MADELINE CLINE
DISTRICT 1
MAUREEN MULHEREN
DISTRICT 2
JOHN HASCHAK
DISTRICT 3
BERNIE NORVELL
DISTRICT 4
TED WILLIAMS
DISTRICT 5



DARCIE ANTLE CHIEF EXECUTIVE OFFICER CLERK OF THE BOARD

CHARLOTTE E. SCOTT
COUNTY COUNSEL

MENDOCINO COUNTY BOARD OF SUPERVISORS AGENDA BOARD WORKSHOP/REGULAR CLOSED SESSION September 10, 2025 - 9:00 AM

Meeting Location(s): 501 Low Gap Road, Room 1070, Ukiah, CA. 95482 (Board Chambers)

Zoom Link: https://mendocinocounty.zoom.us/j/81214541128 Zoom Phone Number (if joining via telephone): 1 669 900 9128; Zoom Webinar ID: 812 1454 1128

Listed below are some of the Board of Supervisors Public Engagement options. For streaming options and a complete list of ways to interact with agenda items (or more information on any of these listed) please visit: https://www.mendocinocounty.org/government/board-of-supervisors/public-engagement

Written Comment

- Submit online via the eComment platform at https://mendocino.legistar.com/Calendar.aspx

Verbal Comment

- Speak in person at any physical meeting location when the Chair calls for Public Comment
- Join the Zoom Webinar and use the "raise hand" feature when the Chair calls for Public Comment (if joining via telephone: press *9 to raise your hand, and *6 to unmute yourself when called)
- Leave a voicemail message, up to 3 minutes in length, by calling 707-234-6333

*Note: Voicemail comments will no longer be played back during Open Session, but are immediately available to the full Board of Supervisors upon submittal.

1. OPEN SESSION (PLEDGE OF ALLEGIANCE AND ROLL CALL 9:00 A.M.)

The Mendocino County Board of Supervisors meets concurrently as the Board of Directors of the: In Home Supportive Services Public Authority Governing Board; Mendocino County Air Quality Management District; Mendocino County Public Facilities Corporation; and the Mendocino County Water Agency.

- 1a) Roll Call
- 1b) Pledge of Allegiance

2. WELCOME AND AGENDA REVIEW

No formal action will be taken by the Board of Supervisors on item 4a). Any action items resulting from the Health Summit Workshop will be added to an agenda for a future meeting of the Board of Supervisors.

3. PUBLIC EXPRESSION

Members of the public are welcome to address the Board on items not listed on the agenda, but within the jurisdiction of the Board of Supervisors. The Board is prohibited by law from taking action on matters not on the agenda.

Individuals wishing to address the Board under Public Expression are welcome to do so via any method listed on the front page of this agenda or on our Public Engagement page, at: https://rb.gy/d3p0

For more information on any of these methods, please call the Mendocino County Clerk of the Board at (707) 463-4441

4. REGULAR CALENDAR

4a) Discussion and Presentation Regarding the Mendocino County Health Summit – Part 1 of Health Summit Series Discussing State and Federal Policy Changes to Health Programs and Services

(Sponsor: Executive Office, Darcie Antle)

Recommended Action:

Receive the presentations and discussions as informational, and offer feedback as needed to support collaborative planning efforts related to upcoming changes in funding and services for health and human services in Mendocino County.

Attachments: Health Summit - Agenda

Medi-Cal Policy Snapshot Mendocino County
09-08-25 Safety Net Cuts Implementation Timeline
09-09-25 MediCal-Medicaid Program Changes

5. CLOSED SESSION

Any public reports of action taken in the closed session will be made in accordance with Government Code sections 54957.1.

- 5a) Pursuant to Government Code section 54956.8 Conference with Real Property Negotiator Property: Physical Address: 46980 Ocean View Avenue, Gualala, CA and APN: 144-034-24. Agency Negotiators: Darcie Antle, Sara Pierce. Negotiating parties: County of Mendocino and South Coast Fire Protection District. Under Negotiation: Price, terms, and conditions of proposed sale of real property
- 5b) Pursuant to Government Code Section 54957 Public Employee Performance Evaluation Chief Executive Officer
- 5c) Pursuant to Government Code Section 54957.6 -Conference with Labor Negotiator - Agency Negotiators: Darcie Antle and Cherie Johnson; Employee Organization(s): Service Employees' International Union (SEIU) Local 1021, Mendocino County Deputy Sheriffs' Association (DSA), Mendocino County Law Enforcement Management Association (MCLEMA), Mendocino County Management Association, Mendocino County Association of Confidential Employees (MCACE), Mendocino County Department Head Association, Mendocino County Probation Employees' Association (MCPEA)Teamsters Local 856, Mendocino County Public Authority and SEIU Local 2015 (IHSS), Mendocino County Public Attorneys' Association (MCPAA), and Unrepresented
- 5d) Pursuant to Government Code section 54956.9(d)(1) Conference with Legal Counsel Existing Litigation: One Case Gary Markley v. County of Mendocino, et al., Mendocino County Superior Court, Case No. 24CV00443
- 5e) Pursuant to Government Code section 54956.9(d)(1) Conference with Legal Counsel Existing Litigation: One Case In re: Purdue Pharma L.P., et al., United States Bankruptcy Court, Southern District of New York, Case No. 19-23649
- 5f) Pursuant to Government Code section 54956.9(d)(1) Conference with Legal Counsel Existing Litigation: Two Cases In Re: National Prescription Opiate Litigation, U.S. District Court for the Northern District of Ohio, Case Nos. 1:17-md-02804-DAP and 1:18-op-45654-DAP
- 5g) Pursuant to Government Code section 54956.9(d)(1) Conference with Legal Counsel Existing Litigation: One Case Daniel Jackson Kisliuk v. City of Fort Bragg, et al., U.S. District Court, Northern District, Case No. 1:24-cv-03440-RMI

- 5h) Pursuant to Government Code section 54956.9(d)(1) Conference with Legal Counsel Existing Litigation: One Case Chamise Cubbison v. County of Mendocino, et al., Mendocino County Superior Court, Case No. 23CV01231
- 5i) Pursuant to Government Code section 54956.9(d)(1) Conference with Legal Counsel Existing Litigation: One Case Scott Roat v. County of Mendocino, et al., Mendocino County Superior Court, Case No. 25CV02171
- 5j) Pursuant to Government Code section 54956.9(d)(1) Conference with Legal Counsel Existing Litigation: One Case Mendocino Preservation Fund v. Mendocino County, et al., Mendocino County Superior Court, Case No.25CV02262
- 5k) Pursuant to Government Code section 54956.9(d)(1) Conference with Legal Counsel Existing Litigation: One Case Joseph Hart v. County of Mendocino, et al, U.S. District Court, Northern District, Case No. 1:25-cv-04501-RMI
- 5l) Pursuant to Government Code Section 54956.9(d)(2) Conference with Legal Counsel Anticipated Litigation: Significant Exposure to Litigation Arising from a Complaint from a Former Employee of the Mendocino County Air Quality Management District: One Case

6. MODIFICATIONS TO AGENDA

Items added to the agenda subsequent to agenda publication, up to 72 hours in advance of the meeting, pursuant to Government Code section 54954.

ADJOURNMENT

Additional Meeting Information for Interested Parties

For a full list of the latest available options by which to engage with agenda items, please visit https://www.mendocinocounty.org/government/board-of-supervisors/public-engagement

All electronically submitted comment is immediately available to Supervisors, staff, and the general public by clicking this meeting's eComment link at https://mendocino.legistar.com/Calendar.aspx

LIVE WEB STREAMING OF BOARD MEETINGS is available at https://mendocino.legistar.com or visit the Mendocino County YouTube channel. Meetings are also livestreamed from the Mendocino County Facebook page. For technical assistance, please contact the Clerk of the Board at (707) 463-4441. Please reference the departmental website to obtain additional resource information for the Board of Supervisors: www.mendocinocounty.org/bos

The Mendocino County Board of Board of Supervisors complies with the Americans with Disabilities Act (ADA) requirements and upon request, will attempt to reasonably accommodate individuals with disabilities by making meeting material available in appropriate alternative formats (pursuant to Government Code 54953.2). Anyone requiring a reasonable accommodation to participate in a meeting of the Board of Supervisors or Affiliate Meeting Body should contact the Mendocino County Clerk of the Boards Office at (707) 463-4441, not less than 48 hours prior to the meeting.

Thank you for your interest in the proceedings of the Mendocino County Board of Supervisors.



Mendocino County Board of Supervisors

Agenda Summary

Item #: 4a)

To: BOARD OF SUPERVISORS

From: Executive Office

Meeting Date: September 10, 2025

Department Contact: Darcie Antle **Phone:** 707-463-4441

Item Type: Regular Agenda Time Allocated for Item: 3 Hours

Agenda Title:

Discussion and Presentation Regarding the Mendocino County Health Summit - Part 1 of Health Summit Series Discussing State and Federal Policy Changes to Health Programs and Services (Sponsor: Executive Office, Darcie Antle)

Recommended Action/Motion:

Receive the presentations and discussions as informational, and offer feedback as needed to support collaborative planning efforts related to upcoming changes in funding and services for health and human services in Mendocino County.

Previous Board/Board Committee Actions:

None.

Summary of Request:

This initial meeting will bring together representatives from County departments, local health care providers, clinics, health plan. The purpose of the summit is to explore how the first wave of anticipated changes may affect hospitals, clinics, and County-administered programs. Participants will share information, foster open dialogue, and begin the process of developing collaborative strategies to address these challenges.

Meetings two and three in the series are planned for January 2026 and Spring 2026.

Alternative Action/Motion:

N/A

Strategic Plan Priority Designation: An Effective County Government

Supervisorial District: All

Vote Requirement: Majority

Supplemental Information Available Online At: N/A

Item #: 4a)

Fiscal Details:

source of funding: N/A current f/y cost: N/A budget clarification: N/A annual recurring cost: N/A

budgeted in current f/y (if no, please describe): N/A

revenue agreement: N/A

AGREEMENT/RESOLUTION/ORDINANCE APPROVED BY COUNTY COUNSEL: N/A

CEO Liaison: Darcie Antle, CEO

CEO Review: Yes CEO Comments:

FOR COB USE ONLY

Executed By: Deputy Clerk Final Status: Item Status

Date: Date Executed Executed Executed Item Type: item

Number:

Mendocino County Health Summit

Wednesday September 10, 2025 9:00 am – 12:00 pm Board Chambers

<u>Time</u>	Mins	Topic	<u>Presenters</u>	
9:00	10	Welcome and Agenda Review Pledge of Allegiance	Chair	
9:10	20	Public Expression		
		Social Services		
9:30	20	 Eligibility IHSS CalFresh/SNAP 	DeDe Parker, Jesse VanVoorhis, Rachel Ebel- Elliott	
		Health Services		
9:50	20	 BHRS PHS EMS Long Term Outcomes 	Dr. Jenine Miller, Tami Bartolomie, Nate England	
10:10	10	Break		
		System of Care		
10:20	60	 Partnership Health Plan Impact across counties Clinics Community Impacts Hospital ER Impacts 	Vicky Klakken, Dr. Jeff Ribordy (PHP), Lucresha Renteria (MCCINC), Rod Grainger (MCHC), Otis Brotherton (Round Valley Indian Health Center) Jeff Mock, Richard Riter (Adventist Health)	
County Finance				
11:20	10		Darcie Antle, Sara Pierce	
Debrief				
11:30	30	• Questions		
12:00		Recess		



Local Impacts of Federal and State Changes to Medi- Cal

A Policy Snapshot Prepared for Mendocino County

In 2025, the U.S. Federal Government and the State of California are making policy changes to Medi-Cal.

Medi-Cal is the name for California's Medicaid program. Medi-Cal provides health insurance for people with low income and limited resources. It is also a primary source of funding for local health care systems.

This Medi-Cal Policy Snapshot outlines how Mendocino County may be impacted by these changes.

Executive Summary: What's Changing and Why It Matters

County governments will feel the direct impacts of Medi-Cal funding changes first.

Medi-Cal is more than a publicly funded health program. It contributes to local economies, as it supports hospitals, clinics, and provider networks, and supports jobs in health care and related services.

