Title

TESTIMONY: Medi-Cal losses from Federal and State Budget Cuts

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Medi-Cal Losses Under Federal and State Changes

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Up to 3 million Californians will lose Medi-Cal by 2028

Policies with major Medi-Cal enrollment impacts

H.R.1

- Work requirements for “new adult” group
- More frequent eligibility checks for “new adult” group
- Excluding certain immigrants, such as refugees and asylees, from federally funded Medi-Cal

2025-26 State Budget

- Enrollment freeze for undocumented adults
- $30 monthly premiums for adults with “unsatisfactory immigration status”

The state could protect coverage for an estimated 570,000 Californians

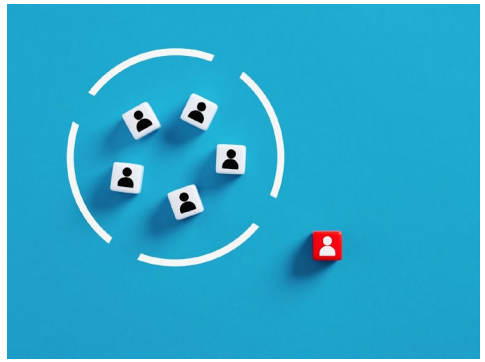
H.R.1	State policy choices that would minimize coverage loss
▪ Work requirements for “new adult” group	➡ Apply only to federally-funded Medi-Cal populations
▪ More frequent eligibility checks for “new adult” group	➡ Apply only to federally-funded Medi-Cal populations
▪ Excluding certain immigrants, such as refugees and asylees, from federally funded Medi-Cal	➡ Move these immigrants to state-funded full-scope Medi-Cal

The majority will lose coverage because of:

Red Tape

- Paperwork requirements make eligible adults more likely to lose coverage
- Especially true for adults over 50

Immigration Status



- Refugees, asylees
- Certain other lawfully present immigrants
- Undocumented Californians

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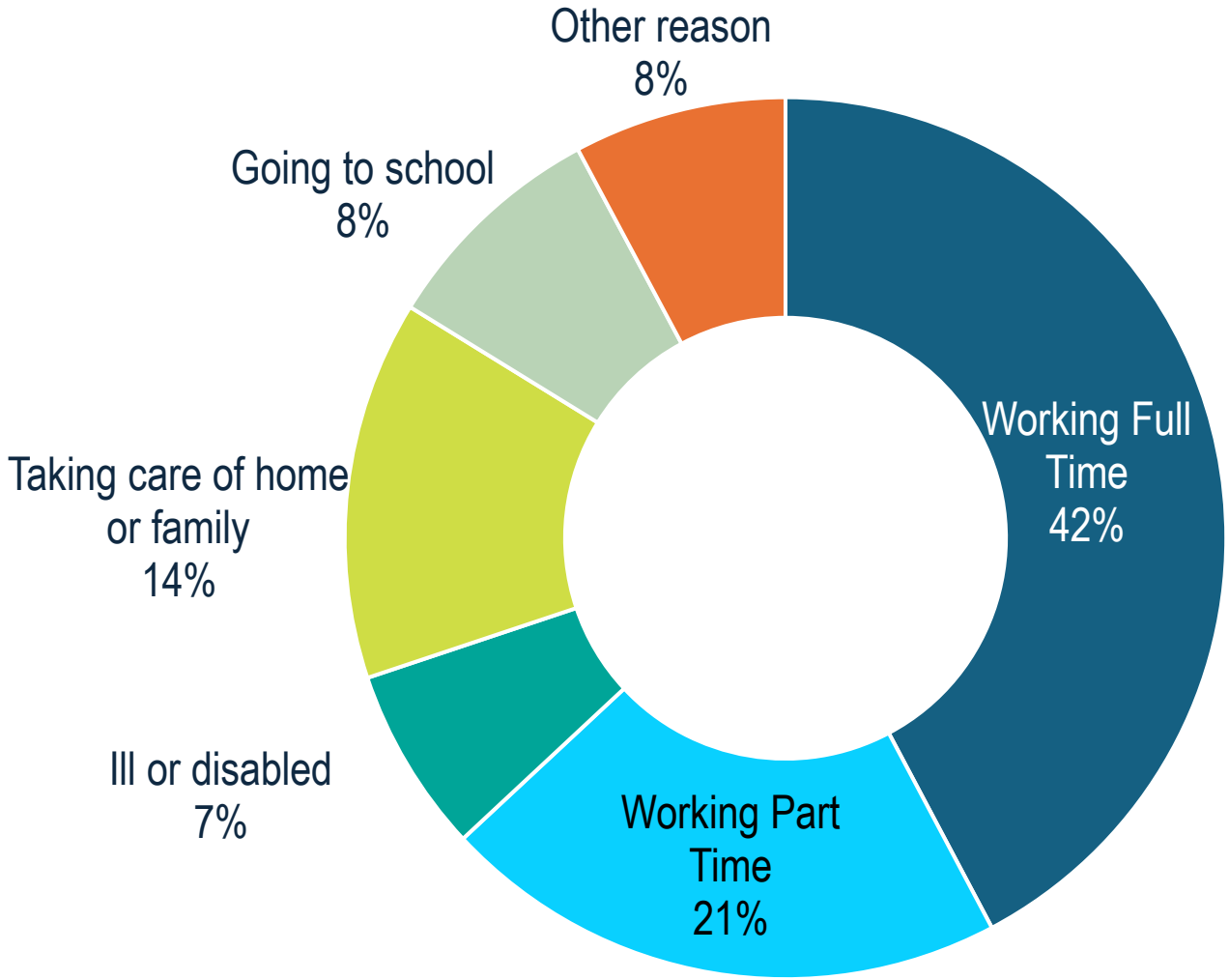
Source: Nari Rhee, "Medicaid Cuts—Including Work Documentation Requirements—Harm Older Adults," UC Berkeley Labor Center, June 23, 2025.

Most enrollees are already working or *should* be exempt

Work status and barriers to work among Medi-Cal adults, 2023



Note: Includes Medi-Cal covered adults (age 19-64) who do not receive benefits from Supplemental Security Income or Social Security Disability Insurance and are not also covered by Medicare. Source: KFF, "Understanding the Intersection of Medicaid and Work: An Update" 2025.

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What will happen when they lose Medi-Cal?

Job-Based Coverage

- Annual Premium: $1,303
- Deductible: $1,620
- Copay: $28 / visit

Covered California / private coverage at full cost

- Annual Premium: $9,528
- Deductible: $5,200
- Copay: $50 / visit

Uninsured

- Reduced access to care
- Reduced financial security

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Notes and Sources: Job-based premium is average employee cost for single coverage from Rae et al. "California Health Benefits Survey 2025." Covered CA cost is average gross premium for a silver plan in 2025; copay and deductible from 2026 Patient-Centered Benefit Designs.

Medi-Cal matters

Medicaid expansion is associated with:

- Improved access to care
- Increased utilization of primary and preventive services
- Reduced use of Emergency Department for non-emergent and primary care treatable visits
- Reduced mortality, improved health outcomes
- Improved affordability and financial security for low-income households
- More predictable revenues for providers, less uncompensated care
- Improved ability to obtain and maintain employment

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Sources: Guth & Ammula, "Building on the Evidence Base: Studies on the Effects of Medicaid Expansion, February 2020 to March 2021" KFF 2021, and Guth, Garfield, & Rudowitz, "The Effects of Medicaid Expansion under the ACA: Studies from January 2014 to January 2020," KFF 2020.

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