

Medi-Cal and Medicaid Program Changes

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Regional Director



Discussion Topics

- Medi-Cal Program
 - Asset Limits
 - Enrollment Freeze for Undocumented Members 19+
 - Dental Coverage
 - Monthly Premiums
- Medicaid Program
 - Provider Taxes
 - Eligibility & Access to Care
 - Prohibited Entities
 - Immigrant Eligibility Changes
- Questions

About Us

Regional Offices



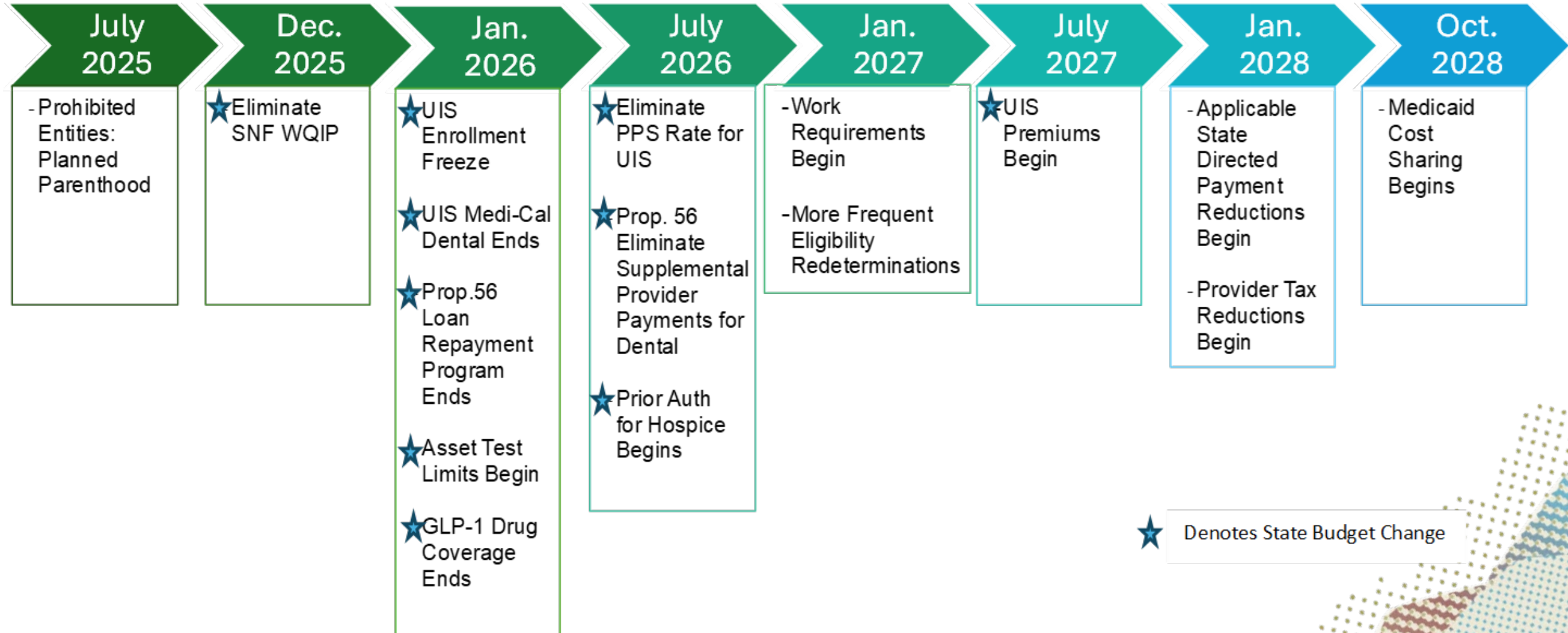
Mission: *To help our members, and the communities we serve, be healthy.*