The program also provides health care coverage to <u>low wage workers</u>, $^{\boxtimes}$ who are employed in sectors such as hospitality, agriculture, grocery, retail, and transportation.

How Medi-Cal Benefits Local Economies



Supports hospitals, clinics, and provider networks through reimbursements



Supports jobs in health care and service sectors



Provides health care coverage for many low-wage workers

Source: Counties R.I.S.E.

With the 2025 federal and state changes to Medi-Cal, counties will likely feel the biggest impact through **changes to** health services, less funding for local hospitals and clinics, more pressure on emergency care, impacts to health care jobs, and potentially reduced funds for other county services.

The Snapshot details how those changes will impact specific populations, hospitals, clinics, and medical providers in Mendocino County.

Key Findings for Mendocino County

What 2025 Federal and State Medi-Cal Changes Mean for Mendocino County

Medi-Cal is a lifeline for nearly ½ of Mendocino County residents.

As of May 2025, approximately 46% of Mendocino County residents have health care because of Medi-Cal, with the highest concentrations in lowerincome ZIP codes such as those in Covelo.



REDUCED FEDERAL FUNDING

The federal government implemented new rules that limit Medi-Cal eligibility and prohibit federal dollars from funding key services.



STATE POLICY CHANGES

The state is freezing enrollment for adults with unsatisfactory immigration status (UIS) and reinstating the asset limit.



PROVIDERS THAT MAY BE IMPACTED

Hospitals like Adventist
Health Ukiah Valley and local
FQHCs rely on Medi-Cal
funding to cover a broad
scope of services for
vulnerable populations.



HEALTH PLANS THAT MAY BE IMPACTED

Partnership HealthPlan of California may face fiscal impacts.



POPULATIONS THAT MAY BE IMPACTED

Federal changes could trigger Medi-Cal disenrollment especially among low income workers, adults with unsatisfactory immigration status, and others.



OPERATIONAL STRAIN

To comply with new eligibility requirements, Medi-Cal administrators will face higher administrative workloads, requiring more resources.



LOCAL JOBS

Mendocino County could lose over 600 jobs with federal Medi-Cal funding changes alone (U.C. Berkeley Labor Center 2025).



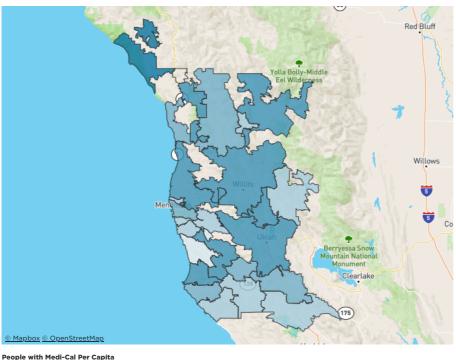
LOST ECONOMIC OUTPUT

Every federal Medi-Cal dollar cut results in \$1.85 in lost economic output in California (U.C. Berkeley Labor Center 2025).

Source: Counties R.I.S.E.

Medi-Cal Recipients by ZIP Code in Mendocino County

Note: Some ZIP codes shown on the map fall outside of Mendocino County.







^{35.5% - &}lt;65.4%

Sources: US Census Bureau ACS 5-year 2019-2023

What 2025 Federal and State Medi-Cal Changes Mean for Mendocino County

Medi-Cal is a lifeline for nearly one in two Mendocino County residents, offering essential health coverage to those who would otherwise go without it.

As of May 2025, approximately 46% of residents in Mendocino County rely on Medi-Cal, with high enrollment in lowerincome ZIP codes such as those around Covelo. But these coverage gains now face a rollback as a result of federal and state policy changes.

Behind today's funding challenges are broader economic and health issues, including:

- health care costs continue to rise,
- chronic conditions like <u>diabetes and heart disease</u> remain common,
- and employer-sponsored insurance has declined, especially for low-wage and part-time workers.

Over the last decade, federal and state leaders responded by $\underline{\text{expanding Medi-Cal}}^{\text{E}}$ to meet growing demand.

These expansions helped stabilize local health systems and reduce uncompensated care.

The expansions also led to higher-than-expected Medi-Cal spending, especially at the state level.

Key cost drivers [™] in 2025 in California include the:

- · growing use of high-cost medications,
- extended COVID-era protections to help keep people insured,
- · and expanded eligibility for workers with unsatisfactory immigration status (UIS).

New 2025 federal and state rules are intended to reduce Medi-Cal spending by limiting who qualifies, what services are covered, and how care is funded.

Learn more about policy changes on this page.

The effects will likely be felt in hospitals, clinics, health plans, and communities in Mendocino County.

Effects include:

Providers that may be impacted

Hospitals like Adventist Health Ukiah Valley and local Federally Qualified Health Centers rely on Medi-Cal for funding; budget reductions could lead to reduced services for all patients, not just those enrolled in Medi-Cal.

Learn more about health system impacts on this page.

Populations that may be impacted

Federal changes and state changes will trigger Medi-Cal disenrollment, especially among low-income workers, adults with UIS, seniors, and people with disabilities. Privately insured individuals may also be affected by Medicaid cuts through increased strain on the health system, leading to longer wait times and higher costs as safety-net providers absorb more uncompensated care.

Learn more about specific populations impacted on this page.

Services that may be impacted

A wide range of Medi-Cal services may be impacted due to proposed state and federal funding changes.

These include dental care, reproductive and preventive services, and community-based supports like housing and transportation.

Reductions to these services could reduce provider participation, increase wait times, and lead to worse health outcomes, especially for people with complex needs.

Learn more about service cut impacts on specific populations on this page.

Managed Care Plan that may be impacted

Changes to the Managed Care Organization (MCO) tax could have fiscal impacts for Partnership HealthPlan of California, which covers many residents in the county. The MCO tax may also impact California's ability to <u>fund the non-federal share of Medi-Cal.</u>

Learn more about managed care plans on this page.

Operational strain

To comply with new eligibility requirements to check who qualifies for coverage using new income and asset standards, county-level Medi-Cal administrators will likely face <u>higher administrative workloads, requiring more resources.</u> $^{\text{IZ}}$

Economic impacts

According to the <u>U.C. Berkeley Labor Center</u>, every federal Medi-Cal dollar cut results in \$1.85 in lost economic output in California. The same study shows that Mendocino County could lose over 600 health care related jobs with federal Medi-Cal funding changes alone.

Learn more about economic impacts on this page.

Recent Medi-Cal innovations that may be impacted

California has launched several landmark initiatives to improve access, affordability, and coordination of care, many of which rely on federal Medicaid waivers. These innovations may be impacted due to shifting federal policy and upcoming waiver expirations.

Learn more about California's innovations and their waivers on this page.

What are the Medi-Cal Policy Snapshots?

The Medi-Cal Policy Snapshots provide counties with information about current and future changes to the program.

They are designed for key stakeholders at the state and county levels, including county executives, boards of supervisors, health agencies, the state legislature, hospitals, community groups, and local residents.

These Snapshots are designed to be educational, non-partisan, and easy to understand for a general audience.

Created by the <u>Counties R.I.S.E. team at UC Berkeley's Goldman School of Public Policy</u>, the Snapshots offer timely insights during a shifting policy landscape.

Our research team has presented the best available information as of the publication of each County Snapshot (8/25/25).

Read about our <u>research approach</u> here. For more information, contact us at gspp-agile-initiative@berkeley.edu.

Summary

In 2025, new federal and state Medi-Cal policy changes aim to reduce public spending but could also lead to significant shifts in local health care access across Mendocino County.

These changes may result in fewer people qualifying for Medi-Cal, reduced services like dental and behavioral health care, and more financial pressure on hospitals and clinics that serve large portions of the community.

For counties, this could mean impacts to jobs in health care, greater demand for emergency services, and rising costs for uncompensated care. The Medi-Cal Policy Snapshot provides more detail on policy changes and how changes will impact counties in the near and mid-term future.

Read on to learn more about the current state of Medi-Cal in Mendocino County.



<u>Current State of Medi-Cal in Mendocino County</u> <u>Read More</u>

Medi-Cal in Mendocino County: How It Works and Who It Serves

An overview of how Medi-Cal is administered and a profile of Medi-Cal enrollees in Mendocino County.

Key Takeaways for Mendocino County

- Approximately 46% of the population in Mendocino County is on Medi-Cal (nearly 1 in 2 people).
- Spurred by the ACA expansion, enrollment in Medi-Cal in Mendocino County grew from 21,735 to 41,749[™] between January 2010 and May 2025.

Medi-Cal in Mendocino County Over Time

Medi-Cal was established in California in 1966. Today, it is the largest state-run Medicaid program in the nation.

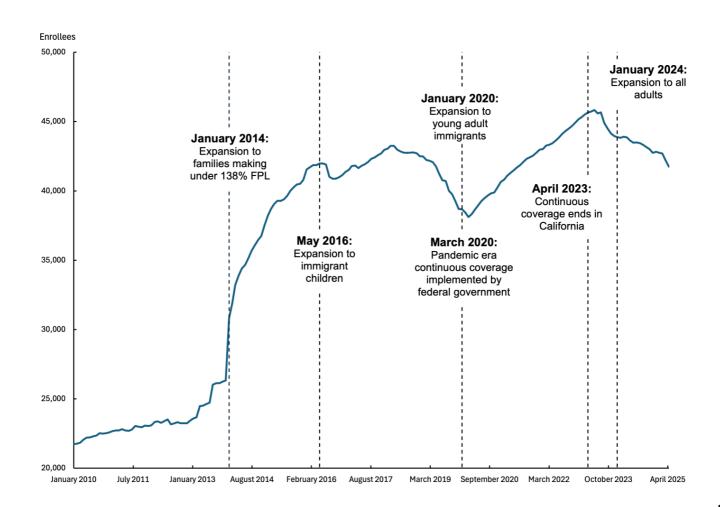
Learn more about the history of the program <u>here.</u>

Evolution of Medi-Cal in Mendocino County from 2010 - 2025

The graph below shows key milestones in the evolution of Medi-Cal in Mendocino County since the Affordable Care Act of 2010.

Medi-Cal Enrollees in Mendocino County from Pre-ACA to Present Day

January 2010 - May 2025



Enrollment in Medi-Cal (measured by Certified Eligibles) in Mendocino County grew from 21,735 to 41,749 between January 2010 and May 2025.

Note: According to DHCS, recently reported data are "considered preliminary and subject to change for one year." Data are considered to be 99% complete within two months of posting.

Population Health Over Time

Medi-Cal expansions have provided opportunities for researchers to study how these programs affect population health. Generally, expansions have led to increased health care access and better financial security.

Learn more on this topic <u>here.</u> [©]

How Medi-Cal is Managed: Federal, State, and County Agencies

Medicaid is overseen by federal and state agencies, with counties in some areas also administering and delivering certain services. Medical providers also deliver care within this framework.

Learn more about how Medi-Cal is operated and funded through intergovernmental collaboration <u>here</u>" and <u>here.</u>"

Managed Care Organizations

Managed Care Organizations (MCOs) are health plans that administer Medi-Cal benefits. There are different Medi-Cal managed care models in California counties, including:

- County Organized Health System (COHS): a single county-run plan serves all Medi-Cal enrollees
- Two-Plan Model: enrollees choose between a local initiative (usually a nonprofit) and a commercial plan
- Geographic Managed Care (GMC): enrollees choose from multiple commercial plans
- Regional Model: used often in rural counties, enrollees can choose between two plans

Medi-Cal in Mendocino County is operated under the <u>County Organized Health System</u>, with <u>Partnership HealthPlan</u> as the MCO as of 2011.

The health plan covers the list of Medi-Cal essential health benefits detailed in the California's Department of Health Care Services site, including emergency services, outpatient care, hospitalization, maternity and newborn care, mental health, prescription drugs, and physical therapy.

How Medi-Cal Services Are Delivered in Mendocino County

Care in Mendocino County is supported by <u>Adventist Health Ukiah Valley</u> and its affiliated clinics, <u>Mendocino Coast Clinics</u>, and a network of community health centers, including those operated by the <u>Mendocino Community Health Centers</u> (MCHC).

This delivery system is structured to ensure access for a geographically dispersed Medi-Cal population, spanning inland cities like Ukiah and Willits to remote coastal communities. Clinics and hospitals often collaborate to coordinate care across settings, including referrals for specialty services, hospital discharge follow-ups, and chronic disease management.

