



WESTERN CENTER
ON LAW & POVERTY



JUSTICE IN AGING
FIGHTING SENIOR POVERTY THROUGH LAW

Problem:

Last July, President Trump signed H.R. 1, which lowered taxes for the wealthy at the cost of \$1.2 trillion in health care and other safety net cuts. By January 1, 2027, H.R. 1 requires ACA expansion adults ages 19 to 64 to meet specified work and community engagement requirements (which include employment/income, community service, education program enrollment, work program participation) to remain eligible for Medi-Cal. Certain people, including but not limited to pregnant, post-partum, foster and former foster youth, tribal members, veterans, and medically frail people are exempted from this requirement.

DHCS has decided to apply work and community engagement requirements to state-funded Medi-Cal expansion adults regardless of immigration status. **Applying these eligibility criteria to California immigrants is not required by H.R. 1.**

There is substantial evidence that imposing additional paperwork requirements on Medicaid members leads to procedural (“paperwork”) terminations even when the person still qualifies for coverage.

Despite DHCS’ automation efforts to maximize coverage, they still estimate that Medi-Cal coverage will terminate for about 1.4 million, or 30%, of the entire ACA expansion population due to missing verification documentation or because of non-compliance with the work and community engagement requirements.

Background:

H.R. 1 portrayed work and community engagement as a way to get low-income people receiving public benefits to seek employment, but data analyzed by KFF and reported by the [UC Berkeley Labor Center](#) demonstrates that **most Medi-Cal members who can work are**

already working. Data from 2023 show that 63% of non-disabled, non-elderly adults reported working full-time or part-time, 14% were not working due to being a caretaker for a family member, 8% were students, and 7% reported a disability or other illness that was not eligible for a federal disability designation.

Despite many Medi-Cal members already working, being a caregiver, or student, the new work and community requirement is punitive red tape designed to terminate health coverage.

According to a [2020 study](#), Arkansas’ experience with Medicaid work requirements led to a decrease in the number of Arkansans with health coverage and no significant changes in employment outcomes compared to similar states without work requirements.

H.R. 1 threatens to roll back coverage gains for low-income Californians, returning California to double-digit uninsured rates, significant medical debt, and worse health outcomes.

Solution:

This bill would protect Medi-Cal coverage for low-income Californians by:

- Stopping DHCS’s endorsement of HR 1’s work requirements through imposition on state-funded Medi-Cal members;
- Minimizing administrative burden by automating data sources, exemptions, and exceptions;
- Applying work requirements in least harmful way for members to obtain and maintain coverage, including adoption of all federally allowable exemptions and exceptions; and
- Codifying and clarifying notification rights so that people know how to demonstrate compliance before their Medi-Cal coverage is terminated.