Vision: *To be the most highly regarded managed care plan in California*

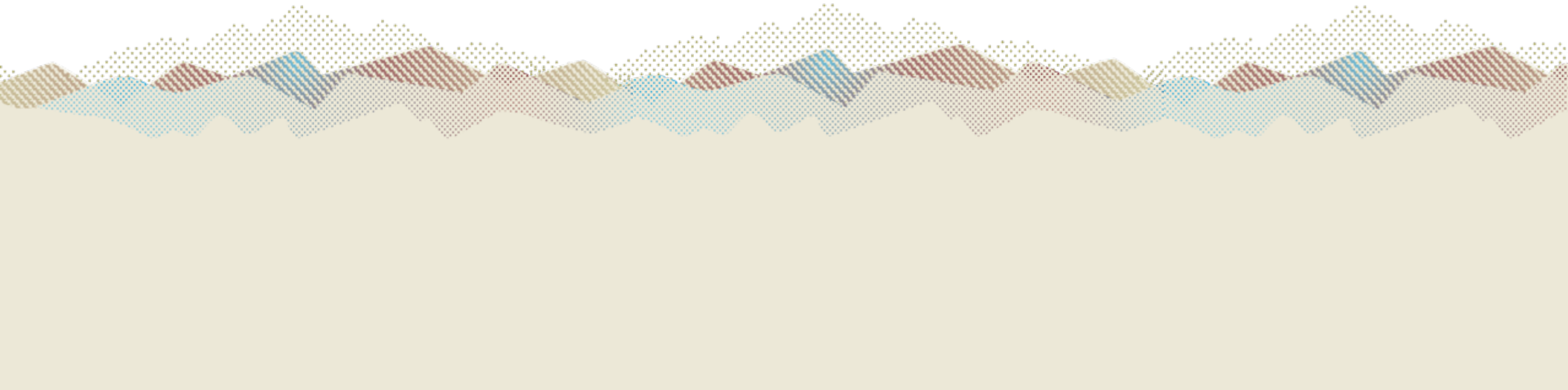
Members: *909,600 as of July 2025.*

Population: *29% of all residents in our 24-county service area are Partnership members.*

Timeline



State Budget: Medi-Cal Changes



State Budget: Asset Limit

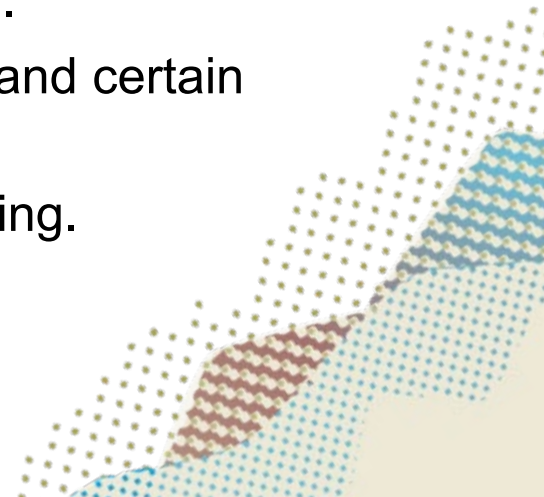
Starting **January 1, 2026**, Medi-Cal will once again consider assets when reviewing eligibility for older adults and people with disabilities as part of the application and renewal process.

WHO:

- Medi-Cal members and applicants whose eligibility is based on age (65+), disability (physical, mental, or developmental), or long-term care needs.

KEY INFORMATION:

- The asset limit is \$130,000 for one person. Each additional household member adds \$65,000 to the asset limit, up to 10 members per household.
- Assets include bank accounts, cash, and anything over one home and one vehicle.
- Some assets don't count, like the home you live in, one vehicle, household items, and certain savings, like retirement accounts.
- Assets will be reviewed at the regular annual renewal. Income rules are not changing.



State Budget: UIS Eligibility & Access

Starting **January 1, 2026**, Medi-Cal will freeze new enrollments for certain adults who are undocumented and do not have a [satisfactory immigration status](#) for federal full scope Medi-Cal. This group will no longer be able to newly enroll in full scope Medi-Cal, even if they qualified before under state-funded programs.