Mendocino County's Medi-Cal network prioritizes accessibility through multilingual staff, sliding-scale payment options, and extended service hours at many clinics. These providers are critical to serving the county's low-income and uninsured residents.

For more information about the potential providers impacted by the Medi-Cal reductions, see the <u>Health System Impacts</u> page.

Understanding County Responsibilities in Medi-Cal: Physical vs. Behavioral Health

In Mendocino County, and throughout California, Medi-Cal services are delivered through distinct systems with different responsibilities and funding mechanisms.

MCOs deliver physical health care, non-speciality mental health care, and several substance use disorder (SUD) services, while county behavioral health departments, also a health plan referred to as Behavioral Health Plans (BHPs), deliver specialty mental health and substance use disorder care.

Physical Health Care

Physical health services like primary care and hospital visits are delivered through the MCO (Partnership HealthPlan) and providers such as FQHCs.

Behavioral Health Care

Mental health care is provided through both MCOs and the BHP (Mendocino County Behavioral Health and Recovery Services (1)).

- Managed Care Organizations provide for non-specialty mental health services, such as therapy, psychiatric
 medication, and other critical services, for mild to moderate issues.
- **Behavioral Health Plans** provide for specialty mental health care which includes a wider array of services to provide care for those with significant impairments due to their mental health condition, including crisis care.
- **Substance Use Disorder** care is provided through both MCOs and BHPs: MCOs provide Medications for Addiction Treatment (MAT), while BHPs provide a continuum of SUD services from outpatient care to residential treatment.

County Role as Safety Net

Counties often serve as a critical safety net for individuals experiencing housing instability, or frequent system involvement, and they are often responsible for caring for those whose needs exceed what traditional health systems are designed to address.

Growing Responsibilities under Proposition 1

California's public behavioral health system is being reformed through <u>Proposition 1</u>^{IZ} (Behavioral Health Transformation), a 2024 statewide initiative which expands county responsibilities that span both Medi-Cal program delivery and broader behavioral health system development.

In addition, Proposition 1 also created state bond funding to provide for permanent supportive housing for veterans and those with serious mental health conditions or substance use disorders who are experiencing or at risk of homelessness.

Why This Matters

Understanding the division of services between MCOs and BHPs is critical for seeing how Medi-Cal operates locally, and why counties are particularly affected by changes to federal waivers, state mandates, and funding structures.

Who is Enrolled in Medi-Cal in Mendocino County?

Total Enrollees

41,749 People

Total Medi-Cal Enrollment

Mendocino County, California (May 2025)

Source: Department of Health Care Services Certified Eligibles Data

This equates to approximately 46% of the population in Mendocino County.

Note: This figure includes people <u>automatically enrolled</u> in Medi-Cal through their participation in Supplemental Security Income (SSI), which is managed by the state, not the county. As a result, county-reported enrollment may differ slightly from state data.

Children and Seniors

Those covered by Medi-Cal as of May 2025 [™] include:

- 13,783 children (0-18). This is about 33% of the Medi-Cal population in Mendocino County.
- 4,745 seniors (65+). This is about 11% of the Medi-Cal population in Mendocino County.

Race/Ethnicity of Enrollees

White enrollees make up nearly 45% of beneficiaries of Medi-Cal in Mendocino County.

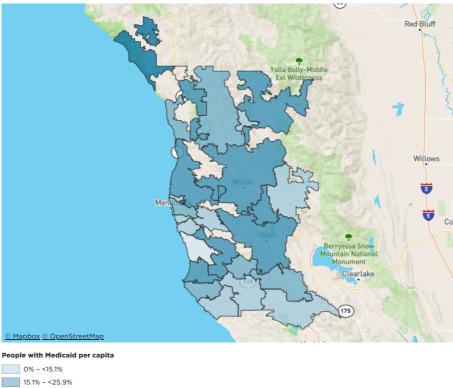
Race/Ethnicity	Certified Eligibles	Percent of Certified Eligibles
American Indian/Alaskan Native	1,986	4.8%
Asian	714	1.7%
Black	312	0.7%
Hispanic	14,471	34.7%
Not Reported	5,705	13.7%
White	18,561	44.5%

Source: Department of Health Care Services <u>Certified Eligibles Data</u>

Note: Percent of Certified Eligibles may not add to 100% due to rounding.

Medi-Cal Enrollees by ZIP Code in Mendocino County

Note: Some ZIP codes shown on the map fall outside of Mendocino County.



0% - <15.1% 15.1% - <25.9% 25.9% - <35.5% 35.5% - <65.4%

Sources: US Census Bureau ACS 5-year 2019-2023

Medi-Cal enrollees per capita are concentrated in ZIP codes in the northern end of the county, such as those in Covelo, which are also areas that generally have a lower household median income than Mendocino County's average.

Comparing Mendocino County to Other Counties

The proportion of Medi-Cal enrollees in Mendocino County is similar to other counties in the <u>North Coast census region</u>, such as Del Norte County (47%) and Humboldt County (44%).





Source: Counties R.I.S.E

Read on to learn more about federal and state policy changes to Medi-Cal in 2025.



2025 Policy Changes Read More

What's Changing: Key Federal and State Policy Shifts

Below are the key changes made in the federal and state budgets related to Medicaid.

Key Takeaways

Tighter Eligibility Rules and New Costs Will Lead to Coverage Loss

New federal rules will require twice-a-year eligibility checks, establish monthly work reporting requirements, and
add cost-sharing of up to \$35 per visit for low-income expansion adults (see further details below on which groups
are exempted). This will likely lead to coverage loss for many working-age enrollees.

Key Services Face Reductions or Elimination

 A wide range of Medi-Cal services may be impacted, including dental care, reproductive health services, and behavioral health services. These changes could reduce provider participation, affect care, and increase emergency system strain.

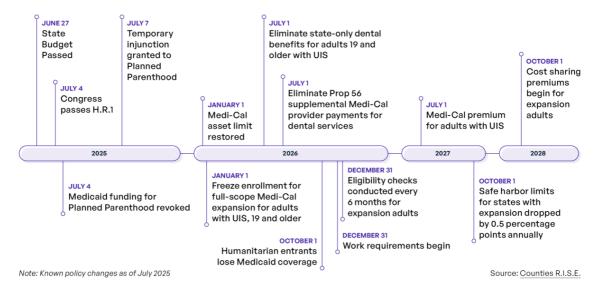
New Federal Rules Put Health-Related Social Services at Risk

 The federal government has rescinded earlier guidelines that allowed for states to use Medicaid funds for healthrelated social services like housing and nutrition through Medi-Cal. This puts California programs like <u>CalAIM</u>^E at risk.

Timeline of Upcoming Medi-Cal Policy Changes (2025 - 2028)

Below is a timeline of federal and state changes to Medi-Cal that will take effect over the next three years.

Timeline of Federal and State Medi-Cal Policy Changes



For more information: Additional details on each federal and state policy change listed in the above timeline can be found in the sections below.

Federal Changes

Budget-Related Changes:

In July 2025, the FY 2025 Federal Budget Reconciliation Bill was signed into law. The Bill includes hundreds of billions of dollars in Medicaid reductions over the next ten years.

Below is a summary of key changes, focused on provisions most relevant to Medicaid (not an exhaustive list):

Eligibility Checks:

- All those who receive Medi-Cal coverage under the Affordable Care Act (known as "expansion adults") will now have to prove they still qualify every 6 months rather than once a year.
 - Expansion adults are non-elderly and non-disabled adults with incomes up to 138% of the Federal Poverty Level (FPL), meaning \$21,597 per year for an individual and \$44,367 for a family of four.

Effective: Dec 31, 2026.

Changes in Eligibility

- Cancels Medicaid coverage for a group of non-citizens known as "humanitarian entrants." These include refugees, asylees, and humanitarian parolees (those admitted temporarily for urgent humanitarian reasons).
 - Previously, these individuals were considered qualified non-citizens and could enroll in Medicaid after meeting certain criteria.
 - The only remaining non-citizen categories eligible for Medicaid will be lawful permanent residents (green card holders), certain Cuban/Haitian entrants, and citizens of the Freely Associated States (Palau, Micronesia, and the Marshall Islands).

Effective: Oct 1, 2026.

Work Requirements:

- Work requirements to maintain Medicaid eligibility, where adults ages 19 to 64 will be required to present evidence
 of 80 hours of work, volunteering, and/or attending school every month to keep their Medi-Cal coverage.
 - States will be required to verify an individual's compliance with work requirements within one or more months of enrollment and one or more months before redetermination.
 - Mandatory exemptions include pregnant women or those receiving postpartum coverage, foster youth and
 former foster youth under age 26, "medically frail," those participating in the substance use disorder (SUD)
 treatment program, those meeting SNAP/TANF work requirements, tribal members, disabled veterans, those
 incarcerated or released from incarceration within 90 days, parents/caregivers of a dependent child ages 13 and
 under or with a disability, and those entitled to Medicare Part A or enrolled in Medicare Part B.
 - For information on the optional hardship exceptions, see this source.

Effective: No later than Dec 31, 2026 (or earlier as a state option).

Cost Sharing:

- Requires states to impose cost sharing of up to \$35 per service on expansion adults with incomes 100% to 138% of the Federal Poverty Line, or about \$15,650 to \$21,597¹³ per year for an individual and \$32,150 to \$44,367 for a family of four.
 - Exemptions include primary care, mental health, and substance use disorder services, as well as services
 provided by Federally Qualified Health Centers (FQHCs), behavioral health clinics, and rural health clinics
 (RHCs).

Effective: Oct 1, 2028.

Safe Harbor Limit on Provider Taxes:

- The federal government is lowering the "safe harbor" limit for how much states who have adopted the ACA
 expansion can collect in provider taxes (like the Managed Care Organization (MCO) tax) to fund their Medicaid
 programs. This tax money is often used to support payments to hospitals, clinics, and providers who serve Medi-Cal
 patients.
 - This can also affect the <u>Hospital Quality Assurance Fee</u>, which provides funding for supplemental payments to California hospitals that serve Medi-Cal and uninsured patients.
 - Long-term care facilities are exempted.
 - What is the safe harbor limit? Right now, states can use up to 6% of a provider's net patient revenue from these taxes, which is called the "safe harbor."

Starting in FY 2028, the cap will decrease by 0.5 percentage points annually, until it reaches 3.5% in FY 2032.

New Restrictions on Medicaid-Targeted Provider Taxes:

- · Prohibits states from having provider taxes that disproportionately target Medicaid services.
 - This provision could render California's current MCO tax structure noncompliant, as it currently charges higher rates on Medi-Cal services.

Effective: Upon enactment, <u>"subject to any applicable transition period determined appropriate by the Secretary of Health and Human Services, not to exceed 3 fiscal years."</u>

Reproductive Health:

Prohibits federal Medicaid funding to certain providers that offer abortion services, even if the provider also delivers
essential reproductive and preventive care.

Effective: Upon enactment (**Note:** A federal district court issued a partial preliminary injunction on July 21, 2025, just as a <u>Temporary Restraining Order was set to expire</u>, allowing ten Planned Parenthood affiliates to <u>continue receiving</u> federal funding. The court continues to review a broader injunction request for the remaining 37 Planned Parenthood members.)

Rural Health Transformation:

- Establishes a rural health transformation program to partially mitigate the Medicaid reductions. It will provide \$10 billion in grants to states for each of the fiscal years between 2026 and 2030 (\$50 billion in total) to be used for expanding access, expanding the workforce, and other purposes for rural health care systems.
 - Half of the funds will be distributed equally across the 50 states for each fiscal year, and the Centers for Medicare and Medicaid Services (CMS) will determine how much of the remaining half of the funds each state receives.
 - States are required to submit an application to be eligible for the funds.

Effective: Upon enactment, but funding is available in FY 2026.

State-Directed Payments

- Caps total state-directed payments (tools that let states, with federal approval, set minimum payment rates or methods for Medicaid managed care providers) for inpatient hospital and nursing facility services at 100% of Medicare rates for Medicaid expansion states and 110% of Medicare rates for non-expansion states.
 - Grandfathers certain state-direct payments approved before enactment, but reduces these payments by 10 percentage points each year starting January 1, 2028 until they meet the new caps.
 - For rural hospitals, grandfathering applies to payments submitted before enactment; for all other providers, it applies to payments submitted before May 1, 2025.
 - If Medicare rates do not exist, the cap defaults to the Medicaid fee-for-service (FFS) rate.

