

**CLERK OF THE BOARD OF SUPERVISORS
EXHIBIT/DOCUMENT LOG**

MEETING DATE & AGENDA NO. 03/24/2026 #26

STAFF DOCUMENTS (Numerical)

No.	Presented by:	Description:
1	Staff	11- Page PowerPoint

2

3

4

5

PUBLIC DOCUMENTS (Alphabetical)

No.	Presented by:	Description:
A	N/A	

B

C

D

E

F

H.R. 1 Impact Analysis Level Setting & Recommended Action Plan

Presentation by Jacey Cooper



**PRECISION HEALTH
STRATEGIES**

Purpose & Scope

Integrated landscape analysis of three critical areas:

- **Federal changes under H.R. 1** affecting County-administered safety net programs and Medi-Cal eligibility operations;
- **State budget and Medi-Cal financing pressures** that may not directly hit County line items but will strain State/county capacity and hospital/provider rates; and
- Considerations for **Section 17000 obligation level setting** to maintain a lawful, stable County safety net amid rising uninsured risk.

What is changing and estimated San Diego impact

Implementation Date	Policy Change	Estimated Impact
January 1, 2026	Full-scope Medi-Cal enrollment freeze for individuals with Unsatisfactory Immigration Status (UIS)	Applies to new applicants only
April 1, 2026	CalFresh prohibition for UIS	13,000 customers
June 1, 2026	CalFresh Work Requirements for Able-Bodied Adults Without Dependents (ABAWD)	93,500 customers
October 1, 2026	Full-scope Medi-Cal eligibility restricted for UIS	75,000 customers with UIS
October 1, 2026	Increased CalFresh Administrative Cost Share	Approx. \$15.8M - \$52.75M/yr depending on State cost share
January 1, 2027	Medi-Cal Work Requirements	314,000 customers
January 1, 2027	Medi-Cal Six Month Eligibility Checks	130,000 customers
October 1, 2027	State CalFresh Benefit Matching Requirement (based on error rate)	Up to \$150M if all costs are passed to County

H.R. 1: State impacts vs. County-facing impacts

Indirect but material State impacts (providers, rates, and hospital strain)

Even where costs do not initially impact County budgets, these provisions create downstream effects for San Diego's delivery system and County safety net:

- **Reduced federal funding / tighter Medicaid financing tools** (e.g., managed care and hospital tax constraints (12/2026); reduced federal match for Emergency Medicaid) → increases State budget strain and pressure on provider rates.
- **State Directed Payments capped (to 100% of Medicare)** → reduces hospital supplemental payment capacity and can compress hospital/provider rates.
- **New cost sharing for the 100–138% FPL expansion cohort** (copays) → access friction and administrative burden for plans/providers; potential shifts in utilization.

H.R. 1: State impacts vs. County-facing impacts

Direct County-facing impacts (administration, workload, and local service demand)

- **Medi-Cal freeze on full scope enrollment for UIS and asset limit change (1/1/26) and federal full scope eligibility restrictions for UIS (10/1/26)** increase the likelihood of local uninsured growth and demand for County bridge supports.
- **CalFresh eligibility prohibits UIS (4/1/26) and work requirement changes (6/1/26)** drive churn and increase workload, E&T supports, and community partner coordination.
- **CalFresh administrative cost share increase (10/1/26)** creates a structural fiscal exposure with a wide range depending on State decisions (\$16-52M)
- **Medi-Cal community engagement + six-month redetermination + Reduced retro coverage (1/1/27)** create a sustained administrative workload increase and likely significant coverage disruptions.
- **Medi-Cal Premiums for Certain immigrants (7/1/27)**
- **CalFresh State Benefit Matching based on error rate (10/1/27)** fiscal exposure could be as high as \$150M
- **Medi-Cal penalties for Medicaid payment errors, including eligibility (10/2029)**