WHO:

- Californians aged 19 and older, who are not pregnant, who are undocumented, and who qualified for full scope Medi-Cal because of the state-funded Adult Expansions.

KEY INFORMATION:

- If an individual is already enrolled in full scope Medi-Cal, they will stay covered no matter their immigration status. They will need to continue to complete their renewal.
- If coverage stops because of a **late renewal or missing paperwork**, the individual will have **90 days** to fix it and stay enrolled
- If coverage is lost, the individual won't be able to sign up again—except for emergency and pregnancy care.
- Income-eligible **children (0-18) and pregnant people** can enroll in full scope Medi-Cal, no matter their immigration status. Coverage is for the entire pregnancy and one year after the pregnancy ends.

State Budget: Dental Coverage

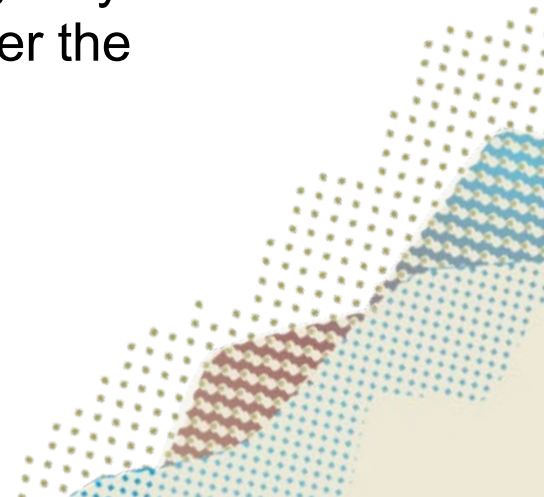
Starting **July 1, 2026**, dental benefits will no longer be provided to adult Medi-Cal members who do not have satisfactory immigration status.

WHO:

- Californians aged 19 and older who do not have a satisfactory immigration status.

KEY INFORMATION:

- Emergency dental care (such as treatment for severe pain or infection and tooth extractions) will still be covered for everyone, no matter their immigration status.
- If an individual is pregnant and does not have a satisfactory immigration status, they will continue to receive full dental benefits during pregnancy and up to one year after the pregnancy ends.



Medi-Cal: Monthly Premiums

Starting **July 1, 2027**, certain adult Medi-Cal members who do not have a satisfactory immigration status must pay **\$30 per month** to keep full scope Medi-Cal.

WHO:

- Californians aged 19-59, who are not pregnant, and who do not have a satisfactory immigration status

KEY INFORMATION:

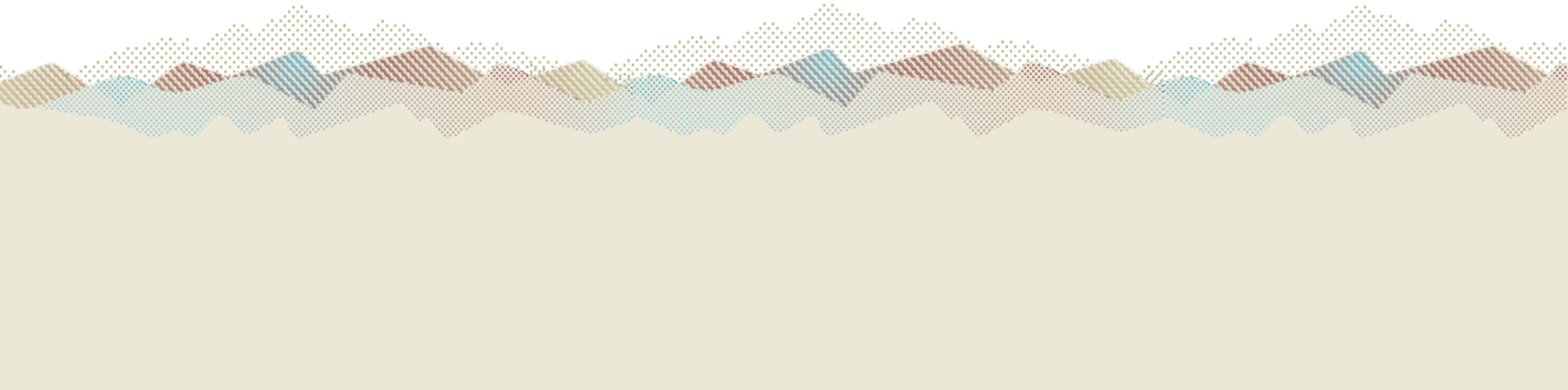
- Full scope Medi-Cal coverage for this group includes doctor visits and preventive care, hospital and emergency services, prescription drugs, mental health and substance use disorder treatment, vision care, immunizations, and reproductive health services.
- If you are part of this group and do not pay your premium, your coverage will be reduced to emergency and pregnancy-related services.



