



HR1, 2025 CA Budget, and Medi-Cal

Open Enrollment Bootcamp XI

October 8, 2025

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Presentation Scope

- HR1 Impact on Medi-Cal (California's Medicaid)
- 2025 California Budget Impact on Medi-Cal
- HR1 Impact on CalFresh (California's SNAP)



Target Audience

- Primary
 - Client-facing workers in HIV care and prevention
- Secondary
 - Agencies in which client-facing workers work
 - Systems and administrative bodies that oversee and implement HIV care and prevention funding
 - Community stakeholder groups



Denotes link to an online resource or citation



“ The massive tax cut legislation [HR1] **will dramatically upend health care in America.**

[It] was never framed as a health bill but will mark **the biggest changes to U.S. health policy since the Affordable Care Act (ACA)** was passed in 2010.

”

The Hill, 7/4/25



HR1 Impact: Congressional Budget Office Estimates

Coverage Loss

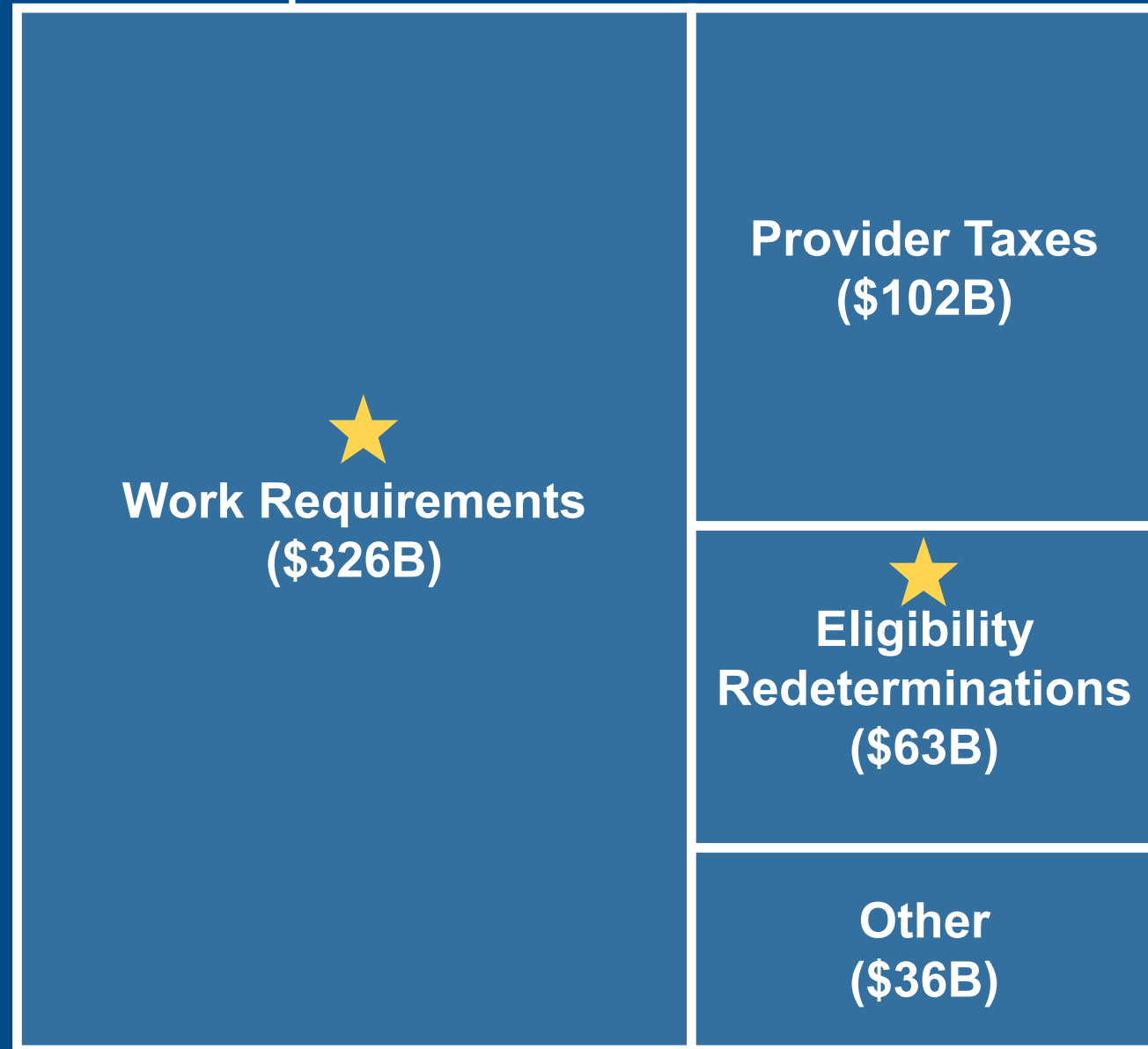
- Increase number of uninsured in the US by 10,000,000
- Some analyses estimate up to 17,000,000 will lose coverage