Effective: Upon enactment.

Reduction in Federal Medical Assistance Percentage (FMAP) for Emergency Medi-Cal

 Prohibits enhanced 90% matching rate for emergency services provided to individuals who would have otherwise been eligible for ACA adult expansion group. This includes adults with unsatisfactory immigration status, refugees, asylees, and humanitarian parolees.

Effective: October 1, 2026.

Waiver-Related Changes:

In addition to federal budget decisions, federal policy shifts are reshaping the landscape for Medi-Cal waivers.

Recent actions by the Centers for Medicare & Medicaid Services (CMS) signal a more restrictive approach to what Medicaid can fund, particularly regarding health-related social services, MCO tax programs, and waiver flexibility. These changes could have significant implications for California's existing Medi-Cal waivers.

Changes include:

- **Health-Related Social Needs:** CMS has <u>rescinded earlier guidance</u> that allowed states to use Medicaid funds for addressing health-related social needs (HRSN) like housing, nutrition, and transportation through waivers. *Potentially impacted California Waivers include:*
 - CalAIM Section 1115 Waiver (2021-2026):
 - Programs like the Drug Medi-Cal Organized Delivery System, Community Supports, and the PATH
 (Providing Access and Transforming Health) Initiative could face funding risks after 2026 if HRSN-related
 services are not justified as core medical.
 - This waiver is approved through December 2026, but future renewal is now uncertain.
 - CalAIM Section 1915(b) Waiver (2021-2026):
 - The 1915(b) waiver authorizes Medi-Cal managed care and includes components like Enhanced Care Management and Community Supports.
 - Elements tied to HRSN may require reevaluation in future renewals (waiver expires in 2026).
 - BH-CONNECT 1115 Waiver (2024-2027):
 - · Includes expanded behavioral health supports, workforce incentives, and community-based services.
 - Components not clearly tied to medical necessity (e.g., infrastructure or peer services) may face scrutiny during future renewals following the waiver's expiration.
 - California's Reproductive Health Access Demonstration (CalRHAD) Pending 1115 Waiver

- Proposed reproductive health waiver that would provide grants to reproductive health providers to
 enhance capacity, and improve access to reproductive health services for individuals enrolled in Medi-Cal
 and other individuals who may need assistance to access such services.
- This may face political and administrative hurdles under new federal priorities. Components not clearly tied to medical necessity may face scrutiny during future renewals following the waiver's expiration.

State Changes

Budget-Related Changes:

California faced a <u>\$12 billion State budget shortfall</u> for the 2025–26 fiscal year, driven primarily by greater baseline spending, especially for Medi-Cal, and lower revenues from taxes.

AB 102, the updated State Budget Act of 2025^{II} was formally passed by the Legislature and signed by the Governor, as well as AB 116, ^{II} the Health omnibus trailer bill.

Within the Budget and relevant trailer bills, there are several reductions to the existing Medi-Cal program due to the budget shortfall. Below are the key changes to Medi-Cal from the state level.

Enrollment Freeze for UIS Adults:

- AB 116 freezes enrollment for full-scope, state-only Medi-Cal for adults with "unsatisfactory immigration status" (UIS), ages 19 years and older.
 - There is no "age out" for UIS individuals who are already enrolled in Medi-Cal, and there is a three month reenrollment grace period for those that lose coverage.
 - Beneficiaries with an unsatisfactory immigration status are those who, due to their immigration status, are either not eligible for or are subject to restrictions on accessing full federal and state-funded health benefits, such as Medi-Cal.

Effective: No sooner than January 1, 2026.

Monthly Premiums for Adults with UIS:

- Implementation of \$30 per month Medi-Cal premiums for individuals with UIS, ages 19 to 59.
 - Pregnant women are exempted from the premium.

Effective: No sooner than July 1, 2027.

Dental Coverage for Adults with UIS:

AB 116 eliminates Medi-Cal full-scope, state-only dental coverage for individuals with UIS, ages 19 and older.

Effective: No sooner than July 1, 2026.

Medi-Cal Dental Service Provider Payments:

• Eliminates supplemental Medi-Cal provider payments for dental services supported by <u>Proposition 56</u> tax revenue (Proposition 56 raised the tax rate on cigarettes and other tobacco products to fund specific Department of Health Care Services (DHCS) health care programs, including dental care).

Effective by July 1, 2026.

Asset Limits:

- While Medi-Cal eliminated the asset limit (the maximum value of assets that an individual or household can own to be eligible for Medi-Cal) in January 2024, AB 116 restores the Medi-Cal asset limit.
 - After reinstatement, the asset limit will be \$130,000 for individuals plus an added \$65,000 for each additional household member.
 - This will be reinstating the limit from July 2022 to December 2023, but it will be higher than the asset test prior to July 2022.

Effective: January 1, 2026.

Prescription Coverage:

 AB 116 eliminates Medi-Cal pharmacy coverage for Glucagon-Like Peptide-1 (GLP-1) agonists for weight loss. GLP-1 will continue to be covered for diabetes.

Effective: January 1, 2026.

Elimination of Prospective Payment System (PPS) Payments to FQHCs and RHCs

- Eliminates PPS rates to FQHCs and RHCs for state-only funded services provided to individuals with UIS.
- Clinics would receive <u>payment at the Medi-Cal fee-for-service rate and at the Medi-Cal managed care negotiated</u> rate. E

Effective: July 1, 2026.

Redirecting Prop 35 Funds:

• The state is shifting some of the money from <u>Proposition 35's MCO tax revenues</u>, originally meant to improve payments for services like primary care, emergency care, mental health, and prescriptions, to help balance the state budget.

\$1.3 billion of MCO tax revenue will be used to cover General Fund costs for the Medi-Cal program, and another \$236.7 million will be appropriated for this purpose in 2026-27.

Note: The final State Budget doesn't yet account for any changes the federal government has made to Medi-Cal or other programs. Lawmakers will likely pass additional bills to address those changes.

Read on to learn more about the the impacts of these changes on specific populations in Mendocino County.



People Impacted in Mendocino County
Read More

Who's Affected: Impacts on Residents and Communities

Below are the projected impacts of federal and state Medicaid changes to different populations.

Key Takeaways for County Populations

Coverage Losses Are Likely Across Multiple Groups

• Federal and state policy changes will likely cause many people to lose their Medi-Cal coverage. This is especially concerning in communities like Covelo, where Medi-Cal is likely a critical safety net.

Cost and Administrative Barriers Will Limit Access

- More frequent eligibility checks, new reporting requirements, cost sharing, and asset limits will make it harder for people to keep or afford their Medi-Cal coverage. These burdens would disproportionately affect working adults with unstable jobs.
 - For older adults, the return of the asset test could be especially harmful; <u>4,745 seniors in Mendocino</u>
 <u>County rely on Medi-Cal</u>, and many may risk losing access. While the proposed asset threshold is relatively high, it still creates procedural barriers, which can lead to delays, confusion, and unnecessary disenrollment.

Services for Vulnerable Populations Face Major Changes

Funding reductions and expiring waivers affect core services like dental care and behavioral health care, especially
for individuals with unsatisfactory immigration status (UIS) or high-need individuals. Waiver expirations after 2026
could also roll back recent gains made through CalAIM and similar innovations for people with complex needs or
those re-entering the community from incarceration.

Coverage Gaps Across Demographic Groups May Widen

- Medi-Cal plays a central role in reducing disparities in Mendocino County, where:
 - About 28% of residents are Hispanic/Latino, and they make up about 35% of Medi-Cal enrollment. Many work in industries with irregular hours that make compliance with work requirements more difficult.
 - About 7% of residents are American Indian/Alaska Native (AI/AN), and they make up about 5% of Medi-Cal enrollment. Mendocino County is home to 11 Native American Tribes.
 - While AI/AN individuals are often exempt from federal Medicaid restrictions, many <u>rely on Medi-Cal to supplement underfunded tribal and urban Indian health programs.</u> Reductions in coverage or services could further strain these already limited systems and widen existing health disparities.

Medi-Cal Policy Impacts to Specific Populations

Medi-Cal policy changes will impact different populations in various ways.

Below is a synopsis of how different populations have benefited from Medi-Cal expansions since the Affordable Care Act, and how services will be affected under new federal and state policy changes.

Note: These population categories are not mutually exclusive. Medi-Cal enrollees may be impacted by policy changes in multiple ways, depending on their status and needs.

Low-Income Working Age Adults:

Morking Age Adults Eligible for full- scope Medi-Cal (up to 138% FPL, \$21,597 for one person, \$44,367 for a family of four) after ACA Medicaid expansion, starting January 1, 2014 (Source) This resulted in dramatic drops in uninsured rates for adults ages 19 to 64. Under ACA expansion, Medi-Cal expansion, Medi-Cal enrollees paid no premiums or co-pays for covered services in California	Specific Population	Medi-Cal Expansions from 2010-2024	Federal Policy Changes (2025)	CA State Policy Changes (2025)
(<u>Source</u> ").	Adults (General)	Eligible for full-scope Medi-Cal (up to 138% FPL, \$21,597 for one person, \$44,367 for a family of four) after ACA Medicaid expansion, starting January 1, 2014 (Source). This resulted in dramatic drops in uninsured rates for adults ages 19 to 64. Under ACA expansion, Medi- Cal enrollees paid no premiums or co-pays for covered services	Work requirements will likely disproportionately impact adults in jobs with scheduling instability, such as service or seasonal roles, and increase administrative burdens for them (Source). Cost sharing and frequent eligibility checks: These policies risk disenrollment, even among employed individuals	Asset limit reinstatement will add administrative and financial barriers that may discourage coverage or increase procedural disenrollment.

Low-Income Communities in Mendocino County:

In lower-income communities such as those in Covelo, Medi-Cal serves as a key insurance provider.

- Work requirements and eligibility checks would increase churn, where residents lose and re-apply for coverage during short-term employment gaps.
- Many may eventually drop out of the system entirely, leaving them uninsured.

People with Non-Citizen Status:

Specific Population	Medi-Cal Expansions from 2010-2024	Federal Policy Changes (2025)	CA State Policy Changes (2025)
Working Age Adults with Unsatisfactory Immigration Status (UIS)	Increased Access: Eligible for state-funded full-scope Medi-Cal. For those ages 26-49, comprehensive coverage started on January 1, 2024 (Source). No federal funds were used for this expansion; instead, General Fund revenues were used (Source).	No direct changes.	Enrollment freeze of Medi-Cal expansion for adults with UIS, 19 and older: This will prevent new enrollees from gaining coverage. This change will leave many without access to affordable care and create gaps in coverage (Source).
Individuals with UIS	Increased Access: Eligible for state-funded full-scope Medi-Cal. For those ages 26-49, comprehensive coverage started on January 1, 2024 (Source). No federal funds were used for this expansion; instead, General Fund revenues were used (Source).	No direct changes.	Elimination of full-scope, state-only dental coverage for adults with UIS: The loss of dental benefits can lead to delayed care and increased ER visits (Source). \$30/month premiums for adults with UIS: Premiums may deter continued enrollment (Source).
Humanitarian Entrants (refugees, asylees, and humanitarian parolees)	No direct impacts from ACA: Since Medicaid was established, qualified non- citizens were eligible for Medicaid, assuming they met the standard criteria. Refugees and asylees were specifically exempt from the 5-year mandatory waiting period (Source)	Loss of Coverage: Humanitarian entrants will lose their eligibility for Medicaid. As of 2023, over 60% of recently arrived refugees with health insurance were covered through Medicaid. This change will leave many without access to affordable care and create gaps in coverage (Source).	No direct changes.

People with Disabilities:

Specific Population	Medi-Cal Expansions from 2010-2024	Federal Policy Changes (2025)	CA State Policy Changes (2025)
People with	Increased Access:	Expiring Waivers:	Asset Limits:
disabilities	CalAIM improved	Recent federal	Reinstatement of
	access to	announcements signal	the asset limit will
	disability-focused	movement away from	undo many of the
	services through	supporting social	positive effects
	Community	service spending and	from its earlier
	Supports, dental	key funding	elimination, such
	care, and	mechanisms,	as by increasing
	behavioral health	specifically federal	barriers to care
	investments	waivers. With CalAIM's	and straining
	(<u>Source</u> [□]).	waiver expiring in	caregivers (Source
		2026, these initiatives	≅).
		are at risk of losing	
		funding (Source).	