State Budget: Other Medi-Cal Funding Changes

- Federally Qualified Health Centers
 - No longer receive PPS Rates for UIS members, replaced with FFS rates (July 2026)
- Skilled Nursing Facility Workforce and Quality Incentive Program (SNF WQIP)
 - Eliminates the SNF WQIP one year earlier than expected (12/2026)
- Prop 56 Funding
 - Physician & Dentist Loan Repayment Program Eliminated (1/2026)
 - Supplemental Provider Payments for Dental Eliminated (7/2026)
- GLP-1 Weight Loss Drugs as Medi-Cal Benefit Eliminated (1/2026)
 - Benefit will continue to be available for members with diabetes

H.R. 1: Medicaid Changes



H.R. 1: Overall State Impact

- Up to 3.4 million Medi-Cal members may lose coverage (Work requirements and 6-Month eligibility checks)
- \$30+ billion in federal funding is at risk annually
- Major disruption in Medi-Cal financing structure for the medical safety net



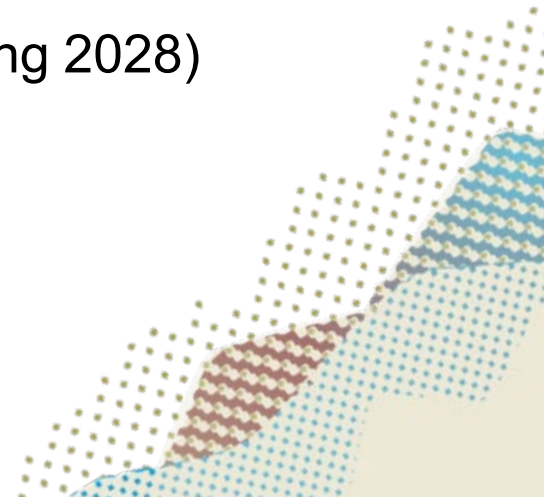
HR 1: Provider Tax Provisions

Provider Taxes Phased Down (2028-2032)

- Largest California provider taxes are:
 - Managed Care Organization (MCO) tax – Funds the DHCS targeted rate increase (TRI) policy and is statutory required to fund future Proposition 35 investments.
 - Tax structure is non-compliant under new requirements, and will need to be modified to align with new federal standards
 - Hospital Quality Assurance Fee (HQAF) – Funds the Private Hospital Directed Payment (PHDP) program.

