

HR 1 Impacts on CalFresh and CalWORKs

DECEMBER 3, 2025

H.R. 1 – Impacts to CA

- Reduced access to **health care, reproductive care, and food**
- Reduced funding for the **health care infrastructure, nutrition education, and overall safety net.**



CalHHS Guiding Principles for HR 1 Implementation

1. Automate to Protect Coverage.
2. Simplify the Renewal Experience.
3. Educate and Train Those Who Serve Medi-Cal and CalFresh Members.
4. Active Engagement.
5. Communicate with Clarity, Connection, Timeliness, and Transparency.

Department of Health Care Services: HR 1 Medi-Cal Impacts

Major Medicaid Provisions of H.R.1

**Bottom Line: Up to 3.4 million Medi-Cal members may lose coverage;
\$30+ billion in federal funding is at risk annually;
major disruption in Medi-Cal financing structure for safety nets.**

Eligibility/Access Requirements	State Financing Restrictions	Immigrant Coverage Limitations	Abortion Providers Ban
<ul style="list-style-type: none">» Work requirements» 6-month eligibility checks» Retroactive coverage restrictions» Cost sharing	<ul style="list-style-type: none">» Managed Care Organization (MCO) and Provider Tax limitations» State Directed Payment (SDP) restrictions» Federal funding repayment penalties for eligibility-related improper payments	<ul style="list-style-type: none">» Reduction in FMAP* for emergency UIS**» Restrictions on lawful immigrant eligibility (increases UIS) <p>* <i>Federal Medical Assistance Percentage</i></p> <p>**<i>Unsatisfactory immigration status</i></p>	<ul style="list-style-type: none">» One-year ban on federal Medicaid funding for "prohibited entities" that provide abortion services

All numbers are estimates and subject to change.

Eligibility/Access Requirements

Eligibility: Work Requirements

Section 71119: Requires states to condition Medicaid eligibility on compliance with work requirements (called “community engagement requirements”) for adults ages 19 through 64. The provision applies to individuals enrolled through Medicaid expansion or a section 1115 demonstration providing minimum essential coverage.

Exemptions must be verified every 6 months

Parents, guardians, caretaker relatives, or family caregivers of a dependent child age 13 and under or a disabled individual; medically frail individuals; pregnant/receiving Medicaid postpartum coverage; foster/former foster youth under age 26; American Indian and Alaska Native individuals; veterans with a disability rated as total; incarcerated or recently released within 90 days, Medicare Part A/Part B; meet Temporary Assistance for Needy Family or Supplemental Nutrition Assistance Program work requirements; drug addition/alcohol treatment program

Effective Date: January 1, 2027

Impact: An estimated up to 3 million Medi-Cal members may lose coverage, which will significantly drive up the uninsured rate and raise costs for hospitals and clinics treating uninsured patients.

Eligibility: 6-Month Eligibility Checks

Section 71107: Requires states to redetermine eligibility for adults enrolled through Medicaid expansion or an expansion-like section 1115 waiver once every six months.

Effective Date: January 1, 2027

Impact:

- An estimated 400,000 Medi-Cal members may lose coverage, which will drive up the uninsured rate and raise costs for hospitals and clinics treating uninsured patients.

Immigrant Coverage Limitations

Reduction in FMAP for Emergency Medi-Cal

Section 71110: Prohibits states from receiving the 90% enhanced matching rate for emergency services provided to individuals who, but for their immigration status, would have qualified for the ACA optional adult expansion group. Also applies to emergency care provided to refugees, asylees, and other lawfully residing individuals.

Effective Date: October 1, 2026

Impact:

- CA will lose the 90% federal match for emergency Medicaid services, requiring increased General Fund spending and/or a rollback of services covered under the emergency Medicaid benefit.
- May increase financial pressure on safety-net providers, particularly hospitals that deliver high volumes of emergency care to noncitizens.