Budget

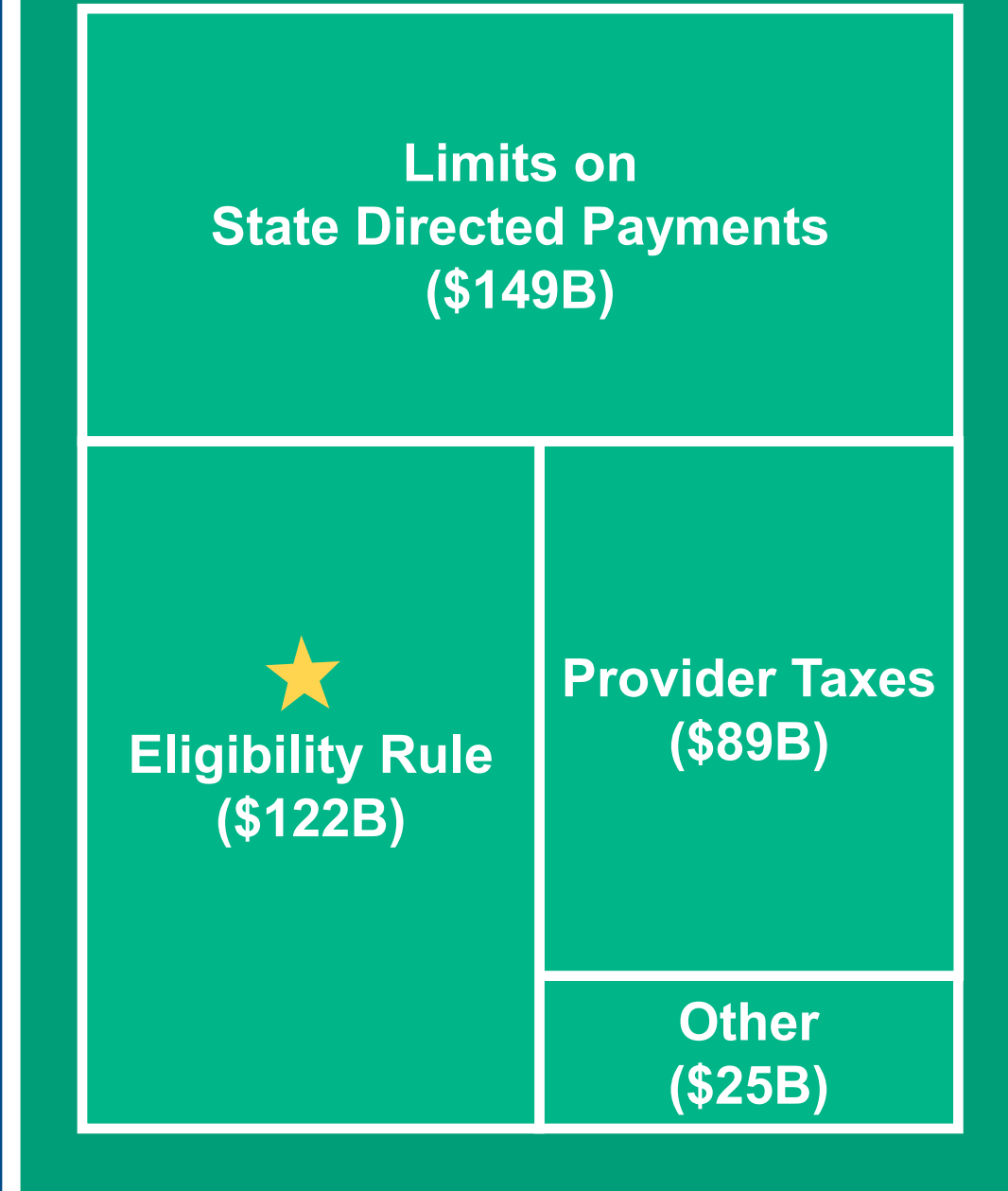
- Reduce federal Medicaid spending by \$911,000,000,000 over a decade
- 76% of the savings happening from 2030 to 2034