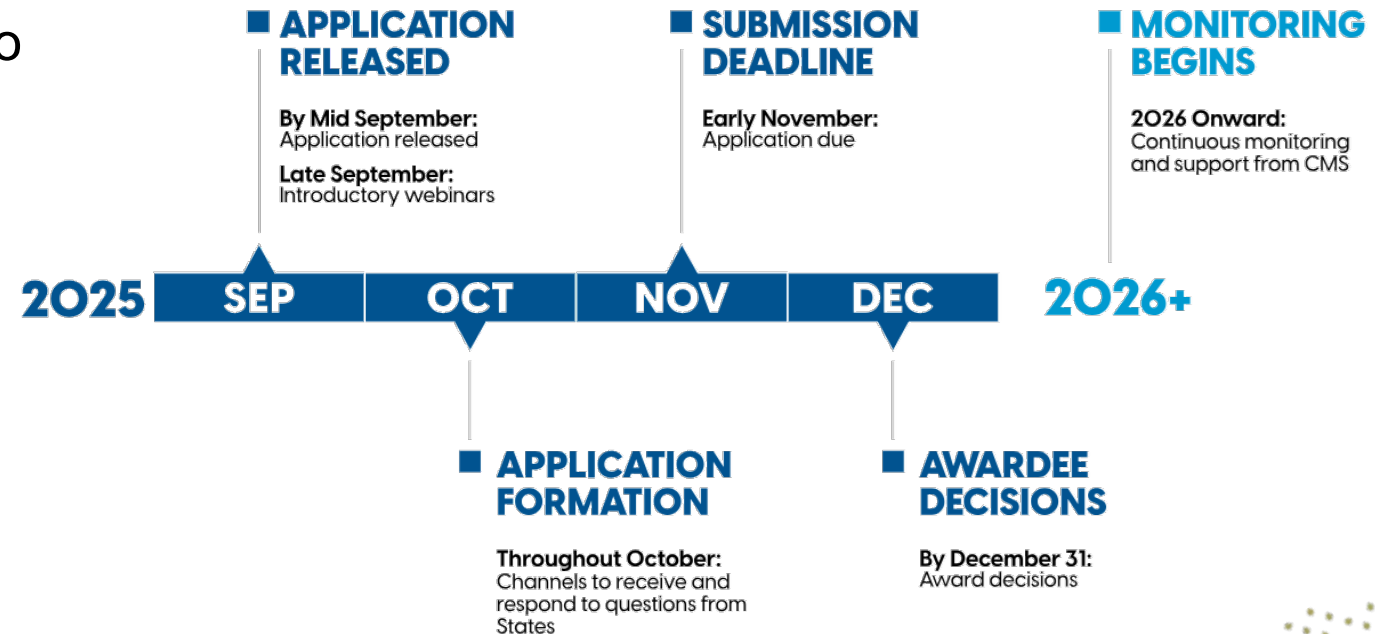
State Directed Payments - Limited to 100% of Medicare

- State directed payment above the threshold will be cut 10% annually (starting 2028)
- Reduced rates = lower provider participation in Medicaid



H.R. 1: Rural Health Transformation Fund

- Establishes \$50 billion funding program to mitigate federal funding cuts on rural health providers
- Funding Distribution
 - \$25 billion distributed equally across states with approved applications
 - \$25 billion distributed to states per CMS discretion, based on specific rural impact factors (percentage of rural residents, number of rural health facilities)



H.R. 1: Work Requirements and Eligibility


WHO

- Adults ages 19-64
- ACA Medicaid Expansion Adults

KEY INFORMATION

- Effective Date: January 1, 2027
- 80+ verified hours per month, must meet requirement at least 1-month preceding Medicaid application.
- Requires states to verify individuals' monthly work status at least every 6 months

IMPACT:

- An estimated 3 million Medi-Cal members may lose coverage due to work requirements
 - An estimated 400,000 Medi-Cal members may lose coverage due to eligibility checks
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H.R. 1: Work Requirements

