



Fiscal Pressures – A Practical Approach to Improving What You Can Control

CHEAC Annual Meeting | October 2026



980 9th Street, Suite 350, Sacramento, CA 95814



transformhc.com



Transform Health, LLC

About Transform Health



National private health policy consulting firm
Established in 2016



Our Mission: Driving systems change to improve quality of care and health outcomes



Our Work: Bringing analytical rigor and innovation to solve complex health care policy challenges



Our Growth: Recognized on the Inc. 5000 list three years in a row in 2024, 2025, and 2026

Medi-Cal: Timeline of Key Federal and State Policy Changes

updated Sept 2026

- **Enrollment freeze for undocumented adults**, ages 19+, non-pregnant, qualified for full-scope Medi-Cal
- **Reinstatement of asset test** for seniors and people with disabilities
- **Eliminate GLP-1 coverage** for weight loss

- **Work requirements** for Expansion adults, ages 19-64 (includes state-funded populations)
- Reduced **retroactive coverage**
- Transition UIS population from **managed care to fee-for-service (FFS)**
- ****Renewed Managed Care Organization (MCO) tax** takes effect
- ****Renewed CalAIM 1115 waiver** takes effect (for a 5-year period)

- **6-month eligibility redeterminations become operational** for Expansion adults

- **Cost-sharing for certain services** for Expansion adults >100% FPL
- Start **phase-down of state-directed payments** above Medicare rates
- **Revised home equity limits** for Medicaid LTC eligibility

Jan 2026

June:

Gov. Newsom signs 2026-27 budget into law

Jan 2027

Mar 2027

- Start **phase-down of provider taxes**

Oct 2027

2028

(Several H.R. 1 provisions took effect upon enactment on July 4, 2025, such as capping rates of new state-directed payments)

Oct 2026

- **Restrict definition of “qualified immigrants”** for federally funded full-scope Medicaid (state-funded, full-scope Medi-Cal for impacted population to be maintained until June 30, 2027)
- **Federal match reduction (to 50%) for Emergency Medicaid** for expansion adults with UIS
- Remaining county correctional facilities go live with the CalAIM Justice-Involved (JI) Reentry Initiative

July 2027

- **\$30 monthly premium** for UIS adults ages 19-59; next Governor to decide whether to increase premium level
- Eliminate full-scope Medi-Cal for **certain immigrant groups** (pregnancy and emergency services available)
- **Stricter asset test limit**: \$21,000 for individuals, \$31,000 for couples
- **Eliminate State-Only Prospective Payment System (PPS)** rates for UIS individuals (previously July 2026)
- **Eliminate full-scope dental benefits** for UIS adults ages 19+ (previously July 2026)

KEY:

Green = Federal/H.R. 1
Orange = State Policy

UIS = Unsatisfactory Immigration Status

** = pending federal approval

INC. 5000 RANKED

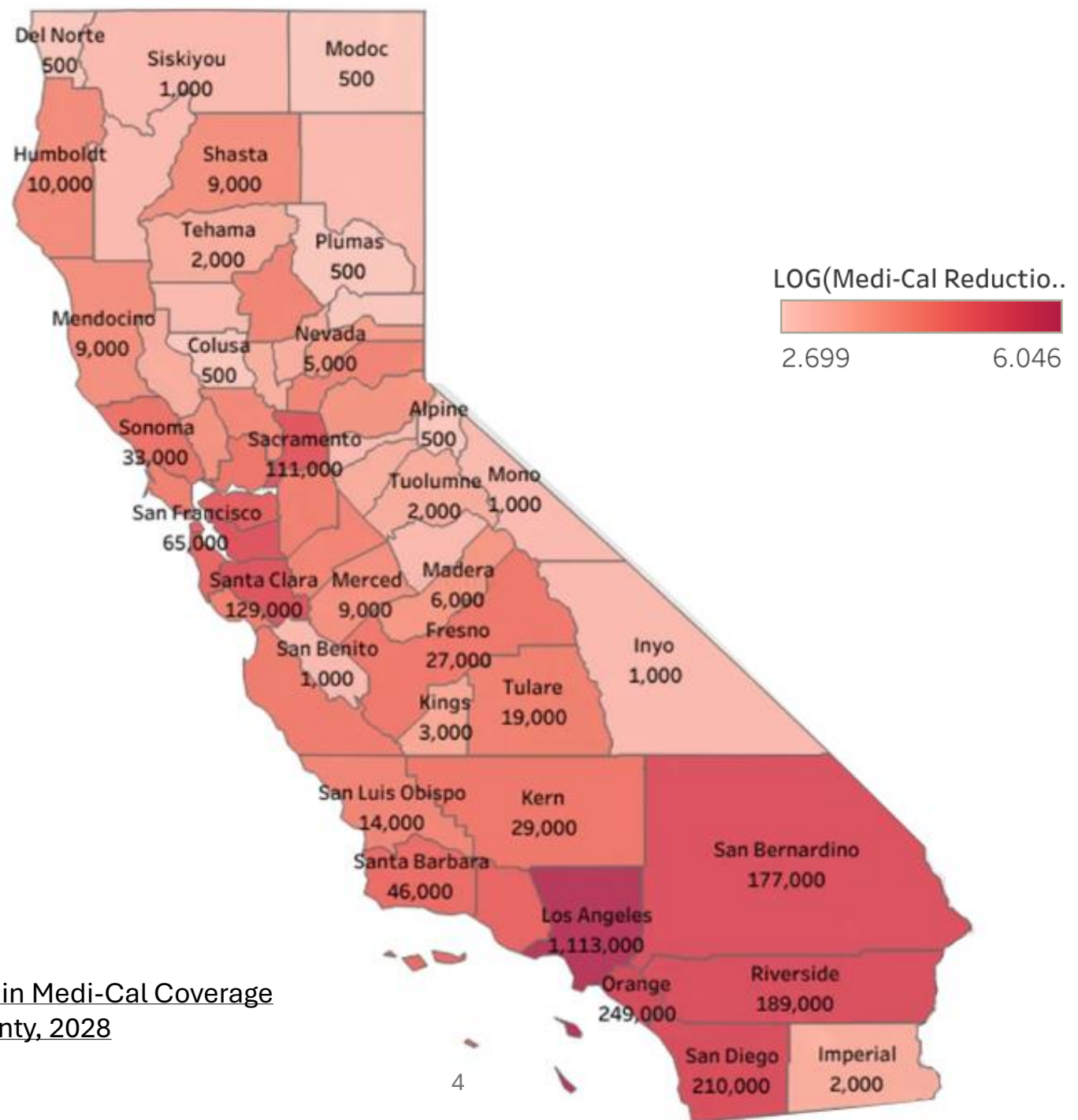
www.transformhmc.com



Projected Reduction in Medi-Cal Coverage Across California

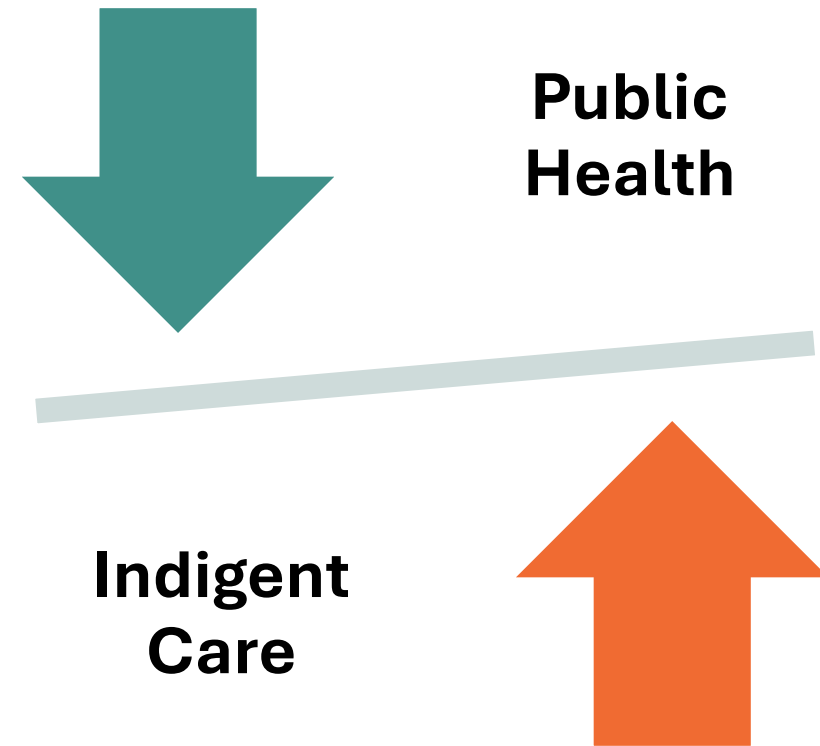
Source: UC Berkeley Labor Center Projected reduction in Medi-Cal Coverage due to federal H.R. 1 and 2025-26 State Budget, by county, 2028

August 20, 2026



H.R. 1 Creates New Structural Funding Issues for Counties

- Realignment revenues used to support county health and human services responsibilities **do not automatically increase** when program costs or demand changes.
- Counties rely on approximately **\$1.2 billion** in health realignment revenues in 2026-27 to fund both indigent care and public health services.



County-Level Impacts

	Policy Change	All County Impacts	Population/Cost Impact
	Medicaid work/community engagement reporting requirements	Medi-Cal County Eligibility Workforce – Responsible for supporting clients navigating work requirements (Jan. 2027)	2.8 million statewide likely needs manual case reviews (county level) \$231 million for increased county workload in 2026-27
	CalFresh work/community engagement reporting requirements	CalFresh County Eligibility Workforce – Responsible for screening, verification and engagement for work and documentation requirements (June 2026)	950,000 recipients impacted statewide \$103 million for increased county workload in 2026-27
	Greater share of CalFresh costs	Federal government's share of CalFresh admin costs reduced to 25 percent and shifted to counties (Oct. 2026)	\$211 million increase to counties to preserve access to nutrition assistance
	Coverage losses due to H.R. 1 and state budget changes	Increased churn in members gaining and losing coverage; need to close coverage gaps through indigent care for those losing Medi-Cal.	300,000-700,000 individuals losing coverage may enroll in county indigent health programs

