no Medicaid-eligible dependents to:
 - a) Have their eligibility for Medicaid additionally redetermined every six months; and,
 - b) Demonstrate community engagement through at least 80 hours of work, community service, or participation in a work program, or at least half-time participation in an educational program, or have a monthly income not less than 80 times the federal minimum wage in a specified month. Provides for some exceptions to this requirement. This is referred to as the “work and community engagement” requirements. [Title 42 United States Code (USC) §1396a]
- 3) Requires states to provide individuals who are subject to the work and community engagement requirements information on how to comply, the consequences for noncompliance, and how to identify themselves as qualifying for an exception to the requirement in at least two different formats (e.g. mail, text, telephone, website, or other commonly available electronic means). [42 USC §1396a]
- 4) Starting January 1, 2027, as enacted by H.R. 1, reduces the retroactive eligibility period for Medicaid from three months prior to the month of application to one month prior to the month of application for the individuals described in 3) above, and two months prior to the month of application for all other individuals. [42 USC 1396d]
- 5) Authorizes lawfully present immigrants with satisfactory immigration status to receive federal public benefits, including lawful permanent residents, asylees, refugees, parolees, Cuban and Haitian entrants, individuals lawfully residing in the U.S. in accordance with Compact of Free Association, and immigrants who have been battered or subject to extreme cruelty. [8 USC 1641]
- 6) Starting October 1, 2026, as enacted by H.R. 1, limits federal payments to states for individuals who are not citizens or nationals of the U.S., lawful permanent residents, Cuban or Haitian entrants, or individuals lawfully residing in the U.S. in accordance with a Compact of Free Association. [42 USC §1396b]

Existing state law:

- 1) Establishes the Medi-Cal program, which is administered by DHCS, and under which qualified low-income individuals receive health care services. [Welfare and Institutions Code (WIC) §14000, et seq.]
- 2) Authorizes the DHCS director to contract, on a bid or nonbid basis, with any qualified individual, organization, or entity to provide services to, arrange for, or case manage the care of Medi-Cal beneficiaries and establishes managed care models that DHCS contracts within each county. [WIC §14087.3, 14089, 14087.98, 14087.967, and 14087.5]
- 3) Delegates, to the county of residence, the responsibility for Medi-Cal eligibility determinations and ongoing case management. [WIC §14015.5]
- 4) Requires a county to perform redeterminations of eligibility for Medi-Cal recipients every 12 months and to promptly redetermine eligibility whenever the county receives information about changes in a recipient's circumstances that may affect eligibility for Medi-Cal benefits. [WIC §14005.37]
- 5) Authorizes eligibility for the Medi-Cal program during any of the three months immediately prior to the month in which the application was made. [22 California Code of Regulations (CCR) §50197]
- 6) Establishes Medi-Cal eligibility for individuals without satisfactory immigration status using state funds and directs DHCS to maximize federal financial participation in implementing this section to the extent allowable. [WIC §14007.8]
- 7) Requires counties to undertake outreach efforts to Medi-Cal recipients to maintain the most up-to-date home addresses, telephone numbers, and other necessary contact information and to encourage and assist with the timely submission of the annual reaffirmation form, transitional Medi-Cal program reporting forms, and the Medi-Cal redetermination process. Authorizes counties to collaborate with community-based organizations, provided that confidentiality is protected. [WIC §14005.36]
- 8) Requires DHCS to encourage and facilitate efforts by Medi-Cal plans to report updated member contact information, and requires DHCS and counties to incorporate updated contact information received from plans in all Medi-Cal

systems used to inform plans of a member's enrollment status. [WIC §14005.36]

- 9) Requires Medi-Cal plans to request approval from a Medi-Cal recipient before sharing the recipient's updated contact information with the appropriate county. If such approval is not obtained, requires the county to attempt to verify new information from the recipient by contacting the recipient through their preferred contact method. [WIC §14005.36]

This bill:

- 1) Requires DHCS, in collaboration with the California Health and Human Services Agency and in consultation with Covered California, to establish a data dashboard providing data on applications, enrollment, redeterminations, disenrollments, and terminations, stratified by county and demographic data including age, race, ethnicity, language, and gender, excluding any personally identifiable information. Requires the dashboard to be operationalized by January 1, 2028 and updated monthly.
- 2) Requires the dashboard to track the following for the work or community engagement requirements: all the reasons applications are denied or recipients' coverage is terminated or modified based on work or community engagement requirements; exemptions requested and granted by type; and *ex parte* approvals, administrative denials or terminations, and appeals data.
- 3) Requires DHCS to develop the dashboard in consultation with stakeholders, including consumers, advocates, Medi-Cal plans, providers, counties, and the Legislature to ensure the dashboard is user-friendly and publicly accessible. Requires DHCS to consider the following objectives in developing the dashboard: learn about and document the impact of H.R. 1 on Medi-Cal applicants and recipients; identify trends or problems that might help improve the program or application technology and eligibility systems; and, obtain reliable data that is collected and analyzed in a timely fashion.
- 4) Requires DHCS to conduct outreach about work or community engagement requirements, including who is subject to the requirements, reporting requirements, processes to meet an exemption, and the consequences of noncompliance; frequent redeterminations; and, changes to retroactive eligibility to impacted Medi-Cal recipients pursuant to H.R. 1.

- 5) Requires DHCS to conduct outreach in at least two formats, including electronically if elected by the recipient, and to coordinate outreach across public social services programs. Requires DHCS to conduct listening sessions with Medi-Cal and CalFresh recipients, eligibility workers, and community-based organizations reflecting the diversity of the Medi-Cal population in developing the outreach and communication strategies.
- 6) Adds, to counties' existing outreach requirements, the requirement to include information on the new H.R. 1 requirements affecting Medi-Cal redetermination. Requires outreach efforts to meet cultural and linguistic appropriateness standards, in alignment with the National Standards for Culturally and Linguistically Appropriate Services.
- 7) Requires counties to make a good faith effort to collaborate with community-based organizations and to exercise its discretion in determining which organizations are best situated to assist in outreach efforts, particularly in efforts aimed at difficult-to-reach individuals and communities.
- 8) Requires Medi-Cal plans to establish and conduct an outreach and education plan for their members about the work or community engagement requirements based on guidance by DHCS.
- 9) Requires the Medi-Cal plan's outreach and education plan to be informed by DHCS's information on best practices supporting Medi-Cal members in maintaining coverage and the plan's stakeholder engagement. Requires the outreach and education plan to include information on maintaining eligibility, with an emphasis on work or community engagement requirements; information on recipients' rights to appeal or reinstate their Medi-Cal coverage; and, information for local resources and supports as identified by community advisory committees or other local community forums.
- 10) Requires the Medi-Cal plan's outreach and education efforts to be informed by its Population Needs Assessment; have messaging and materials appropriate to the diversity of the plan membership; meet the cultural and linguistic appropriateness standards, in alignment with the National Standards for Culturally and Linguistically Appropriate Services; and, provide multiple points of contact for members to learn more about work or community engagement and maintaining Medi-Cal eligibility.

- 11) Deletes provision in existing law requiring Medi-Cal plans to obtain the approval of the recipient before sharing updated contact information with the recipient's county.
- 12) Requires DHCS to require the sharing of recipient redetermination data, including the date of redetermination, with Medi-Cal plans to aid in Medi-Cal plans' efforts to assist recipients with retaining Medi-Cal coverage.
- 13) Authorizes DHCS to require modification of a Medi-Cal plan's existing outreach and education efforts for purposes of implementing this bill.