Medicaid Expansion States

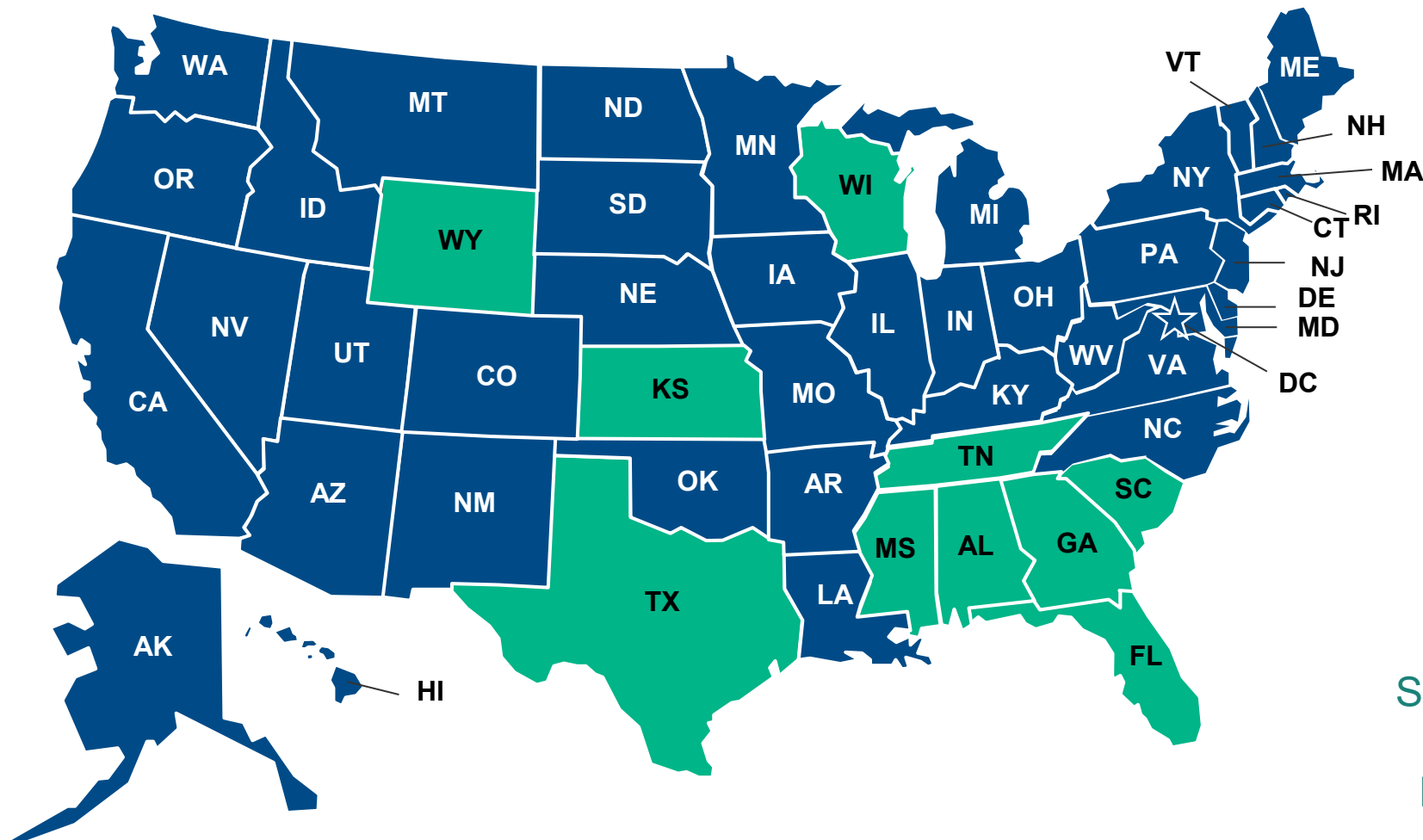


All States



Status of State Medicaid Expansion (KFF)

41 states (including DC) **have expanded Medicaid** and
10 states **have not expanded Medicaid.**



Source: KFF Status of
State Medicaid
Expansion Decisions
[Interactive Map](#)



Medicaid in California

Non-MAGI*

- aka Traditional Medi-Cal
- Eligibility based on participation in other public assistance programs (e.g., CalWORKS, SSI)
- Income limit defined by the program in which someone is enrolled

*Modified Adjusted Gross Income

MAGI*

- aka Medi-Cal Expansion
- Eligibility based on income – Modified Adjusted Gross Income at or below 138% of the Federal Poverty Level, based on family size



Current Income Thresholds



MEDI-CAL

HR1 and 2025 CA State Budget Impact on Medi-Cal (Medicaid in CA)





Medi-Cal, HR1, and CA Budget

January 1, 2026

- **Asset limit re-instatement** | non-MAGI Medi-Cal
- **“Unsatisfactory Immigration Status”** | eligibility changes start

January 1, 2027

- **“Community Engagement” requirements** | MAGI Medi-Cal
- **Six-month eligibility verification** | MAGI Medi-Cal
- **Retroactive coverage limits** | MAGI and non-MAGI

October 1, 2028

- **Cost sharing for some enrollees** | MAGI Medi-Cal

Medi-Cal system administrative burden has already started, will increase progressively, and impact workers and clients alike.



Medi-Cal Enrollment in CA and SF

California

- **Total** **14,863,513**
~35% of Californians
- **Non-MAGI** **9,756,754**
including CHIP
- **MAGI** **5,106,759**

San Francisco

- **Total** **242,774**
~28% of San Franciscans