Enrollees Who Need Prescriptions:

Specific Population	Medi-Cal Expansions from 2010-2024	Federal Policy Changes (2025)	CA State Policy Changes (2025)
Enrollees who need prescriptions	Medi-Cal Rx: Medi-Cal Rx is the state-run pharmacy benefit program for Medi-Cal members, launched in 2022. It shifted prescription drug coverage from Managed Care Plans (MCPs) to a fee-for-service model to standardize access and improve medication availability across all enrollees. This program operates under a CalAIM Section 1915(b) waiver (Source 1).	No direct changes.	Elimination of Medi-Cal pharmacy coverage for Glucagon-Like Peptide-1 (GLP-1) agonists for weight loss: Loss of coverage for those who require prescriptions for these agonists, excluding those who are covered for diabetes. Medi-Cal beneficiaries will now pay out-of- pocket for the prescriptions, at a cost of over \$1,000 per month. With discontinued use, this may negatively affect any health benefits these individuals may have gained, like lower blood pressure and cholesterol (Source) Guarage for Weight 1000000000000000000000000000000000000

Enrollees Who Need Behavioral Health Services:

Specific Population	Medi-Cal Expansions from 2010-2024	Federal Policy Changes (2025)	CA State Policy Changes (2025)
People who need behavioral health services	CalAIM, DMC-ODS, Proposition 1, and BH-CONNECT expanded access to behavioral and mental health services (Source 1, Source 2, Source 3, S	Expiring Waivers: Recent federal announcements signal movement away from supporting social service spending and key funding mechanisms, specifically federal waivers. With CalAIM's waiver expiring in 2026, these initiatives are at risk of losing funding (Source	Proposition 1: Proposition 1 passed in 2024 but many provisions are still to be implemented. It shifts a share of Behavioral Health Services Fund dollars from counties to the state, with allocation decisions still pending. Impacts on county behavioral health services remain to be determined.

Enrollees Who Need Dental Care:

Specific Population	Medi-Cal Expansions from 2010-2024	Federal Policy Changes (2025)	CA State Policy Changes (2025)
People who need dental care	Restored Access: Full-scope adult dental benefits were restored in 2014 after elimination in 2009 (Source).	No direct changes.	Reduced Supplemental Payments for Dental Benefits from Prop 56 Funds: Reductions will likely lower provider participation in Medi-Cal, leading to longer wait times, fewer available appointments, and reduced access. Dental provider shortages may increase as a result, and more people will delay care, leading to costly emergency interventions (Source) Dental Coverage for UIS Population: Dental benefits will be eliminated for adults with UIS.

Enrollees with Multiple Health and Social Service Needs:

Specific Population	Medi-Cal Expansions from 2010-2024	Federal Policy Changes (2025)	CA State Policy Changes (2025)
People who are high utilizers of health and social services	Coordinated Care: CalAIM's PATH Initiative allowed 140,000 Medi-Cal members to receive Community Supports in the first two years of the program (Source).	Expiring Waivers: Recent federal announcements signal movement away from supporting social service spending and key funding mechanisms, specifically federal waivers. With CalAIM's waiver expiring in 2026, these initiatives are at risk of losing funding (Source	Strained Budget Effects: Potential reduction of Enhanced Care Management support due to budgetary strain (Source (Source))

Children and Young Adults:

Specific Population	Medi-Cal Expansions from 2010-2024	Federal Policy Changes (2025)	CA State Policy Changes (2025)
Children	Increased Access: Eligible for Medi- Cal regardless of immigration status, starting May 16, 2016, providing comprehensive coverage and improving preventive care access (Source).	Work Requirements: Work requirements may harm parent / caretaker coverage and affect household financial security for children (Source).	No direct changes.
Young Adults (19-25)	Increased Access: Eligible for full- scope Medi-Cal regardless of immigration status starting January 1, 2020 (Source	Work Requirements: They may create a burden for college students who are otherwise eligible for Medi-Cal (Source	No direct changes.

People in Correctional Facilities

Specific Population	Medi-Cal Expansions from 2010-2024	Federal Policy Changes (2025)	CA State Policy Changes (2025)
People in correctional facilities	Increased Access: Health insurance coverage through the Justice- Involved Reentry Initiative up to 90 days pre-release. (Source).	Expiring Waivers: Recent federal announcements signal movement away from supporting social service spending and key funding mechanisms, specifically federal waivers. With CalAIM's waiver expiring in 2026, these initiatives are at risk of losing funding (Source	No direct changes.

Seniors:

Specific Population	Medi-Cal Expansions from 2010-2024	Federal Policy Changes (2025)	CA State Policy Changes (2025)
Seniors	Increased Access: Medi-Cal Asset Test was eliminated completely in 2024 (Source). Since 2020, the number of seniors on Medi-Cal has increased by 40% (Source).	No direct changes.	Asset Limits: This may impact seniors who have assets they rely on for stability. Asset limits can serve as a barrier to economic security. Asset limits also create administrative barriers for those who qualify but may have difficulties proving their assets at application or renewal (Source).

Seniors in Mendocino County:

As of 2025, 4,745 people over the age of 65 receive Medi-Cal coverage in Mendocino County.

- The proposal to reinstate Medi-Cal asset limits could affect coverage for many older residents who may have savings but still struggle to afford care.
- The asset limits may create administrative barriers for seniors who qualify, but have difficulties in proving their assets, especially for those with limited digital or financial literacy.

People without Stable Housing:

Specific Population	Medi-Cal Expansions from 2010-2024	Federal Policy Changes (2025)	CA State Policy Changes (2025)
People without stable housing	Supports: Covered under Enhanced Care Management, Community Supports, and Whole Person Care pilots (Source).	Work Requirements and Eligibility Checks: These policies may cause people without stable housing to lose coverage due to further barriers (Source). Expiring Waivers: Recent federal announcements signal movement away from supporting social service spending and key funding mechanisms, specifically federal waivers. With CalAIM's waiver expiring in 2026, these initiatives are at risk of losing funding (Source).	Strained Budget Effects: A large portion of general funding for people without stable housing is not being reduced, but there are no more capital funds or projects being offered by the state (Source).

People Living in Rural Areas:

Specific Population	Medi-Cal Expansions from 2010-2024	Federal Policy Changes (2025)	CA State Policy Changes (2025)
People living in rural areas	Increased Access: Telehealth expansion and CalAIM investments improved access to care in remote areas, while enhanced provider payments helped maintain rural health clinics (Source 12).	Work Requirements: More limited broadband access may create difficulties in reporting work hours (Source). In rural areas, Medicaid work requirements have especially harmful impacts, reducing health coverage, increasing economic hardships, and placing a strain on rural health services (Source). The Rural Health Transformation Plan seeks to expand access, improve outcomes, strengthen provider partnerships, and ensure the long- term stability of rural health systems (Source).	Use of Proposition 35 Funds: Moving Proposition 35 away from provider rate increases may impact health care access and funding.

Women:

Specific Population	Medi-Cal Expansions from 2010-2024	Federal Policy Changes (2025)	CA State Policy Changes (2025)
People needing reproductive health services	Expanded abortion and maternity care through Proposition 56 and ACA (Source). Proposition 56 passed in 2016 to fund access to reproductive health services (Source).	Prohibited federal Medicaid funding to providers that offer abortion services: Bans on Medicaid funds for abortion providers could reduce access to full- spectrum reproductive services, even if abortion isn't the service being sought.	No direct changes.

Specific Population	Medi-Cal Expansions from 2010-2024	Federal Policy Changes (2025)	CA State Policy Changes (2025)
People with private insurance coverage	Stabilized Health Care: The ACA expansion reduced uncompensated care costs for hospitals, helping stabilize the healthcare system and limit cost- shifting to private insurance (Source). Lower Prices: Research shows that when more people are covered by Medicaid, hospitals and providers are less likely to raise prices for privately insured patients to offset losses from uncompensated care (Source).	Medicaid Funding Reductions and Work Requirements: These changes are expected to increase the uninsured population. Hospitals may shift costs to privately insured patients, leading to higher premiums, deductibles, and service fees (Source).	Reducing Supplemental Medi-Cal Payments (such as Prop 56 funds): In doing so, the state may further reduce provider participation in Medi-Cal, causing longer wait times and less availability. Privately insured patients may feel the effects as providers prioritize higher- paying private plans or reduce availability (Source). In rural or underserved areas, clinics and hospitals that rely on Medi-Cal reimbursement to remain solvent may close, impacting access for all patients regardless of insurance status (Source).

Additional Notes on Population Impacts

Hispanic/Latino Population in Mendocino County: Mendocino County's population is <u>about 28% Hispanic or Latino</u>, and they make up <u>about 35% of Medi-Cal enrollment</u> in Mendocino County.

- These communities are <u>more likely to work in agriculture, food service, construction, or caregiving;</u> industries prone to fluctuating hours or seasonal employment.
- That makes them especially vulnerable to the proposed work requirements and procedural disenrollment.

American Indian/Alaska Native Population in Mendocino County: Mendocino County's population is about 7% American Indian/Alaska Native (AI/AN), and they make up about 5% of Medi-Cal enrollment in Mendocino County.

- Mendocino County is home to 11 Native American Tribes. The largest reservation is in Covelo, with other reservations located in areas including Redwood Valley, Hopland, and Pinoleville.
- While many AI/AN individuals receive care through Indian Health Service (IHS) clinics, IHS is considered to be deeply underfunded. Medi-Cal plays a vital role in helping tribal health systems close this gap, accounting for about two-thirds of third-party revenue for tribal health providers and offering access to specialty care, hospital services, and non-IHS providers.
 - This underfunding of IHS is just one of the contributing factors to the disproportionately high rates of <u>health disparities</u> experienced by AI/AN people, including higher mortality rates from substance use disorders, diabetes, and pregnancy-related causes.
- Proposed Medi-Cal cuts, such as work requirements, exclude many AI/AN individuals, who are often exempt from federal Medicaid restrictions. However, because a significant portion of <u>AI/AN individuals rely on Medi-Cal</u>, these cuts would still have serious ripple effects, further straining under-resourced tribal and rural health systems, as well as deepening existing health disparities.

Read on to learn more about the the impacts of these changes on the health system in Mendocino County.



<u>Health System Impacts in Mendocino County</u> Read More

Impacts on Local Health Systems: Hospitals, Clinics, and Providers

Below are the projected impacts of federal and state Medi-Cal changes to local health systems.

Key Takeaways

Funding Cuts Will Strain Local Health Infrastructure

Local hospitals and clinics depend heavily on Medi-Cal funding to operate. With federal and state changes coming,
providers like Adventist Health Ukiah Valley and local FQHCs could face reduced reimbursements. Adventist Health
is the only hospital system in the county. These providers may be forced to reduce services, cut staff, or postpone
facility upgrades, affecting services for patients.

Rising Uncompensated Care

As more people lose coverage due to new eligibility rules or costs, counties will likely see an increase in uninsured
patients turning to hospitals, emergency rooms, and county crisis services. This shift increases uncompensated care
and strains on local health systems.

Administrative and Public Health Pressures Will Grow

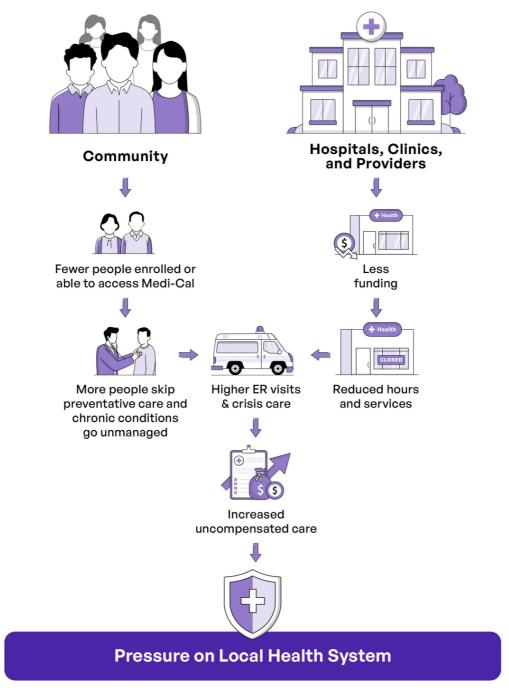
• Counties will face more red tape from new eligibility rules, increasing administrative burden. At the same time, changes to other federal programs will likely increase local demand for safety-net services.

