National Center for Youth Law

SUMMER 2026

# H.R.1 Impacts on California

**ACCESS TO HEALTHCARE**

## Background

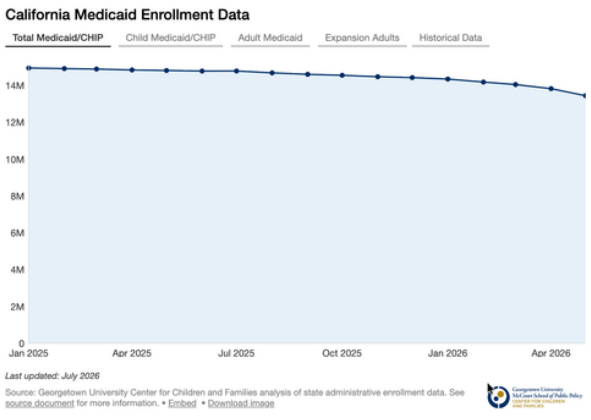
H.R.1 is the federal budget reconciliation bill signed into law in July 2025. This budget prioritized tax breaks for the wealthiest Americans while cutting funding for critical public services and benefits, including publicly-funded and subsidized health insurance programs: Medicaid (Medi-Cal in California), the Children's Health Insurance Program (CHIP), and Marketplace health plans. For definitions of these programs, **see NCYL's H.R.1 Implementation Timeline (page 3).**

## Implemented Changes

**Some of the changes made by H.R.1 have already been implemented.** For example, premiums for Marketplace plans have increased due to H.R.1 failing to extend enhanced premium tax credits.

## Current Impacts

Between January 2025 and May 2026, there has already been an 10.1% decrease (more than 1.5 million people) **in total Medicaid/CHIP enrollment in California.** The decrease in enrollment in California accounts for more than 50% of disenrollment nationally (~2.1 million) in that same time period.




Source: Georgetown University Center for Children and Families

## Upcoming Changes

**Some changes will be implemented soon, including:**

- Non-citizen eligibility for Medicaid and CHIP will be narrowed (**Effective Oct. 2026**)
- States will be required to conduct eligibility redeterminations at least every 6 months for Medicaid expansion for adults (**Effective Dec. 31, 2026**)
- States will be required to implement work requirements to determine Medicaid eligibility for individuals 19-64, with certain categories being exempted (**Effective January 1, 2027**, with some exemptions for states with "good faith" waivers)

To see the full timeline for more details, click here.

## Projected Impacts

- In California, the estimated fiscal **cost associated with H.R.1 is expected to be around $1.5 billion.**
- The **number of uninsured Californians is anticipated to double to about 4 million** (10% of the population) by 2030, largely due to H.R.1.
  - 44,000 Medi-Cal members are projected to lose coverage in 2026-27.
- With the increase of insurance loss, clinics and hospitals that rely on Medi-Cal funding, will face additional financial burden – leading to further overcrowding, rising health care costs, and potential closures.
- These impacts will have long-term effects, resulting in worse health outcomes for countless Californians.

# California's Response So Far

**California leaders have moved to mitigate the negative impacts of H.R. 1 on access to healthcare through proposed state legislation and budget decisions.**

For example, lawmakers are currently considering a package of bills (SB 1202, AB 2161, AB 2208, and AB 2201) that, together, would:

- Create a public-facing dashboard tracking Medi-Cal disenrollment resulting from H.R. 1 eligibility changes and strengthen outreach requirements for agencies to prevent coverage loss due to paperwork barriers;
- Require CA to implement federal work requirements to be implemented in the least harmful way;
- Cap cost-sharing for Medi-Cal members impacted by H.R.1; and
- Reinstate strategies to streamline Medi-Cal processing.

*Source:* Western Center on Law and Poverty

California's 2026-27 budget includes several measures intended to lessen or delay the impacts of H.R. 1 on healthcare access, such as:

- Investing $300 million in subsidies to reduce costs for low-income and middle-come Californians on private health insurance *Source*: AB 109- Budget Act of 2026
- Investing $250 million in grants to public hospitals and up to $140 million for those in "significant financial distress" *Source*: AB 109- Budget Act of 2026, CalMatters
- Delaying, until July 2027, the imposition of limits on state-funded healthcare coverage that will restrict about 150,000 immigrants (including refugees, asylees, and survivors of trafficking) to emergency and pregnancy care only *Source:* CalMatters
- Requiring CA's next Governor to consider penalties for large corporations whose employees are on Medi-Cal (unless federal Medicaid cuts are repealed). *Source:* CalMatters

These actions mitigate, but do not eliminate, the harms of H.R. 1 for Californians. For example, by January 2027, California will move about 2 million Medi-Cal beneficiaries (mostly undocumented immigrants) to a separate fee-for-service program that excludes benefits like case management and housing assistance, though the budget allocates $25 million to support this transition. *Source:* AB 109- Budget Act of 2026, CalMatters, California State Budget 2026-27

Some advocates and policymakers have called for bolder actions that would further increase state revenue - such as ending corporate tax breaks or requiring the state's top 1-2% largest corporations to contribute to employees' Medi-Cal costs - rather than cutting healthcare access.

## WHERE CAN I LEARN MORE?

- H.R. 1 timeline from NCYL
- H.R. 1 CA-specific impacts timeline from the Cal. Budget & Policy Center
- H.R. 1 Resource Hub from the National Health Law Program

## HOW WILL THIS IMPACT MY MEDI-CAL?

**For questions about your own benefits:** Contact your local county office, https://www.dhcs.ca.gov/medi-cal/contact/ to learn more about potential impacts to your access to Medi-Cal

**If you're facing problems accessing your Medi-Cal:** Call the Health Consumer Alliance for free legal help, at 888-804-3536

## HOW CAN I ADVOCATE AGAINST HEALTH CARE CUTS?

Contact your state and federal representatives to explain how healthcare cuts will impact you, your family, and your community. Find your reps here.

Check out NCYL's advocacy toolkits for other practical ways to get involved in advocacy. While these toolkits are focused on *federal* advocacy, the same strategies can be used to advocate at the *state* level.

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