



California State
Association of Counties



June 3, 2026

To: The Honorable Monique Limón
President pro Tempore, California Senate

The Honorable Robert Rivas
Speaker, California State Assembly

The Honorable John Laird
Chair, Senate Budget and Fiscal Review Committee

The Honorable Jesse Gabriel
Chair, Assembly Budget Committee

RE: Maintaining Coverage for Vulnerable Californians: Alternative to Indigent Care Funding – Adopt Assembly Budget Plan

Dear Assembly Member Gabriel and Assembly Member Addis,

The California State Association of Counties (CSAC), Urban Counties of California (UCC), Rural County Representatives of California (RCRC), County Medical Services Program (CMSP), California Association of Public Hospitals and Health Systems (CAPH), County Health Executives Association of California (CHEAC), County Welfare Directors Association of California (CWDA), County Behavioral Health Directors Association of California (CBHDA), the Service Employees International Union-California (SEIU California), California Black Health Network (CBHN), and the National Health Law Program (NHeLP) write to request the Legislature adopt the Assembly's budget plan to create a state funded, emergency-only benefit for individuals denied Medi-Cal due to work requirements.

California has been a national leader in reducing the uninsured rate and expanding access to care following implementation of the Affordable Care Act. However, provisions in H.R. 1 threaten

to reverse this progress. These changes put coverage at risk for more than one million Californians and will significantly increase the number of individuals who may turn to county indigent care programs which lack the resources to absorb this demand.

Counties serve as providers of last resort, delivering basic, often time-limited, medical care under their indigent care obligations. As Medi-Cal and Covered California expanded coverage, the state enacted AB 85 (Chapter 24, Statutes of 2013), which reduced available 1991 health realignment funding by slowing revenue growth and redirecting substantial funding to offset General Fund costs. As a result, counties do not have the financial capacity to respond to a large-scale shift of newly uninsured residents without additional support.

As an alternative to the state funding county costs to provide indigent care to those losing Medi-Cal coverage due to H.R. 1 community engagement requirements, we respectfully request that the Legislature adopt the Assembly's budget plan to establish a limited, emergency-only Medi-Cal benefit for two years. Consumer and labor advocates signing on do so with the clear understanding that their support does not undermine their recommendations to also oppose Medi-Cal cuts and the UIS and/or humanitarian-related budget recommendations/actions that other statewide coalitions have put forward.

This approach to provide state funded, emergency only Medi-Cal would:

- Ensure access to critical, life-saving care and stabilization services.
- Keeps people connected to the county eligibility systems allowing for more streamlined transition back to full scope Medi-Cal should ACA expansion individuals come back into HR.1 compliance.
- Prevent individuals from becoming fully uninsured and immediately shifting into unprepared county indigent care systems.
- Allow the state to more easily access allowed federal funding when individuals are admitted for in-patient emergency services, which provides an exemption from H.R. 1 work requirements.
- Provide the State with a two-year stabilization period to assess the real-world impacts of H.R. 1 and develop longer-term policy solutions.

Rather than allowing individuals to “fall off” Medi-Cal entirely, this limited benefit would maintain a basic coverage floor while avoiding the costly and complex need to rebuild indigent care infrastructure.

Sincerely,

As signed by

Brendan McCarthy, Sr. Legislative Advocate
California State Association of Counties (CSAC)

As signed by

Kelly Brooks-Lindsey, Legislative Advocate
Urban Counties of California (UCC)

As signed by

Sarah Dukett, Policy Advocate
Rural County Representatives of California
(RCRC)

As signed by

Katie Rodriguez, Interim President & CEO
California Association of Public Hospitals and
Health Systems (CAPH)

As signed by

Kari Brownstein, Executive Director
County Medical Services Program (CMSP)

As signed by

Michelle Gibbons, Executive Director
County Health Executives Association of California
(CHEAC)

As signed by

Michelle Doty Cabrera, Executive Director
County Behavioral Health Directors Association of
California (CBHDA)

As signed by

Carlos Marquez, III, Executive Director
County Welfare Directors Association of California
(CWDA)

As signed by

Beth Malinowski
Government Relations Advocate
SEIU California

As signed by

Rhonda Smith
Executive Director
California Black Health Network

As signed by

Kim Lewis
Director of California Policy
National Health Law Program

cc: Honorable Members, Senate Budget and Fiscal Review Committee
Honorable Members, Assembly Budget Committee
Joe Stephenshaw, Director, California Department of Finance
Kim Johnson, Secretary, California Health and Human Services Agency
Michelle Baass, Director, California Department of Health Care Services
Erica Pan, Director and State Public Health Officer, California Department of Public Health
Richard Figueroa, Office of Governor Gavin Newsom
Paula Villescaz, Office of Governor Gavin Newsom
Marjorie Swartz, Office of the Senate President pro Tempore
Rosielyn Pulmano, Office of the Assembly Speaker
Elisa Wynne, Senate Budget & Fiscal Review Committee
Scott Ogus, Senate Budget & Fiscal Review Committee
Christian Griffith, Assembly Budget Committee
Patrick Le, Assembly Budget Committee
Kirk Feely, Senate Republican Caucus
Anthony Archie, Senate Republican Caucus
Joe Shinstock, Assembly Republican Caucus
Eric Dietz, Assembly Republican Caucus
Jason Constantouros, Legislative Analyst's Office
Will Owen, Legislative Analyst's Office