Medi-Cal: Backbone of Local Health Infrastructure

Medi-Cal isn't just about health coverage for certain populations. It's a core funding stream that keeps local health systems stable, staffed, and serving the public.

See the flow chart below to understand how changes increase strain on the local health system.

How 2025 Federal and State Medi-Cal Changes Impact Local Health Systems



Source: Counties R.I.S.E.

To understand health system-level impacts, consider that:

Medi-Cal is the financial backbone of local hospitals.

Medi-Cal is a key source of funding for local hospitals, and makes up <u>nearly 75% of net patient revenues for primary care clinics.</u> That funding helps local health systems maintain 24/7 emergency care, expand access to primary care, and invest in facility upkeep and growth.

Recent research shows that Medicaid expansion has improved the financial health of hospitals and clinics, especially rural and safety-net providers, by increasing reimbursements and reducing uncompensated care.

Medi-Cal reduces uncompensated care costs.

Without Medi-Cal, many residents would delay care or show up uninsured at hospitals, emergency rooms, and county crisis services, <u>leaving providers to foot the bill.</u> Medi-Cal helps keep hospitals and clinics financially viable and lowers the risk of budget strains from rising ER use.

How 2025 Medi-Cal Changes Impact Local Health Systems

With a <u>projected loss of over \$25 billion in Medicaid federal funding to the State of California</u>, and additional state-level fiscal reductions, local funding flows to Medi-Cal will be significantly reduced.

Local health system administrators may face tough budget choices, including:

Program Reductions

 Reduce or eliminate health-related social services: Hospitals and clinics may reduce or eliminate programs reliant on special Medi-Cal waivers, like <u>Enhanced Care Management and Community Supports</u> programs that specialize in serving enrollees with complex needs.

Slower Capital Investments

Postpone expansions or facility upgrades: Hospitals and county-run facilities may delay or cancel capital
investments due to budget uncertainty. Major hospital systems might postpone expansions or facility upgrades if
they anticipate lower Medi-Cal reimbursements.

Strains on Administrative and Health Services

- Uncompensated care: Hospitals, clinics, and other service providers may see an increase in uninsured patients and uncompensated care.
 - Hospitals are the site of care for approximately 60% of uncompensated care.
- Increase in visits: There may be increases in ER visits and county crisis service calls.
- Administrative burden: County administrators will need to process more frequent eligibility determinations to meet new federal rules (NACO^{II}).



Quote Source: Kaiser Family Foundation (2021).

Increased Demand for Local Health Services

 Reductions in other federal programs: Changes in federal funding for safety net programs like SNAP (Supplemental Nutritional Assistance Program, or <u>CalFresh</u>^{IZ} in California) may undermine preventive care and public health capacity, leading to greater demand for local safety-net services.

Learn more about the implications of the federal SNAP spending changes on people covered by Medicaid and other health insurance in this $\underline{\mathit{KFF}}$ issue brief. $^{\text{Id}}$

Local Health Providers That May Be Impacted in Mendocino County

Some of the key Medi-Cal providers in Mendocino County may be more vulnerable to federal and state reductions to Medi-Cal. Reductions in Medi-Cal coverage or reimbursements could strain these providers, leading to service reductions, staffing cuts, and greater reliance on emergency care.

Adventist Health is the only hospital system in Mendocino County. Local providers that may be impacted by these proposed changes include, but are not limited to:

Disproportionate Share Hospitals (DSHs):

- Adventist Health Ukiah Valley is a DSH in Mendocino County that is on a national "At-Risk Rural Hospitals List" based on the criteria that the hospitals are in the top 10% of Medicaid payer mix of rural hospitals nationwide and the hospitals have experienced three consecutive years of negative total margin.
 - It is a key <u>safety-net hospital</u> in the county, and <u>a high percentage of their patients use Medicaid.</u> It is the only hospital in Mendocino County with a licensed labor and delivery unit.
 - 39% of its inpatient revenue and about 26% of its outpatient revenue comes from Medi-Cal.
- Reductions could result in the loss of services by this hospital that serves the county's most vulnerable residents.

 This could strain operations and reduce its safety-net capacity.

Learn about Disproportionate Share Hospitals <u>here</u> and about Medicaid DSH payments <u>here.</u>

Hospitals with Large Medi-Cal Revenues:

- Adventist Health Howard Memorial (Willits) sees about 22% of its inpatient revenue and about 30% of its outpatient revenue from Medi-Cal.
- Adventist Health Mendocino Coast (Fort Bragg) is a Critical Access Hospital (CAH), with 15% of its inpatient revenue and about 17% of its outpatient revenue coming from Medi-Cal.
 - · Although CAHs primarily rely on Medicare funding, Medi-Cal reductions would add further financial strain.
- Hospitals with large Medi-Cal revenues may face growing financial strain under the reductions, especially when
 providing trauma, emergency, and low-reimbursement services that are essential to county-wide health access.

Federally Qualified Health Centers (FQHCs):

- FQHCs, like Mendocino Community Health Clinics and Mendocino Coast Clinics (rural FQHC), provide primary and preventive care regardless of ability to pay.
- <u>Since Medi-Cal patients account for the majority of FQHCs' revenue</u>, reductions in Medi-Cal enrollment or reimbursement would significantly cut into clinic revenues, forcing FQHCs to absorb rising uncompensated care costs and impacting their financial health.
 - These clinics could face reduced hours, longer wait times, and staffing shortages under funding cuts.

Learn more about FQHCs here and about their role in the state's safety net here.

In sum, proposed reductions may ripple throughout the entire network, raising uncompensated care costs, burdening ERs, and weakening care for those already at the margins.



"More than 70% of our patients who enter our hospitals rely on Medicaid and Medicare for their care. Additionally, this legislation threatens to widen disparities and undermine the financial stability of hospitals and clinics, which are the lifeline and economic engine of local communities."

Statement from Adventist Health Ukiah Valley Hospital

Read on to learn more about the the impacts of these changes on the economy in Mendocino County.



Economic Impacts in Mendocino County Read More

Economic Ripple Effects

Below are the projected impacts of federal and state Medi-Cal changes to local and state economies.

Key Takeaways

Hundreds of Local Jobs May Be Impacted

• Federal changes to Medi-Cal could lead to the <u>loss of more than 600 jobs in Mendocino County alone</u>, primarily in health care and related sectors. Statewide, up to 217,000 jobs may be lost, including ripple effects across local businesses that serve healthcare workers and patients.

Local Economies May Be Impacted

Medi-Cal supports local economies by supporting hospitals, clinics, and provider networks. <u>Each dollar of federal</u>
 <u>Medi-Cal funding lost could result in \$1.85 in lost economic output.</u> A \$20 billion federal cut could mean \$37 billion in lost economic activity across California.

Low-Wage Workers and Employers Will Feel the Strain

Medi-Cal plays a role in providing health coverage to low-wage and part-time workers, especially in industries like
food service, caregiving, and construction. Without it, counties could see increased rates of absenteeism and higher
turnover among low wage workers.



"Every time Medicaid pays for a doctor's visit or funds a home health aide, that payment supports a job. That job supports a family. That family strengthens a local economy."

Marko Miiic

Former Undersecretary of the California Health and Human Services Agency

Quote Source: California Health Care Foundation, 2025.

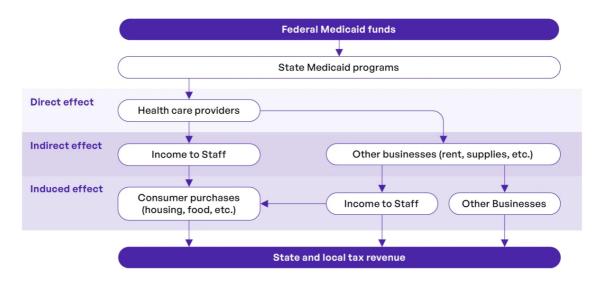
Medi-Cal Creates Jobs and Generates Local Economic Ripple Effects

Economists at the $\underline{U.C.}$ Berkeley Labor Center define the economic ripple effects of Medi-Cal funded health care jobs in three ways:

- Direct effects: Immediate job and income growth of those employed by health care providers.
- Indirect effects: Secondary impacts on supplier industries that service the health sector, such as medical supplies and pharmaceuticals.
- **Induced effects:** Further ripples in the wider economy as health care workers and supplier employees have more money to spend.

How Federal Medicaid Funds Stimulate Local Economies

How Federal Medicaid Funds Stimulate Local Economies



Source: Counties R.I.S.E.

Graphic Source: The Commonwealth Fund, 2025 (Note: the graphic has been modified to solely focus on the effect of Medicaid funds on local economies).

In many counties, **health care is one of the largest employment sectors**, and Medi-Cal helps keep those jobs stable, with follow-on gains in state and local tax revenue.

Job Loss Estimates

To measure the economic impacts of projected health care job loss from proposed federal Medicaid cuts, a <u>U.C. Berkeley</u>

<u>Labor Center</u> study in April 2025 modeled economic outcomes for California based on a \$20 billion reduction in federal funding.

The federal government, through the 2025 Budget Reconciliation Bill $\underline{HR.1}^{\underline{\mathbb{Z}}}$ is projected to reduce $\underline{more than 25 billion}^{\underline{\mathbb{Z}}}$ in federal Medicaid funding to California, making the below projections a likely conservative estimate.

The study projected that the loss of \$20 billion in federal Medi-Cal funding in 2026 could result in:

- Up to 217,000 lost jobs
- Up to \$37 billion in reduced economic output
- Up to \$1.7 billion in reduced state and local tax revenue

Projected economic impacts of a \$20 billion federal Medi-Cal reduction in California (2026)

Type of Effect	Lost Jobs	Reduced Economic Impact (dollars)	Reduced State and Local Tax Revenue (dollars)
Direct	134,400	18,696,890,000	621,900,000
Indirect	33,400	7,540,514,000	313,330,000
Induced	49,600	10,742,220,000	785,218,000
Total	217,400	36,979,624,000	1,720,448,000

The U.C. Berkeley Labor Center analysis is based on only federal funding changes, not state-related changes. It includes indirect effects on jobs for health care suppliers and the ripple effects on local businesses that would be impacted if households have less money to spend.

Mendocino County is projected to experience more than 600 job losses [™] in health sector positions and spillover effects across local industries.

Medi-Cal's Multiplier Effect: The U.C. Berkeley Labor Center's analysis accounts for the fact that federal Medi-Cal dollars circulate through the California economy multiple times. The continued circulation of dollars through the economy is often referred to as the "economic multiplier effect." From this analysis, they found that every lost federal Medi-Cal dollar means \$1.85 in lost economic output in the state.

EXECUTE: Every lost federal Medi-Cal dollar means

in lost economic output in the state.

Source: U.C. Berkeley Labor Center (2025).

Medi-Cal Supports the Low-Wage Workforce

In California, Medi-Cal has increasingly become the prevalent source of health insurance for low-wage and part-time workers.

Employers of low-wage workers often do not provide health benefits or offer plans that are too costly for workers to afford, particularly in the agriculture, service, and construction industries.

Read more about this topic in the analysis by the California Health Care Foundation and in the analysis by KFF.



Working-Age Adult Medi-Cal Enrollees

Employed full-time or part-time

California

Source: KFF Analysis of Work Status and Family Work Status of Adult Medicaid Enrollees Appendix (2023).

Empowered by mySidewalk



SAFETY NET PROVISIONS IN FINAL RECONCILIATION PACKAGE

On July 3, the U.S. House of Representatives narrowly passed a <u>final budget reconciliation</u> <u>package</u> advancing new and expiring tax cuts, investing hundreds of billions of dollars in border enforcement, rolling back clean energy initiatives and making significant cuts to the safety net. Previously passed by a simple majority in the U.S. Senate with Vice President J.D. Vance serving as the tie-breaking vote, the measure now heads to President Donald Trump's desk for signature.