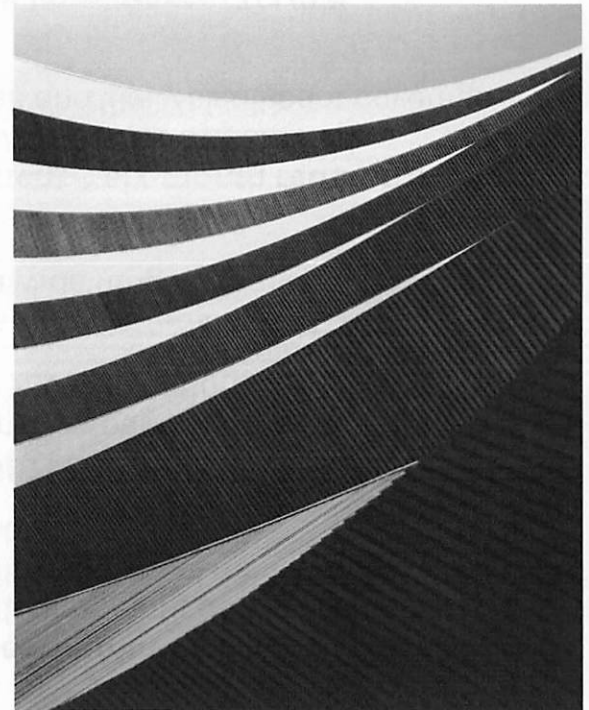
How Federal Law Becomes County Implementation (Why Details Are Still Evolving)

Statute enacted: Congress passes H.R.1 July 2025, setting broad requirements and timelines but not operational details.

Federal regulations & guidance: Federal agencies (CMS, USDA) must issue regulations and detailed guidance to define how requirements are implemented.

State policy decisions: California determines options allowed under federal rules, makes policy choices, and issues State guidance (DHCS/CDSS).

County implementation: Counties translate State guidance into staffing, systems, training, communications, and services.



County Impact Summary (Workload & Coverage)



Coverage loss risk increases starting 2026: Medi-Cal eligibility restrictions for certain immigrants are expected to increase the uninsured population and reliance on County-supported bridge and safety-net services.



Eligibility churn and workload rise sharply: CalFresh work requirements and Medi-Cal community engagement, six-month checks, and reduced retroactive coverage significantly increase eligibility processing, customer support, and coordination with community partners.



Material fiscal exposure for County operations: CalFresh administrative cost-share changes and potential state benefit matching penalties create substantial and uncertain County cost pressure.



Long-term compliance risk escalates: Expanded eligibility rules and error penalties increase the importance of accuracy and automation, with potential federal funding losses tied to payment and eligibility errors beginning in 2027 for Cal Fresh and 2029 for Medicaid.



What San Diego Should Reassess Under Section 17000

H.R. 1 and related State actions beginning in 2026 are expected to increase coverage loss and churn, requiring the County to reassess its Section 17000 obligations and fiscal guardrails.

- **Eligibility and coverage:** Define populations and services covered under Section 17000, including coordination with the Safety-Net Bridge program, eligibility parameters, benefit tiers, and enrollment alignment with Medi-Cal.
- **Plan for churn and managed costs:** Align service intensity with patient need, with short-term supports for temporary coverage gaps and sustainable care pathways for residents without coverage.
- **Hospital and specialty care access:** Define and manage hospital, specialty, and diagnostic services under Section 17000 while limiting fiscal exposure from high-cost care.
- **Evaluate network structure:** Reassess provider network design and reimbursement to maintain access and provider participation as uninsured demand grows.
- **Monitor trends and fiscal impact:** Develop a dashboard to track utilization, populations served, and fiscal exposure under the County's Section 17000 obligation.

How San Diego Can Be Proactive



Prepare: Planning, scenario modeling, and readiness work.



Invest in strategic actions: Training, process improvement, data integration, and communication that improve performance under any policy outcome.



Build coalitions early: Coordinate with the State, other counties, providers, plans, and CBOs to shape implementation and share solutions.



Strengthen oversight tools: Develop dashboards and reporting so impacts can be monitored and addressed quickly as they emerge.



Sequence decisions deliberately: Align Board actions with State budget finalization and guidance releases to avoid rework and fiscal risk.

Subcommittee Work Underway

- CalFresh Readiness Report
- Community Engagement Gap and Strategy Assessment
- Technology Tools to Optimize
- Section 17000 Policy Reassessment per Board Direction

A photograph of a business meeting. Several people in professional attire are gathered around a table. One person is pointing at a tablet displaying a document with charts and text. Other people are looking at the tablet or holding coffee cups. The scene is brightly lit, likely from a window in the background.

Questions/Discussion