Comments

According to the author of this bill:

Last July, President Trump and Congress enacted H.R. 1, a federal reconciliation bill that gutted our Medicaid program to give tax cuts to the wealthy. In addition to drastically impacting how our state can raise money for Medi-Cal, H.R. 1 also created new eligibility barriers that could cut nearly two million people off the Medi-Cal program. These barriers include new work requirements, new renewal requirements, and the loss of federal funding for several groups of immigrants who have not previously been denied federal assistance. This bill requires DHCS to create a public data dashboard tracking how H.R. 1 affects Medi-Cal eligibility and enrollment. It also strengthens and expands outreach requirements for DHCS, counties, and Medi-Cal managed care to help prevent eligible residents from losing coverage because of the new federal rules. Medi-Cal enrollees need clear, culturally and linguistically appropriate information so they understand what requirements are changing, what documentation may be required to keep coverage if they remain eligible, and when coverage could end if they do not. Collecting and publicly reporting this data will also allow California to document the harm of these federal policy changes.

Background

H.R. 1. H.R. 1, a vast budget reconciliation bill, makes a number of changes primarily to lower taxes, increase funding for immigration control and national defense, and restrict access to and funding for SNAP and Medicaid. Most relevant to this bill are a number of changes to the Medicaid eligibility rules, which were

enacted to reduce the number of people receiving assistance through the Medicaid program.

- a) *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 Affordable Care Act (“ACA expansion adults”) to demonstrate 80 hours of work, education, or volunteer activities a month to be eligible for Medicaid coverage, unless they qualify for a limited exemption (pregnant or postpartum; incarcerated; parents with dependent children under age 14; disabled veterans; individuals with serious or complex medical conditions, including substance use or disabling mental disorders; and former foster youth; or live in either an area with a federally declared disaster or with a recognized high unemployment rate). States are required to verify that an individual meets the community engagement requirements twice a year, starting January 1, 2027.
- b) *Semiannual eligibility redeterminations.* Under current federal regulation and state law, Medi-Cal eligibility must be redetermined once every 12 months or whenever an individual reports a change in circumstances. H.R. 1 requires an additional eligibility renewal process every six months for the same group of ACA expansion adults that the work requirements apply to, starting January 1, 2027. This is intended to reduce the Medicaid rolls because eligible individuals often fail to respond to requests for information. In fact, prior to the ACA, California would use additional redeterminations, at times quarterly redeterminations when the state budget was tight, to reduce Medi-Cal enrollment.
- c) *Retroactive eligibility.* Under existing state and federal law, individuals applying for Medi-Cal can also have medical bills paid for the three months prior to application, known as the “retroactive eligibility period.” H.R. 1 reduces this period to one month prior to the month of application for the ACA expansion adults and two months prior to the month of application for everyone else, starting January 1, 2027.
- d) *Reduced federal funding for previously qualified immigrants.* H.R. 1 also ends the availability of full-scope federal Medicaid funding for additional groups of immigrants who are lawfully present, including refugees, asylees, victims of trafficking and others under humanitarian immigration statuses, starting October 1, 2026. The state can only continue to provide for full-scope Medi-Cal for these populations by paying for the entirety of their care, with the exception of emergency and pregnancy services. Emergency and pregnancy services, while still eligible for federal financial participation, are

now reimbursed at a lower rate as well: 50% versus 90% for the ACA expansion adults.

Impacts of H.R. 1 eligibility barriers. The UC Berkeley Labor Center estimates that 1.87 million adults will lose coverage due to the work requirements, and 270,000 will lose coverage due to the semiannual eligibility redeterminations. The most recent estimate from DHCS in the *Implementation Plan for New Federal Eligibility and Enrollment Changes Under H.R. 1*, released on January 29, 2026 estimates up to 1.8 million will lose coverage due to work requirements, increased renewals, and the normal churn of individuals transitioning from Medi-Cal to Covered California. DHCS has also shared that approximately 200,000 immigrants will no longer have satisfactory immigration status due to the H.R. 1 change regarding immigrant eligibility and, according to the current Governor's budget proposal, will lose full-scope Medi-Cal.