- **Non-MAGI** **145,162**
including CHIP
- **MAGI** **97,612**

**“Up to 3.4 million Medi-Cal members may lose coverage...
\$30 billion [in funding] is at risk”**

Michelle Baas, CA DHCS Director



\$130,000 for individuals; **\$195,000** for couples
\$65,000 for each additional family member (up to 10)
Considers \$ in bank accounts, cash on hand,
second vehicles or homes, other financial resources

Traditional Medi-Cal Asset Test reinstated January 1, 2026



65 or older, disabled, or need long-term care?
Medi-Cal eligibility will consider income and assets



US Health & Human Services (HHS) Data Sharing with DHS

HHS Data Sharing with US Department of Homeland Security (DHS)

Date	Update
6/10/25	US Department of Health & Human Services gave Medicaid enrollment and health data to the US Department of Homeland Security (DHS)
6/13/25	News reports of personally identifiable Medicaid data shared with DHS
7/1/25	Lawsuit to stop data sharing (CA, with 19 other states)
8/12/25	US District Court of Northern California granted preliminary injunction – blocked further data sharing and use of data set for immigration enforcement purposes



Medi-Cal & People with Unsatisfactory Immigration Status (UIS)*

People with UIS, Upcoming Changes

Date	Origin	Change
1/1/26	CA Budget	UIS new enrollment freeze • annual renewal OK • no recourse for re-enrollment upon lapse >90 days
7/1/26	CA Budget	UIS dental coverage ends
10/1/26	HR1	UIS definition expansion to include refugees, asylees, parolees, abused spouses and children, trafficking victims
7/1/27	CA Budget	\$30 monthly premiums for most UIS still on Medi-Cal