Proposed Qualifying Activities and Exemptions

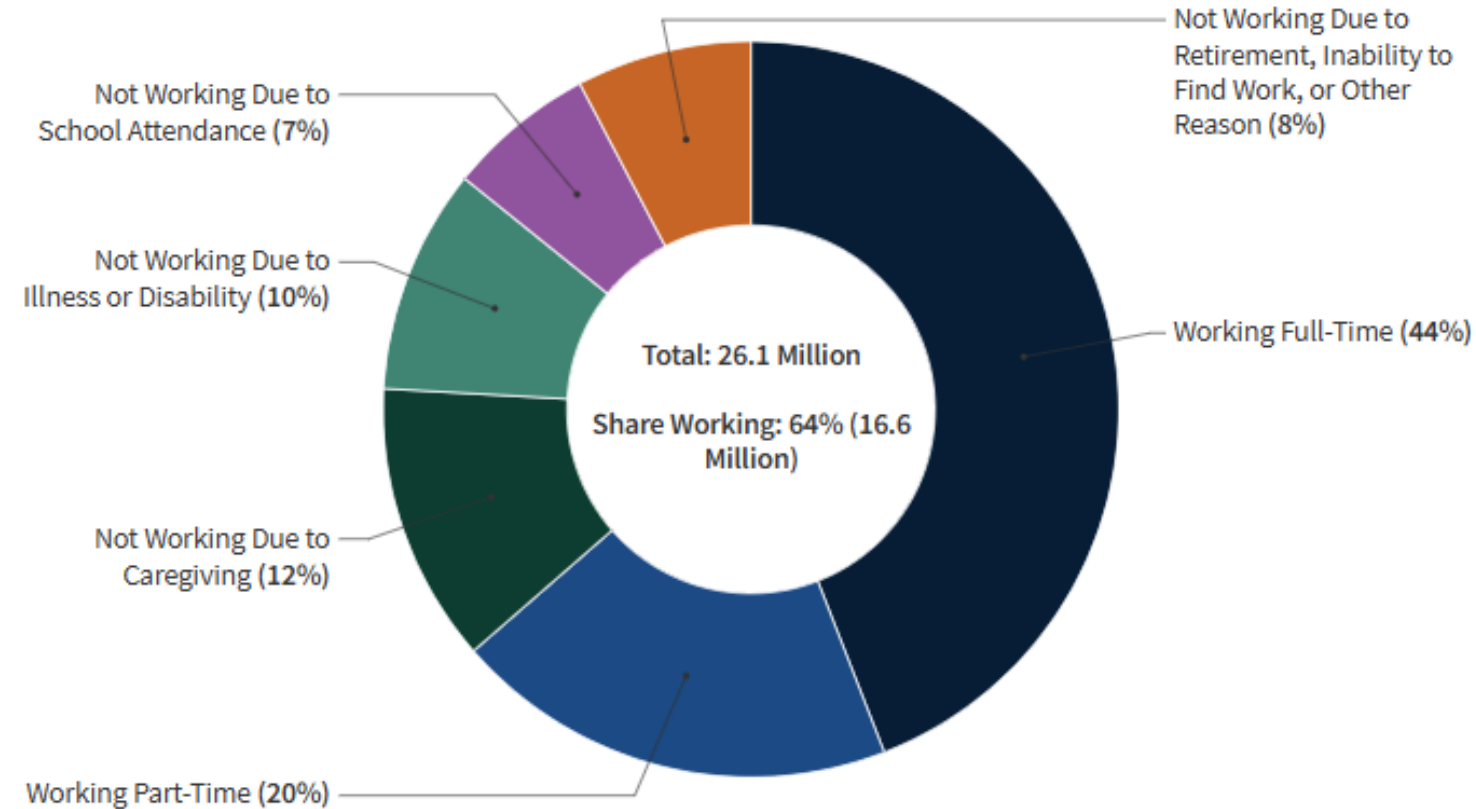
Qualifying Activities	Mandatory Exemptions	Optional Hardship Exceptions
<ul style="list-style-type: none"> • 80 hours per month of work, community service, and/or “work program” participation • Enrolled in education at least half time • Any combination of the above totaling 80 hours per month • Monthly income of minimum wage multiplied by 80 hours • Seasonal workers with an average monthly income over 6 months of minimum wage multiplied by 80 hours 	<ul style="list-style-type: none"> • Parent/guardian/caretakers of dependent children under age 13 or disabled individuals • Pregnant or receiving postpartum coverage • Foster youth/former foster youth under age 26 • Medically frail • Participating in SUD program • Meeting SNAP/TANF work requirements • American Indians and Alaska Natives • Disabled veterans • Incarcerated or released from incarceration within 90 days • Entitled to Medicare Part A/enrolled in Medicare Part B 	<p>State option to allow short-term hardship exceptions, for an individual who...</p> <ul style="list-style-type: none"> • was in an inpatient hospital, nursing facility, intermediate care facility, or inpatient psychiatric hospital • resided in a county with a federally-declared emergency or disaster • resided in a county with a high unemployment rate (above 8% or 1.5x the national unemployment rate), subject to a request from the state to the Secretary • traveled outside of the individual's community for an extended period for medical care for themselves or for their dependent

