

Recent changes to state and federal policies will have major consequences for Medi-Cal funding and eligibility, putting coverage for millions of Californians at risk. These shifts could reduce access to essential care and create new barriers for vulnerable communities. Learn more about what's at stake and how to keep Medi-Cal coverage.

Medi-Cal Faces Budget Strains Under New Federal Policies and State Cuts

Over 14 million Californians rely on Medi-Cal Managed Care to provide vital services that keep California's vulnerable populations healthy but changes in state and federal policy will put millions of Californians at risk of losing their health coverage.

Since 2009, California has seen the percentage of Californians with health coverage rise from **80% to 94%**. It is critical that we protect coverage for all eligible Californians.

Changes to Medi-Cal Funding

New federal policies recently passed under H.R. 1 will affect how California finances its Medi-Cal program, particularly with respect to the use of provider taxes that generate federal matching funds. These changes may result in funding gaps that create fiscal pressures for the state and challenge the long-term stability of Medi-Cal and Medi-Cal Managed Care.

These changes come on top of state Medi-Cal budget cuts that will result in a reduction of services and eligibility.

State Financing Restrictions

- Managed Care Organization (MCO) tax and Provider Tax limitations
- To address a \$12 billion budget shortfall, California has frozen Medi-Cal enrollment for undocumented immigrants aged 19 and over
- Federal funding repayment penalties for eligibility-related improper payments

Immigrant Coverage Limitations

- Reduction in Federal matching assistance percentage for emergency unsatisfactory immigration status (UIS)
- Restrictions on lawful immigrant eligibility (increases UIS)

Eligibility/Access Requirements

- Work requirements
 - Increased frequency of eligibility checks to every 6 months
 - Retroactive coverage restrictions
 - New cost-sharing requirements for certain members
- Abortion Providers Ban**
- One-year ban on federal Medicaid funding for "prohibited entities" that provide abortion services

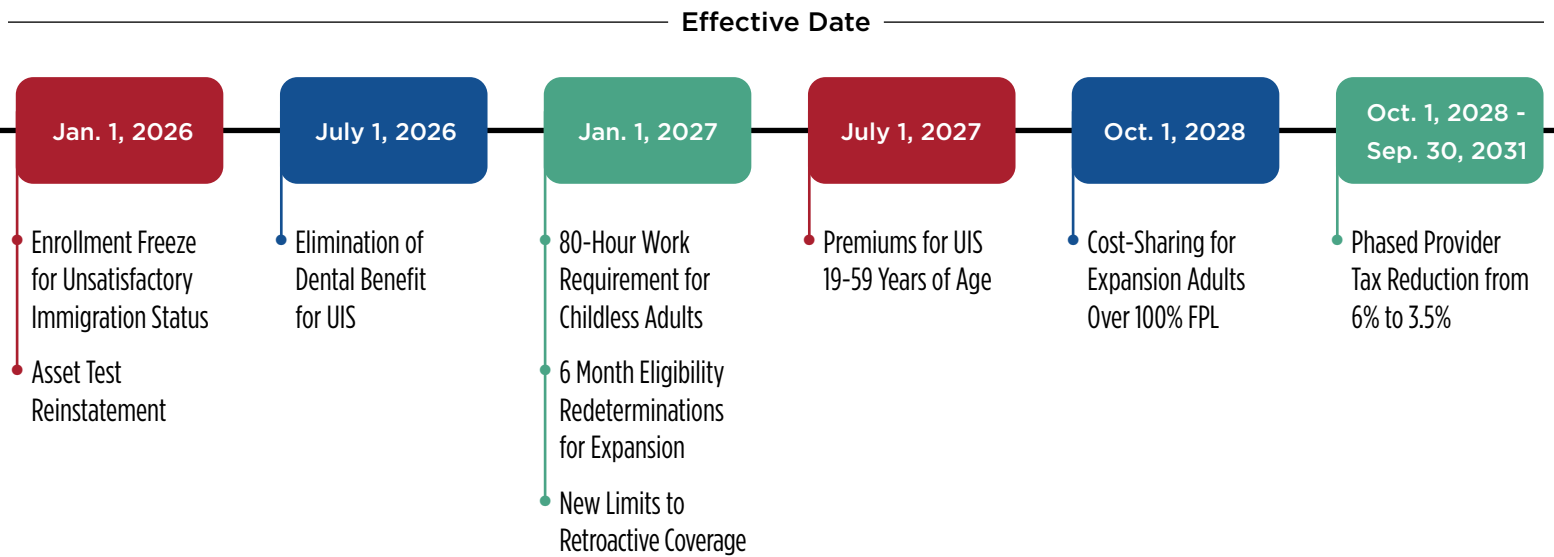


Eligibility Changes

H.R. 1 and state laws also changed eligibility requirements for Medi-Cal, which is projected to decrease the number of Californians who are eligible for coverage.

This shift could reduce access to care for some vulnerable populations that rely on Medi-Cal resulting in millions of Californians who could lose access to health care.

Funding cuts from the Federal and State governments could result in a reduction of services, reduced access to care, and instability for some families and vulnerable Californians who rely on Medi-Cal and Medi-Cal Managed Care.



How to Maintain Medi-Cal Coverage

To ensure Medi-Cal coverage is maintained, enrollees should:



Keep contact information up to date so important notices are received.



Check mail regularly and respond promptly to any letters or renewal forms.



Know renewal dates and complete renewals on time, even if reminders are not received.



Continue attending doctor and medical appointments to ensure ongoing care.



Access resources at dhcs.ca.gov for additional guidance and support.



What Medi-Cal Members Need to Know – Policy Changes 2026-2028

Older Adults and People with Disabilities

Asset Limits

Starting January 1, 2026, when members apply for or renew their Medi-Cal, the state will look at what they own. This is called an asset check. Assets are things members own that have value. The most members can own (asset limit) is \$130,000 for one person. Assets include bank accounts, cash, and more than one house or vehicle.

Adult Immigrants

Enrollment Freeze

Starting January 1, 2026, some adults will no longer be able to sign up for full-scope Medi-Cal coverage based on their immigration status. Medi-Cal members may be affected if they are undocumented (live in the U.S. without legal permission), or are a lawfully present immigrant who is 21 or older and not pregnant.

Dental Coverage

Starting July 1, 2026, some Medi-Cal members will stop getting full-scope dental services as part of their coverage due to changes in state law.

Monthly Premiums

Starting July 1, 2027, some Medi-Cal members will need to pay a small monthly fee (called a premium) to keep their full-scope Medi-Cal.

Adults (19-64 years old)

Work Rules

Starting January 1, 2027, some adults will need to work or volunteer to get or keep Medi-Cal. If this applies, the county Medi-Cal office will send members a letter.

Six-Month Eligibility Checks

Starting January 1, 2027, some Medi-Cal members will have their eligibility checked twice a year instead of once.

Less Time to Get Help Paying Old Medical Bills

Starting January 1, 2027, Medi-Cal will pay for fewer months of medical bills from before members applied.

Copayments

Starting October 1, 2028, some adults on Medi-Cal may have to pay a small fee (called a copayment) for certain health care services.

Most Medi-Cal Members Won't See Any Changes

Members can still:

- See their doctor or go to the hospital.
- Get emergency help.
- Get medicine.
- Get support for mental health or addiction.
- Have checkups and vaccines to stay healthy.
- Get long-term care if needed.
- Get rides to appointments if needed.
- See a dentist.
- Get eye exams and glasses.