*CA DHCS Immigration Status Categories



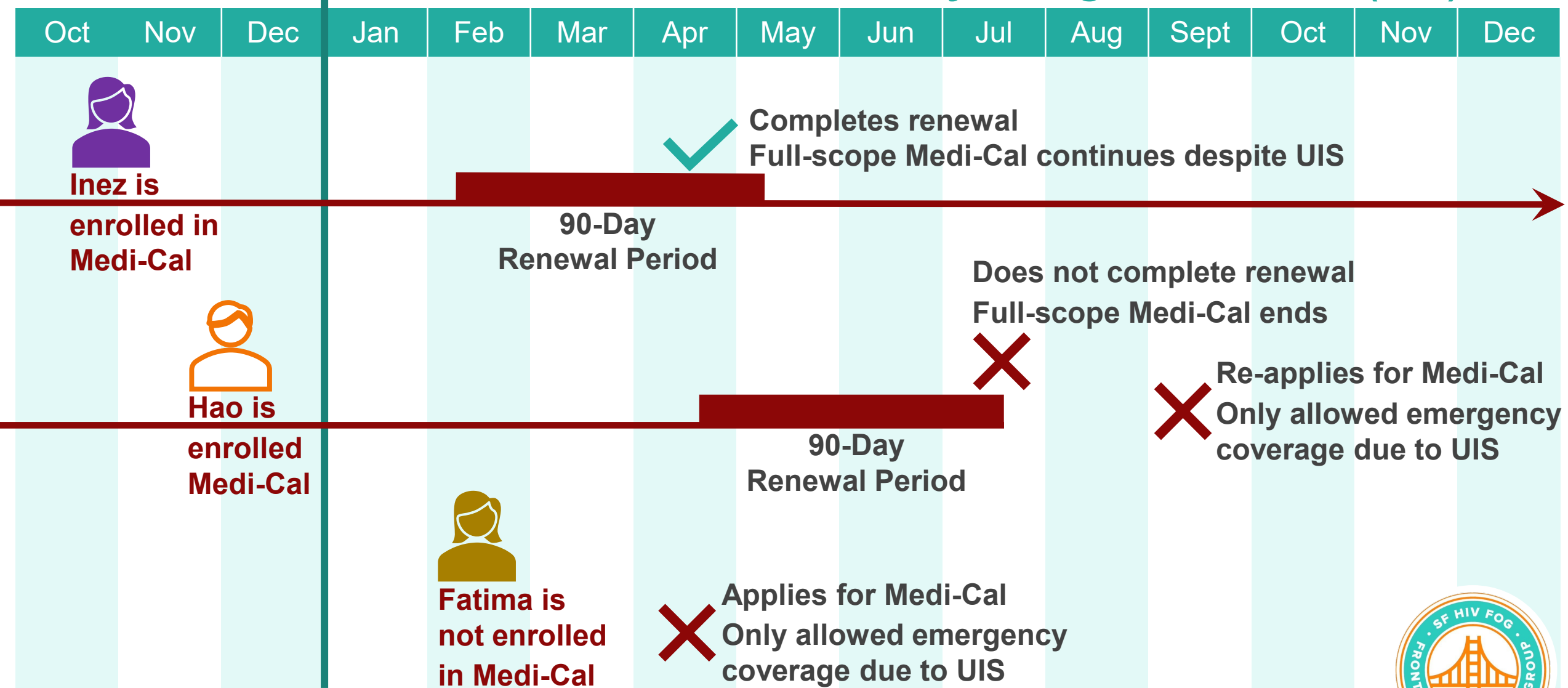
What Medi-Cal Members Need to Know



2025

January 1, 2026

Medi-Cal Enrollment Freeze for People with Unsatisfactory Immigration Status (UIS)





HR1: Medi-Cal & Work Requirements effective January 1, 2027

- **States may not opt out** (previously could opt in)
 - may seek approval for two-year delay, until 12/31/28
 - may implement before 1/1/27 and implement more stringent requirements
- **MAGI Medi-Cal enrollees only**
- **80 hours per month of “community engagement”**
 - “Working, training for a job, studying or volunteering”
 - Verified at enrollment and renewal (every six months)
 - Look-back period defined by states (one to three months)
 - States encouraged to verify ex parte
(use back-end data source like payroll data)