H.R. 1: Work Requirements

Figure 1

Work Status & Barriers to Work Among Medicaid Adults, 2023

Includes Medicaid covered adults (age 19-64) who do not receive benefits from Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI) and are not also covered by Medicare.



Note: Total may not sum to 100% due to rounding. Working Full-Time is based on total number of hours worked per week (at least 35 hours). Full-time workers may be simultaneously working more than one job.

Source: KFF analysis of the March 2024 Current Population Survey ASEC Supplement • [Get the data](#) • [Download PNG](#)

H.R. 1: Cost Sharing

WHO

- ACA Medicaid Expansion Adults with incomes above 100% FPL (\$15,560 per year)

KEY INFORMATION

- Effective Date: October 1, 2028
- States would decide the amount, not to exceed \$35 per service



HR 1: Prohibited Entities

- One-year moratorium on Medicaid payments to 'prohibited entities' that provide abortion services.
 - A court injunction was issued to temporarily block the moratorium.
 - Now: Planned Parenthood can still bill Medicaid while the court injunction is in effect.
 - Looking Ahead: Potential for future appeal to the Supreme Court.



H.R. 1: Restrictions on Lawful Immigrant Eligibility for Medi-Cal

- End full-scope federal Medicaid and CHIP funding for:
 - Refugees
 - Asylees
 - Victims of human trafficking
 - Certain individuals who were granted conditional entry or humanitarian parole, such as Afghans or aided U.S. operations or people fleeing violence in the Ukrainian war
- **Effective Date:** October 1, 2026
- **Impact:** Approx. 200,000 immigrant Medi-Cal members will shift from satisfactory to unsatisfactory immigration status

Resources


What Medi-Cal Members Need to Know

Medi-Cal Program Changes (2026-2027)

What Medi-Cal Members Need to Know

For most Medi-Cal members, eligibility and benefits will stay the same

This means you will continue to have access to doctor visits, hospital stays, emergency care, prescription drugs, mental health and substance use disorder treatment, preventive services like screenings and immunizations, and long-term care and transportation, when needed. Coverage also includes dental and vision care, as well as other benefits that support your health and well-being.



Change for Older Adults and People with Disabilities Asset Limit

Starting **January 1, 2026**, Medi-Cal will once again consider assets (what you own) when reviewing eligibility for seniors and people with disabilities as part of the application and renewal process.

WHO:
Medi-Cal members and applicants whose eligibility is based on age (65+), disability (physical, mental, or developmental), or long-term care needs.

KEY INFORMATION:

- The **asset limit** is \$130,000 for one person. Each additional household member adds \$65,000 to the asset limit, up to 10 members per household.
- Assets include bank accounts, cash, and anything over one home and one vehicle.
- Some assets don't count**, like the home you live in, one vehicle, household items, and certain savings, like retirement accounts.
- If you are already a Medi-Cal member, assets will be reviewed at your annual renewal. **Income rules are not changing.**

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Changes for Certain Adult Immigrants Medi-Cal Enrollment Freeze for Undocumented Members 19+

Starting **January 1, 2026**, Medi-Cal will freeze new enrollments for certain adults who are undocumented and do not have a satisfactory immigration status for federal full scope Medi-Cal. This group will no longer be able to newly enroll in full scope Medi-Cal, even if they qualified before under state-funded programs.