Restrictions on Lawful Immigrant Eligibility for Medi-Cal

Section 71109: Ends the availability of full-scope federal Medicaid and CHIP funding for most refugees, asylees, victims of human trafficking, certain individuals whose deportation is being withheld or who were granted conditional entry, or individuals who received humanitarian parole, such as certain Afghans who aided U.S. operations in Afghanistan or people fleeing violence in the Ukrainian war.

Effective Date: October 1, 2026

Impact:

- Approximately 200,000 immigrant Medi-Cal members will shift from satisfactory immigration status (SIS), which is eligible for full Federal Financial Participation (FFP), to unsatisfactory immigration status (UIS), which is only eligible for emergency and pregnancy-related FFP – at the newly reduced rates noted in prior slide.

Abortion Providers Ban

One-year Ban on Federal Funding for “Prohibited Entities” that Provide Abortion Services

Section 71113: Bars Medicaid participation by certain providers of abortion services, including Planned Parenthood, for the one-year period following enactment (through July 2026).

Effective Date: Effective immediately.

Impact:

- In CA, roughly 80% of Planned Parenthood patients rely on Medi-Cal, meaning this would effectively strip \$305 million in federal funding from one of the state’s largest providers of reproductive health care.

California Department of Social Services
HR 1 CalFresh Impacts

CalFresh (SNAP) in California

CalFresh is largely regarded as one of the most effective tools to combat poverty and food insecurity.

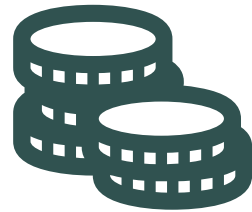
CalFresh serves **over 5.5 million low-income individuals** each month and **nearly 3.3 million households** across California (as of May 2025).

Average monthly benefit	\$333 per household; \$194 per individual
Total 2025-26 Benefits Funding	\$13.3 billion Federal (no State or local funding)
Total 2025-26 Administrative Funding	\$2.7 billion total (\$1.4B Federal, \$1B State, \$300M Local)

Additional economic impacts of CalFresh funding include benefits to agricultural sector, grocers, and retailers.

What You Need to Know

On July 4, 2025, President Trump signed H.R. 1 into law, which includes **significant changes to the Supplementation Nutrition Assistance Program (SNAP)**, known as CalFresh in California.



The bill is expected to **cut federal funding** for SNAP in California **by at least \$1.7 to \$3.7 billion annually**



Up to **395,000*** **people could lose benefits** (\$816 million reduction)

H.R. 1 Impacts to CalFresh

Total reduction of at least \$1.7 to \$3.7 billion in federal funds annually

Including estimated \$827 million **reductions in benefits** due to:

- 303,000 **Able Bodied Adults Without Dependents** at risk of losing benefits if unable to comply with work requirements
- 74,000 **non-citizens** who will lose eligibility
- 18,000 individuals losing eligibility for the **Standard Utility Allowance** and 444,000 seeing a reduction in benefits
- 43,000 individuals in households of 9 or more with reduced benefits due to new benefit caps based on value of the **Thrifty Food Plan**

H.R. 1 Impacts to CalFresh continued

Cost Sharing Shifts to State & Counties

- Benefit cost sharing for the State estimated at up to \$2 billion per year
- State administrative cost increase estimated at \$685 million (\$474 million General Fund and \$211 million county)

Nutrition Education Funding

- Loss of \$178 million in annual federal funds (effective October 1, 2025)

Federal Matching Funds for Outreach

- Loss of approximately \$15 million in federal reimbursement (effective October 1, 2026)

CalFresh Work Requirements

Category	H.R. 1 – CalFresh Work Requirements
Target Population	Adults ages 18-64 who are able-bodied and without dependent children under age 14
Work Requirement	<p>Benefits limited to 3 months in a 36 months period, unless complying with the "work requirement" at 20 hours per week or 80 hours averaged monthly, or otherwise exempt.</p> <p>Qualifying activities:</p> <ul style="list-style-type: none">• Paid employment• Community service• Job training or work programs• Education• Workfare• Combination of any of the above



THANK YOU



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