Medi-Cal Expansion enrollees who are terminated for non-compliance with work requirements **will not be eligible for subsidies through the Covered California health insurance marketplace.**

Medi-Cal Expansion & Work Requirements
effective January 1, 2027

80 hours per month

Verified at application and at each six-month renewal





HR1: MAGI Medi-Cal Work Requirement Exemptions

effective January 1, 2027

Full-time Students	Parents with kids under 14 y/o	Pregnant or postpartum
Current & Former Foster Youth under 26 y/o	Met CalFresh Work Requirements	American Indian / Alaska Native
Disabled Veterans	Incarcerated or <90-days post release	“short term hardships”
Medically Frail	• Blind or Disabled • Physical, intellectual, or developmental disability • Substance Use or Mental Health disorder • “Serious or complex” medical condition (to be defined by HHS Secretary)	



HR1: MAGI Medi-Cal & Cost Sharing effective October 1, 2028

- **Enrollees between 100% and 135% MAGI FPL**
- **More than \$0 and no more than \$35 per item**
aggregate limit = 5% of family income
- **Providers may refuse service for non-payment;**
may reduce or waive co-pays on case-by-case basis
- **Prohibitions on fee collection:**
 - Federally Qualified Health Centers (FQHC) and Rural Clinics
 - PCP visits, Mental Health, and Substance Use treatment, Hospice
 - Pregnancy-related and family planning
 - Emergency Department
 - Vaccinations



Impact on Medi-Cal System

HR1 increases administrative burden for states while decreasing federal funding and restricting state funding mechanisms that help cover administrative tasks, optional benefits, expanded eligibility, and provider reimbursement

- **Set-up:** new regulations | revise applications | program systems (e.g., MEDS, BenefitsCal) | train staff, partners and community | revamp outreach and communications efforts | establish and execute new appeals processes | effectuate new data-sharing agreements | etc., etc., etc.
- **Implementation:** monitor work requirements | process twice-annual recertifications | process disenrollments | etc., etc., etc.

A full review of HR1's impact on state systems is not a part of this presentation.



CALFRESH

HR1 Impact on CalFresh (SNAP in CA)





HR1 and CalFresh, in brief

- **Overall federal cut to CalFresh: \$1.7B to \$3.7B annually**
395,000 people in CA projected to lose benefits
- **Work Requirements for Able-bodied Adults without Dependents**
start date pending federal guidance
- **“Unsatisfactory Immigration Status” definition expansion**
start date pending federal guidance
- **Utility Allowance restriction**
start date pending federal guidance
- **Nutrition Education and Outreach funding reductions**
started 10/1/25



What's a Frontline Worker to do?

1. Educate yourself and stay up to date
2. Pay attention to the HR1 and CA Budget implementation timelines
3. Be aware of the healthcare coverage options available to your clients (see the tip sheet below)
4. Review your caseload and be proactive about benefits navigation
5. Know the agencies, programs, and workers who specialize in benefits navigation
6. Stick with your clients until any coverage issues they experience are resolved



[SF HIV Benefits Options](#)



Sources of More Information

- **KFF** (health policy research, policy, and news)
- **Families USA** (healthcare consumer advocacy)
- **National Health Law Program** (low-income health rights education & advocacy)
- **CalMatters** (non-profit news site focused on CA)
- **California Department of Healthcare Services** (CA Medicaid administrator)
- **California Health & Human Services Agency HR1 Overview** ([PPT](#) | [Video](#))
- **Covered California** (CA's healthcare marketplace / exchange)
- **Western Center on Law and Poverty** (healthcare education & advocacy)
- **Just Security** (tracking legal challenges to the 47th administration's actions)



Provisions that didn't make the cut

In HR1 there is:

- No ban on telehealth
- No federal ban on Medicaid coverage for gender-affirming care
- No penalty for states that provide coverage to people with UIS using state dollars

Changes are coming in waves with the biggest ones a few years down the road.





Questions?

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