While detailed cost estimates from the non-partisan Congressional Budget Office (CBO) are not yet available, its analysis of earlier iterations suggests that the measure would cut Medicaid spending by nearly \$1 trillion over 10 years, which, combined with changes to the *Affordable Care Act* (ACA), will lead to nearly 12 million individuals losing their health insurance. Cuts to the Supplemental Nutrition Assistance Program (SNAP) are projected to be roughly \$186 billion over 10 years, with nearly 3 million individuals losing access to the program. At the same time, the measure is expected to increase the deficit by \$3.4 trillion dollars over the same period.

The table below outlines major safety net changes passed in the final reconciliation package as well as their timeline for implementation. Provisions are ordered by their effective implementation date.

Note – provisions with an asterisk have implications for county human services agencies responsible for enrolling eligible individuals in the SNAP and Medicaid programs

Provision	Details	Effective Date
Expanded SNAP Work Requirements*	 Expands the definition of "Able Bodied Adults Without Dependents (ABAWDs)" to include individuals up to age 64 (up from 54 currently) and individuals with children age 14 and up Secretary may only waive SNAP work requirements for areas with an unemployment rate of 10%, with an exemption for Alaska and Hawaii if their unemployment rate is at or greater than 1.5 times the national average Eliminates Fiscal Responsibility Act of 2023 (FRA) exemptions for veterans, former foster youth and homeless individuals through October 1, 2030 	Upon enactment Alaska and Hawaii may request "good-faith" waivers for implementation of expanded SNAP work requirements through December 1, 2028

Paragon Government Relations | Safety Net Provisions and Effective Implementation Dates in Final Reconciliation Package | Updated July 3, 2025

SNAP Standard Utility Allowances*	Limits the automatic application of the Standard Utility Allowance based on receipt of \$20 or more from the Low Income Home Energy Assistance Program (LIHEAP) and exclusion of utility assistance from countable income to elderly and disabled households	Upon Enactment
SNAP Treatment of Internet Expenses*	Households can no longer include internet service costs when calculating their excess shelter deduction for SNAP benefits	Upon Enactment
SNAP Immigrant Eligibility	Limits SNAP eligibility to U.S. citizens or lawful permanent residents (green-card holders), removing eligibility for certain longstanding or humanitarian statuses apart from certain Cuban and Haitian nationals	Upon Enactment
Moratorium on Medicaid and Children's Health Insurance Program (CHIP) Streamlining Regulations*	Delays until 2035 the implementation of a rule simplifying Medicaid application, enrollment, and renewal processes and removing access barriers for children who access CHIP, including waiting periods, lifetime limits on coverage, and lock-out periods for failure to pay premiums	Upon Enactment
SNAP-Ed Program	Eliminated	October 1, 2025
Rural Health Transformation Fund	 Establishes \$10 billion to make available annually over 5 years to mitigate the effect of the measure's Medicaid cuts on rural hospitals States must apply for the funds with a detailed transformation plan outlining strategies to expand rural access, improve outcomes, leverage technology, boost clinician recruitment, and stabilize hospital finances The Centers for Medicaid Services (CMS) Administrator has sole discretion to approve states for the fund. Of states approved, 50 percent of the funds will be distributed equally and 50 percent will allocated at the discretion of the Centers for Medicare & Medicaid Services (CMS) administrator. 	States must apply and the CMS administrator must approve applications by Dec. 31, 2025 Funding will be distributed on an annual basis beginning in FY 2026 through FY 2030.
Value of the Child Tax Credit (CTC)	Maximum value increased from \$2,000 to \$2,200 per child beginning in tax year 2025	Tax Year 2025

·	education or "community engagement" requirement for individuals aged 19 to 64 Tribes, fully disabled veterans, parents or caregivers with children age 13 and	The HHS Secretary must issue guidance to states by June 1, 2026.
Limiting Retroactive Medicaid Enrollment* Medicaid Work Requirements*	Limit retroactive Medicaid coverage from three months before the application date to one month before the application date for Medicaid expansion enrollees, and to two months for traditional Medicaid. • Impose an 80/hour a month work,	December 31, 2026 Dec. 31, 2026
More Frequent Medicaid Eligibility Redeterminations*	States must conduct eligibility redeterminations at least every 6 months for Medicaid expansion population, rather than annually. Individuals receiving SSI benefits are exempt.	December 31, 2026
Emergency Medicaid Services	the Medicaid expansion FMAP of 90 percent when reimbursing emergency medical care to low-income adults who are ineligible for full scope Medicaid because of their immigration status. States must, under federal statute, reimburse providers for emergency medical services for individuals otherwise eligible for Medicaid apart from their immigration status.	
Medicaid Immigrant Eligibility* Expansion FMAP Penalty for	Limits Medicaid eligibility to U.S. citizens or lawful permanent residents (green-card holders) after a 5 year waiting period, removing eligibility for certain longstanding or humanitarian statuses apart from certain Cuban and Haitian nationals Medicaid expansion states cannot receive	October 1, 2026 October 1, 2026
the CTC SNAP Administrative Cost Share	couples, just one spouse must have a SSN. Note: An estimated 2.5 million U.S. citizen children would lose access to the credit due to the caregiver SSN requirement. Reduces federal contribution from 50% to 25%, making states and counties liable for 75%	October 1, 2026
Caregiver Social Security Number (SSN) Requirement for	with an inflation-adjusted increase starting in 2026. Refundable portion (currently \$1,700) remains phased in at 15% for households earning more than \$2,500 in annual income. In addition to the child, the parent filing for the CTC must also have an SSN. For married	Tax Year 2025

More Frequent Address	 under or of disabled individuals, pregnant women, former foster youth, and those deemed "medically frail" or with special medical needs (including substance use disorder) are exempt. Individuals must demonstrate compliance with the work requirement for the month preceding enrollment, though states may choose to expand to 3 months prior Individuals may be granted hardship exemptions for periods when they receive inpatient or similarly acute outpatient services or live in areas with federal disaster declarations The Secretary may grant waivers to areas (including units of local government) with an unemployment rate of 8% or higher or 1.5 times the national average \$200 million in implementation grants will be allocated by formula to states in FY 2026 	States may request "good-faith" waivers to delay implementation through December 1, 2028.
More Frequent Address Verifications*	To prevent duplicate enrollment across states, Medicaid state plans and waivers must provide a process to regularly obtain address information for individuals enrolled in Medicaid/CHIP from specific data sources	January 1, 2027
Medicaid Section 1115 Demonstration Waivers	Must be determined by the Centers for Medicare and Medicaid Services (CMS) to be budget neutral for approval. This applies to waivers up for renewal.	January 1, 2027
Medicaid State Directed Payment (SDP) Rate Freeze and Reduction	 New SDPs cannot exceed 100% of the Medicare rate in Medicaid expansion states or 110% in non-expansion states. Existing SDPs must reduce by 10 percentage points annually until they equal 100% of the Medicare rate for expansion states and 110% of the Medicare rate for non-expansion states 	For new SDPs, upon enactment For existing SDPs, rate reduction must begin effective 2027
SNAP Benefit Cost Share for States	 Payment error rates (PER) below 6% - states have no cost share PER 6% - 7.99% - states pay 5% share PER 8% to 9.99% - states pay 10% share 	October 1, 2027 (FY 2028) – states may choose their PER from FY 2025 or FY 2026

	PER 10% or higher states pay 15% share	FY 2029 on – PER from 3 fiscal years prior will inform cost share States with a SNAP PER above 13.3% in FY 2025 and/or FY 2026 can delay implementation of the cost-share until FY 2029 or FY 2030, respectively.
SNAP Thrifty Food Plan Re- Evaluation	Future U.S. Department of Agriculture (USDA) re-evaluations of the Thrifty Food Plan (TFP) (which informs the value of SNAP benefits) must be cost-neutral	The next re-evaluation of the TFP can occur no earlier than October 1, 2027 (FY 2028)
Medicaid Provider Tax "Hold Harmless Threshold" Moratorium and Reduction	 States without provider taxes upon enactment of the bill may not impose them Non-expansion states with provider tax rates will have their "hold harmless" threshold capped at 6% In expansion states, incrementally lower the "hold harmless" threshold by 0.5 percentage points from 6% until capping it at 3.5% in FY 2032 The dial-down would not apply to nursing or intermediate care facilities so long as the current threshold does not exceed 6% 	Upon enactment, states may not impose new provider taxes or increase their hold harmless threshold above 6% October 1, 2027, expansion states must begin the annual reduction of their "hold harmless" threshold
Cost-Sharing for Expansion Population	Require states to charge expansion individuals earning over 100 percent of the Federal Poverty Level a co-pay of more than \$0, but no more than \$35 per service. Exempts requirement for primary, prenatal, pediatric, or emergency care, but allows cost-sharing for nonemergency medical transport under certain conditions.	October 1, 2028

Key Provisions Removed From Final Legislation

In order to adhere to certain parliamentary rules in the Senate, certain proposals were removed from the final text of the reconciliation package. This includes a provision that would have reduced the Federal Medicaid Assistance Percentage (FMAP) for the Medicaid expansion population by 10 percentage points for any states using state dollars to expand Medicaid coverage to undocumented.

Sequestration Cuts

Because this legislation is not paid for in its entirety, if it is enacted, the Office of Management and Budget must, under a 2010 law, make commensurate sequestration cuts to eligible mandatory programs unless Congress acts to waive these requirements, which are referred to as "S-PAYGO." Due to the size of the deficit increase enacted under the bill, if Congress does not waive PAYGO, Medicare may see \$500 billion in cuts over 10 years. Additionally, sequestration cuts could end up eliminating the Social Services Block Grant, the Maternal, Infant and Early Childhood Home Visiting Program, and mandatory portion of the Promoting Safe and Stable Families programs through 2034. It is important to note that PAYGO does not kick in immediately upon enactment of legislation. OMB typically issues its PAYGO notice within 14 days of the end of a Congressional session. Thus, Congress will have several months to waive PAYGO requirements.

Medi-Cal and Medicaid Program Changes

September 10, 2025

Vicky Klakken

Regional Director





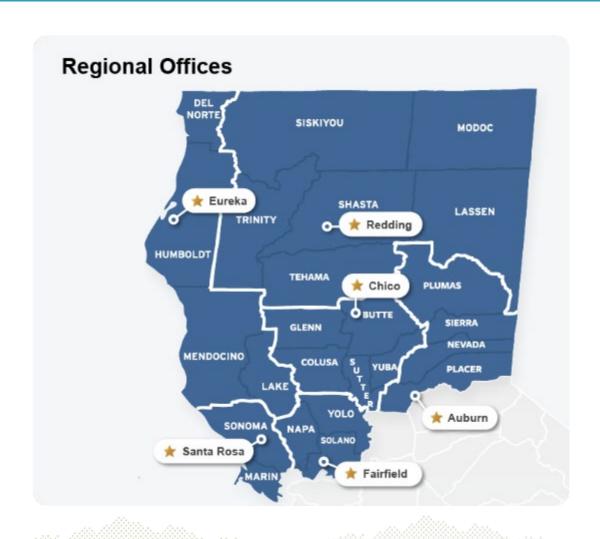
Discussion Topics



- Medi-Cal Program
 - Asset Limits
 - o 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





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



July 2025

- Prohibited Entities: Planned Parenthood

Dec. 2025

★Eliminate SNF WQIP

25 Jan. 2026

★UIS Enrollment Freeze

UIS Medi-Cal Dental Ends

☆Prop.56 Loan Repayment Program Ends

Asset Test Limits Begin

GLP-1 Drug Coverage Ends

July 2026

Eliminate
PPS Rate for
UIS

Prop. 56
Eliminate
Supplemental
Provider
Payments for
Dental

Prior Auth for Hospice Begins

Jan. 2027

-Work Requirements Begin

-More Frequent Eligibility Redeterminations

July 2027

Premiums Begin

★UIS

-Applicable
State
Directed
Payment
Reductions
Begin

Jan.

2028

- Provider Tax Reductions Begin

Oct. 2028

- Medicaid Cost Sharing Begins



Denotes State Budget Change



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.

- 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 <u>satisfactory immigration status</u> 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.