WHO:
Californians aged 19 and older, who are not pregnant, who are undocumented, and who qualified for full scope Medi-Cal because of the state-funded Adult Expansions.

KEY INFORMATION:

- If you are **already enrolled** in full scope Medi-Cal, you will stay covered no matter your immigration status as long as you **complete your annual renewal**. Make sure to renew and use your benefits!
- If you are part of this group and **lose your coverage**, you **won't be able to sign up again**—except for emergency and pregnancy care.
- If your coverage stops because of a **late renewal or missing paperwork**, you will have **90 days to fix it** and stay enrolled.
- Income-eligible **children (0-18) and pregnant people** can enroll in full scope Medi-Cal, no matter their immigration status. Coverage is for the entire pregnancy and one year after the pregnancy ends.

Dental Coverage

Starting **July 1, 2026**, dental benefits will no longer be provided to adult Medi-Cal members who do not have satisfactory immigration status.

WHO:
Californians aged 19 and older who do not have a satisfactory immigration status, including, but not limited to:

- Green card holders not exempt from the five-year waiting period, who have had their permanent resident status for less than five years.
- PRUCOL (e.g., with temporary protected status or refugee status).
- People with no immigration status, but who currently qualify under past Medi-Cal expansions.
- People enrolled through a trafficking or crime victim assistance program.
- Lawfully present immigrants who are older than age 20 and not pregnant.

KEY INFORMATION:

- Emergency dental care** (such as treatment for severe pain or infection and tooth extractions) **will still be covered for everyone**, no matter their immigration status.
- If you are **pregnant** and do not have a satisfactory immigration status, you will continue to receive full dental benefits during pregnancy and up to one year after the pregnancy ends.

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Monthly Premiums

Starting **July 1, 2027**, certain adult Medi-Cal members who do not have a satisfactory immigration status must pay **\$30 per month** to keep full scope Medi-Cal.

WHO:
Californians aged 19-59, who are not pregnant, and who do not have a satisfactory immigration status, including but not limited to:

- Green card holders subject to the five-year waiting period, who have had their permanent resident status for less than five years.
- PRUCOL (e.g., with temporary protected status or refugee status).
- People without federal immigration status who currently qualify under past Medi-Cal expansions.
- People enrolled through a trafficking or crime victim assistance program.
- Lawfully present immigrants older than age 20 who are not pregnant.

KEY INFORMATION:


- Full scope Medi-Cal coverage for this group includes doctor visits and preventive care, hospital and emergency services, prescription drugs, mental health and substance use disorder treatment, vision care, immunizations, and reproductive health services.
- If you are part of this group and do not pay your premium, your coverage will be reduced to emergency and pregnancy-related services.

What You Can Do: Stay Covered!

- Keep your contact information updated so you don't miss important notices.
- Watch your mail and **respond to renewal packets** or letters from your health plan or local county office.
- Know your **renewal date** so you can go online or work with your local county Medi-Cal office to renew your Medi-Cal if you do not receive notifications.
- Keep going to the **doctor** and other medical appointments.
- Visit our website and follow our social media channels for updates.

Ask questions if you're unsure:

- Contact your local Medi-Cal office.
- Call the Medi-Cal Member Help Line at (800) 541-5555.
- Contact your health care plan.



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(<https://www.dhcs.ca.gov/Medi-Cal/Pages/changes.aspx>)

Keep Your Medi-Cal

- Engagement with clinics, hospitals, counties, and other stakeholders to have a coordinated enrollment activities.
- Partnership Efforts
 - Eligibility Redetermination
 - Member Services – Mailing renewal reminders to members
 - Text message campaign
 - Website (coming soon)
 - Information on changes to Medi-Cal and Medicaid
 - Fact sheets and other resources available for members and providers
 - Engagement toolkit
 - Talking points
 - Social media posts
 - Press releases, public service announcements, other media resources



QUESTIONS