Source: CSAC, CWDA, et al. [H.R. 1 Impact to Counties](#); LAO, [Overview of County Indigent Care](#)

**What keeps you
up at night?**

What's working?

Fresno County's Fiscal Response Priorities

WIC Section 17000

(i.e., Medically Indigent Care Program)

- Balance between serving the needs of residents and fiscal prudence
- Create access to specialty care through paying for e-consults
- Offer dental services to reduce acute care costs

Rapid Response Team

- Partner with other county departments and community-based organizations to help clients complete their applications for coverage
- Use dashboard to identify areas that are losing coverage to deploy assistance
- Access to eligibility application status so processing can be quicker

CalViva's Fiscal Response Priorities

Community Engagement to Keep Members Informed

- Participation in local events and coalitions
- Provider outreach and education
- Member communications and alignment with county partners

Partnerships to Expand Services

- County behavioral health, public health, and social services
- Local education agency and school-based health
- Community health workers and community-based health care and social services providers

LHD's Fiscal Response Priorities

Fiscal, Program, and Organizational Assessment

- Mandated programs/services
- Non-mandated programs/services
- Electeds/Priority projects
- Community projects
- Uncontrollables

Revenue Opportunities

- Federal and state grants
- Expansion of services/operational excellence
- Philanthropy

**What keeps you
up at night?**

What's working?

Thank You for Attending This Workshop

Download a copy of Transform Health's
Fiscal, Program, and Organizational Assessment Checklist

Scan the
QR code