- 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.

- 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

- 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.

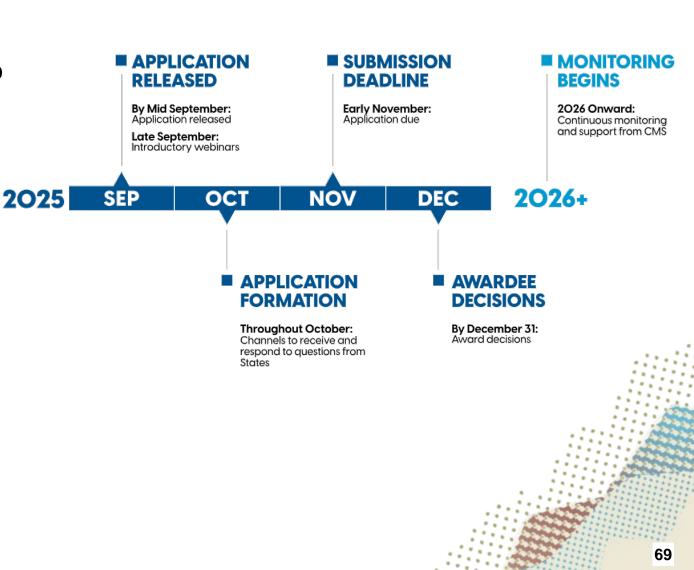
State Directed Payments - Limited to 100% of Medicare

- 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

H.R. 1: Work Requirements



Proposed Qualifying Activities and Exemptions

Qualifying Activities

- 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

Mandatory Exemptions

- 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

Optional Hardship Exceptions

State option to allow short-term hardship exceptions, for an individual who...

- was in an inpatient hospital, nursing facility, intermediate care facility, or inpatient psychiatric hospital
- resided in a county with a federallydeclared 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

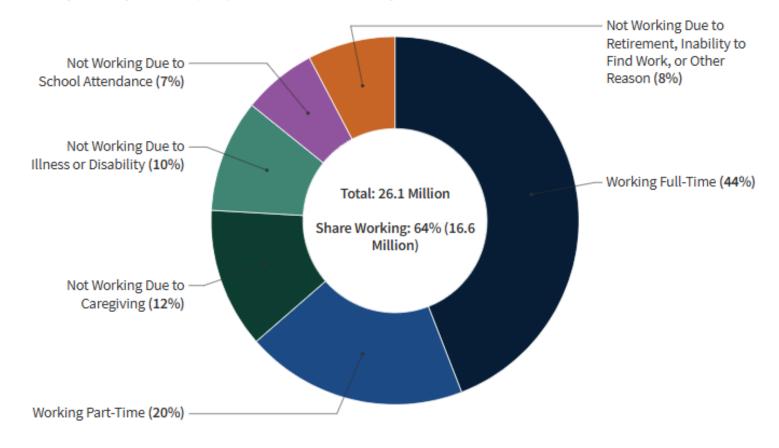
KFF

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.



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

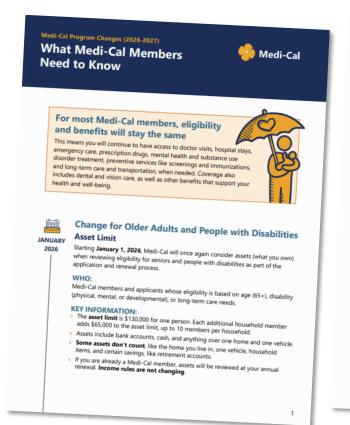


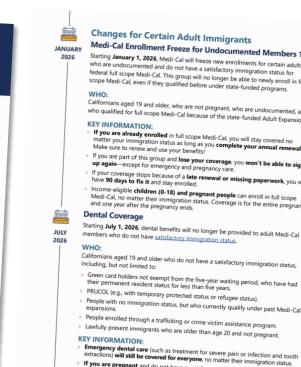
- End full-scope federal Medicaid and CHIP funding for:
 - Refugees
 - Asylees
 - Victims of human trafficking
 - Certain individuals who were granted conditional entry or humanitarian parole, such as Afghans or aided U.S. operations or people fleeing violence in the Ukrainian war
- Effective Date: October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

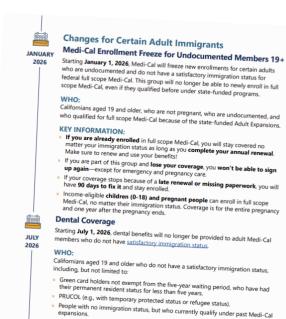
Resources



What Medi-Cal Members Need to Know







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



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





Agenda Summary

Item #: 5a)

To: BOARD OF SUPERVISORS

From: County Counsel

Meeting Date: September 10, 2025

Item Type: Closed Session Time Allocated for Item: 15 Minutes

Agenda Title:

Pursuant to Government Code section 54956.8 - Conference with Real Property Negotiator - Property: Physical Address: 46980 Ocean View Avenue, Gualala, CA and APN: 144-034-24. Agency Negotiators: Darcie Antle, Sara Pierce. Negotiating parties: County of Mendocino and South Coast Fire Protection District. Under Negotiation: Price, terms, and conditions of proposed sale of real property

FOR COB USE ONLY

Executed By: Deputy Clerk

Date: Date Executed

Final Status: Item Status

Executed Item Type: item



Agenda Summary

Item #: 5b)

To: BOARD OF SUPERVISORS

From: County Counsel

Meeting Date: September 10, 2025

Item Type: Closed Session Time Allocated for Item: 1 Hour

Agenda Title:

Pursuant to Government Code Section 54957 - Public Employee Performance Evaluation - Chief Executive Officer

FOR COB USE ONLY

Executed By: Deputy Clerk Final Status: Item Status Date: Date Executed Executed Item Type: item



Agenda Summary

Item #: 5c)

To: BOARD OF SUPERVISORS

From: Human Resources

Meeting Date: September 10, 2025

Item Type: Closed Session Time Allocated for Item: 1 Hour

Agenda Title:

Pursuant to Government Code Section 54957.6 - Conference with Labor Negotiator - Agency Negotiators: Darcie Antle and Cherie Johnson; Employee Organization(s): Service Employees' International Union (SEIU) Local 1021, Mendocino County Deputy Sheriffs' Association (DSA), Mendocino County Law Enforcement Management Association (MCLEMA), Mendocino County Management Association, Mendocino County Association of Confidential Employees (MCACE), Mendocino County Department Head Association, Mendocino County Probation Employees' Association (MCPEA)Teamsters Local 856, Mendocino County Public Authority and SEIU Local 2015 (IHSS), Mendocino County Public Attorneys' Association (MCPAA), and Unrepresented

FOR COB USE ONLY

Executed By: Deputy Clerk Final Status: Item Status

Date: Date Executed Executed Executed Item Type: item



Agenda Summary

Item #: 5d)

To: BOARD OF SUPERVISORS

From: County Counsel

Meeting Date: September 9, 2025

Item Type: Closed Session Time Allocated for Item: 15 Minutes

Agenda Title:

Pursuant to Government Code section 54956.9(d)(1) - Conference with Legal Counsel - Existing Litigation: One Case - *Gary Markley v. County of Mendocino, et al.*, Mendocino County Superior Court, Case No. 24CV00443

FOR COB USE ONLY

Executed By: Deputy Clerk Final Status: Item Status

Date: Date Executed Executed Executed Item Type: item

Num



Agenda Summary

Item #: 5e)

To: BOARD OF SUPERVISORS

From: County Counsel

Meeting Date: September 10, 2025

Item Type: Closed Session Time Allocated for Item: 15 Minutes

Agenda Title:

Pursuant to Government Code section 54956.9(d)(1) - Conference with Legal Counsel - Existing Litigation: One Case - *In re: Purdue Pharma L.P., et al.,* United States Bankruptcy Court, Southern District of New York, Case No. 19-23649

FOR COB USE ONLY

Executed By: Deputy Clerk Final Status: Item Status



Agenda Summary

Item #: 5f)

To: BOARD OF SUPERVISORS

From: County Counsel

Meeting Date: September 10, 2025

Item Type: Closed Session Time Allocated for Item: 15 Minutes

Agenda Title:

Pursuant to Government Code section 54956.9(d)(1) - Conference with Legal Counsel - Existing Litigation: Two Cases - *In Re: National Prescription Opiate Litigation*, U.S. District Court for the Northern District of Ohio, Case Nos. 1:17-md-02804-DAP and 1:18-op-45654-DAP

FOR COB USE ONLY

Executed By: Deputy Clerk Final Status: Item Status

Date: Date: Date: Status Item Status

Final Status: Item Status



Agenda Summary

Item #: 5g)

To: BOARD OF SUPERVISORS

From: County Counsel

Meeting Date: September 10, 2025

Item Type: Closed Session Time Allocated for Item: 15 Minutes

Agenda Title:

Pursuant to Government Code section 54956.9(d)(1) - Conference with Legal Counsel - Existing Litigation: One Case - *Daniel Jackson Kisliuk v. City of Fort Bragg, et al.*, U.S. District Court, Northern District, Case No. 1:24-cv-03440-RMI

FOR COB USE ONLY

Executed By: Deputy Clerk Final Status: Item Status

Date: Date Executed Executed Executed Item Type: item

Num



Agenda Summary

Item #: 5h)

To: BOARD OF SUPERVISORS

From: County Counsel

Meeting Date: September 10, 2025

Item Type: Closed Session Time Allocated for Item: 30 Minutes

Agenda Title:

Pursuant to Government Code section 54956.9(d)(1) - Conference with Legal Counsel - Existing Litigation: One Case - Chamise Cubbison v. County of Mendocino, et al., Mendocino County Superior Court, Case No. 23CV01231

FOR COB USE ONLY

Executed By: Deputy Clerk Final Status: Item Status

Date: Date Executed Executed Executed Item Type: item

Num



Agenda Summary

Item #: 5i)

To: BOARD OF SUPERVISORS

From: County Counsel

Meeting Date: September 10, 2025

Item Type: Closed Session Time Allocated for Item: 15 Minutes

Agenda Title:

Pursuant to Government Code section 54956.9(d)(1) - Conference with Legal Counsel - Existing Litigation: One Case - Scott Roat v. County of Mendocino, et al., Mendocino County Superior Court, Case No. 25CV02171

FOR COB USE ONLY

Executed By: Deputy Clerk Final Status: Item Status

Data Data Data Status Transition



Agenda Summary

Item #: 5j)

To: BOARD OF SUPERVISORS

From: County Counsel

Meeting Date: September 10, 2025

Item Type: Closed Session Time Allocated for Item: 15 Minutes

Agenda Title:

Pursuant to Government Code section 54956.9(d)(1) - Conference with Legal Counsel - Existing Litigation: One Case - Mendocino Preservation Fund v. Mendocino County, et al., Mendocino County Superior Court, Case No.25CV02262

FOR COB USE ONLY

Executed By: Deputy Clerk Final Status: Item Status

Date: Date Executed Executed Executed Item Type: item



Agenda Summary

Item #: 5k)

To: BOARD OF SUPERVISORS

From: County Counsel

Meeting Date: September 10, 2025

Item Type: Closed Session Time Allocated for Item: 15 Minutes

Agenda Title:

Pursuant to Government Code section 54956.9(d)(1) - Conference with Legal Counsel - Existing Litigation: One Case - Joseph Hart v. County of Mendocino, et al, U.S. District Court, Northern District, Case No. 1:25-cv -04501-RMI

FOR COB USE ONLY

Executed By: Deputy Clerk Final Status: Item Status Date: Date Executed Executed Item Type: item



Agenda Summary

Item #: 51)

To: BOARD OF SUPERVISORS

From: County Counsel

Meeting Date: September 10, 2025

Item Type: Closed Session Time Allocated for Item: 30 Minutes

Agenda Title:

Pursuant to Government Code Section 54956.9(d)(2) - Conference with Legal Counsel - Anticipated Litigation: Significant Exposure to Litigation Arising from a Complaint from a Former Employee of the Mendocino County Air Quality Management District: One Case

FOR COB USE ONLY

Executed By: Deputy Clerk Final Status: Item Status

Date: Date: Date: Status Item Status

Final Status: Item Status

Date: Date Executed Executed Executed Item Type: item