According to a 2021 issue brief, *Medicaid Churning and Continuity of Care*, by the U.S. Health and Human Services Department, Medicaid "churn" (recipients moving in and out of coverage caused by frequent redeterminations) results in higher administrative costs, less predictable state expenditures, and higher monthly health care costs due to pent-up demand for health care services. People who experience churn are more likely to delay care, receive less preventive care, refill prescriptions less often, and have more emergency department visits. This bill seeks to reduce churn in Medi-Cal by including recipients and other stakeholders in developing outreach and education plans and requiring specified data on any coverage losses.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

According to the Senate Appropriations Committee:

- Unknown ongoing General Fund costs, potentially low millions, for DHCS to establish and maintain the dashboard.
- Cost to counties for administration would be potentially reimbursable by the state, subject to a determination by the Commission on State Mandates.

SUPPORT: (Verified 5/14/2026)

Health Access (co-source)

Justice in Aging (co-source)

National Health Law Program (co-source)

Western Center on Law and Poverty (co-source)

Alzheimer's Greater Los Angeles
Alzheimer's Orange County
Alzheimer's San Diego
American College of Obstetricians & Gynecologists – District IX
American Federation of State, County, and Municipal Employees
Asian Resources, Inc.
Bay Area Legal Aid
California Alliance for Retired Americans
California Alliance of Child and Family Services
California Collaborative for Long-Term Services and Supports
California Hospital Association
California Immigrant Policy Center
California Kidney Care Alliance
California LGBTQ Health and Human Services Network
California Pan-Ethnic Health Network
California Physicians Alliance
California Primary Care Association
California State Association of Psychiatrists
Cardea Health
Caring Across Generations
Children Now
Children's Specialty Care Coalition
Choice in Aging
Coalition of California Welfare Rights Organizations
Community Clinic Association of Los Angeles County
Community Legal Aid Southern California
Community Legal Services in East Palo Alto
Courage California
Disability Rights California
East Bay Community Law Center
Family Voices of California
Gender Affirming Professionals
Grace Institute - End Child Poverty in CA
Indivisible CA: StateStrong
Jewish Family Service of Los Angeles
Latino Coalition for a Healthy California
Legal Aid Society of San Mateo County
Los Angeles Best Babies Network
Maternal and Child Health Access
Multi-Faith ACTION Coalition

Northeast Valley Health Corporation
Planned Parenthood Affiliates of California
Public Counsel
Retired Public Employees Association
San Francisco Senior and Disability Action
Senior Services Coalition of Alameda County
South Asian Network
The Children's Partnership
Vision Y Compromiso
Western Center on Law & Poverty

OPPOSITION: (Verified 5/14/2026)

None received

ARGUMENTS IN SUPPORT: Co-sponsors Justice in Aging, Health Access, National Health Law Program, and Western Center on Law and Poverty, and many supporters, write many Medi-Cal recipients are already working or are excused from the requirements because they are a caregiver, student, or have a disability, but may need support to apply for an exemption or prove their employment or schooling. These new requirements add extra layers of red tape that will result in coverage losses because of the additional paperwork. Furthermore, comprehensive data tracking of the impacts is imperative to understanding if specific groups are disproportionately harmed and mitigating coverage loss. The American Federation of State, County and Municipal Employees writes that transparency and communication are the most effective tools in preventing administrative disenrollments, and an all-hands-on-deck approach that is coordinated, and culturally and linguistically appropriate outreach will ensure all Californians who rely on Medi-Cal understand the steps necessary to maintain eligibility. The California Hospital Association points out that if estimates are correct about the number of Californians that lose access to Medi-Cal, this translates to more than \$2 billion annually in uncompensated care costs that will be borne by hospitals and threaten providers' financial stability.

Other. The Local Health Plans of California submitted a letter agreeing with the overall goal, but requesting amendments in the following areas 1) delete language in existing law requiring recipient consent for plans to share updated contact information as this language was superseded by H.R. 1 which requires plans to share such information; 2) authorize plans to receive recipient redetermination data to aid in outreach efforts; 3) modify some of the content of information to be shared in plan outreach materials; and 4) adjust language requiring inclusion of

specific community partner contact information. The first and second requests were amended in as committee amendments and the author and sponsors commit to continue working with the plans on the third and fourth requests.

Prepared by: Jen Flory / HEALTH / (916) 651-4111
5/18/26 15:24:02

****** END ******