

CONTRA COSTA COUNTY

EMPLOYMENT & HUMAN SERVICES



Annual Medi-Cal and CalFresh Update

HR1 and State Budget Impacts

Presentation to the Board of Supervisors

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Support provided by Angela Bullock-Hayes, Ann Barrett, Erick Untal, Eric Brown, and their teams

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Abbreviations

ABAWD = Able Bodied Adult Without Dependents

ACA = Affordable Care Act

ACL = All County Letter

ACWDL = All County Welfare Directors Letter

BOS = Board of Supervisors

CalAIM = California Advancing and Innovating Medi-Cal

CalFresh = California's Supplemental Nutrition Assistance Program (SNAP)

CalSAWS = California Statewide Automated Welfare System

CalWORKs = California Work Opportunity and Responsibility to Kids (California's Temporary Assistance to Needy Families TANF program)

CAO = County Administrator's Office

CCH = Contra Costa Health

CDSS = California Department of Social Services

CF = CalFresh

CWDA = County Welfare Directors Association

DHCS = California Department of Health Care Services

EBT = Electronic Benefit Transfer card

EHSD = Employment & Human Services Department

FTE = Full Time Equivalent

HR1 = House of Representatives Bill 1

MC = Medi-Cal

Medi-Cal = California's Medicaid program

NCC = Net County Cost

SAMHWORKs = Substance Abuse Mental Health Work Opportunity & Responsibility to Kids

UIS = Unsatisfactory Immigration Status

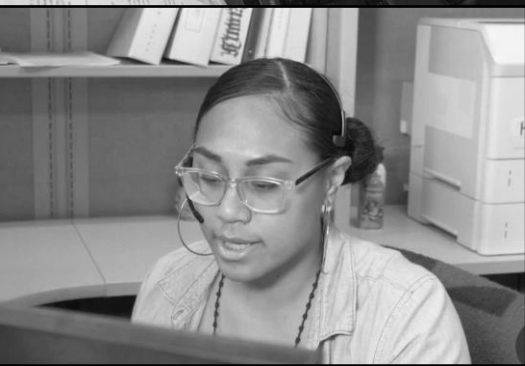
Eligibility is Holistic Case Management

It includes ...

- sending and receiving vital **mail**
- scheduling and conducting **interviews**
- making and receiving **phone calls**
- collecting and **documenting** information
- **determining** new and continued eligibility
- processing household **changes**
- **researching** regulations
- answering client **questions**
- **transferring** cases
- solving client **problems**
- responding to **complaints**
- identifying and responding to **fraud**
- reviewing case **accuracy** and
- **connecting** clients to other community resources

And because people only apply for CalFresh and Medi-Cal at a point of crisis, our eligibility teams are trained to do this work from a trauma-informed perspective.

See Appendix 3 for CalFresh and Medi-Cal application and renewal flow charts.



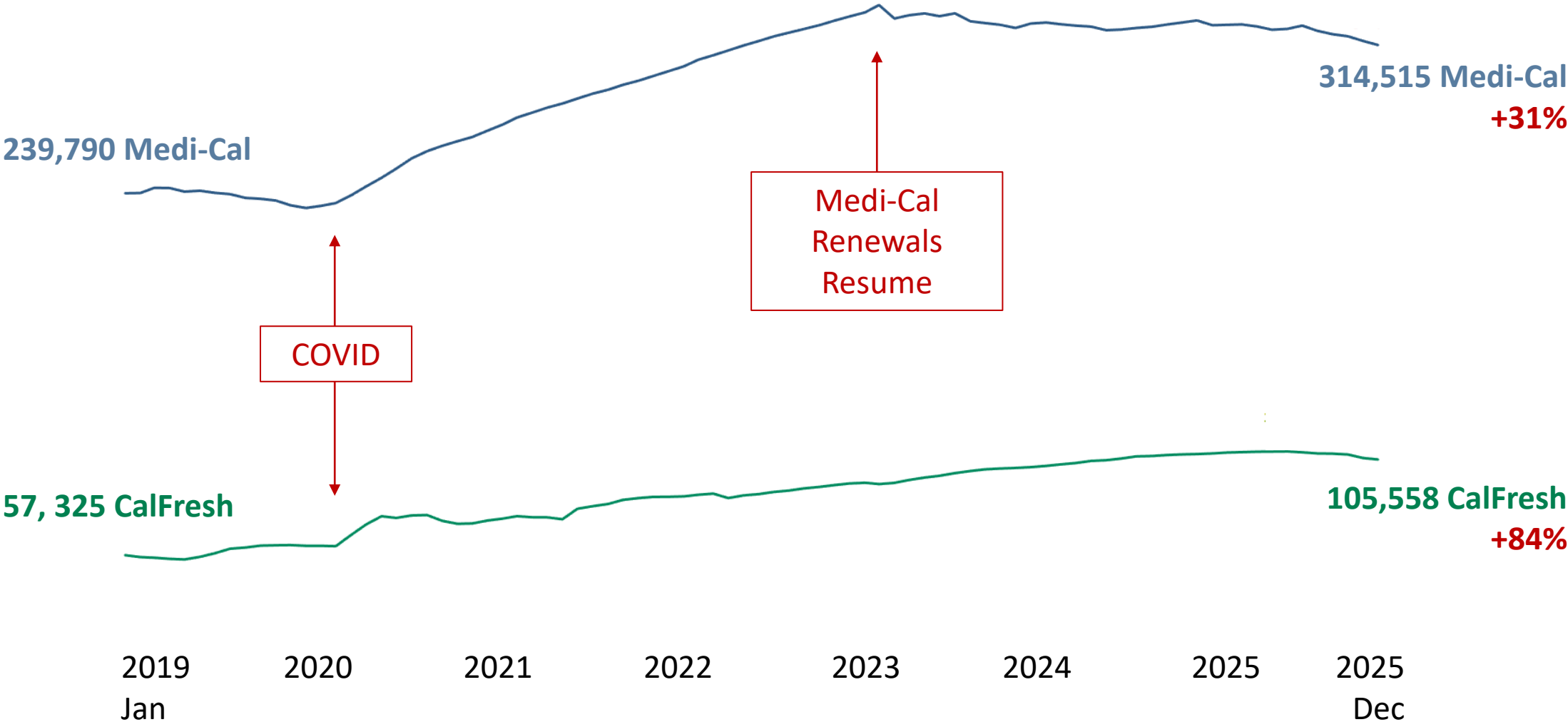
CalFresh and Medi-Cal Trends

Individuals Served by Program

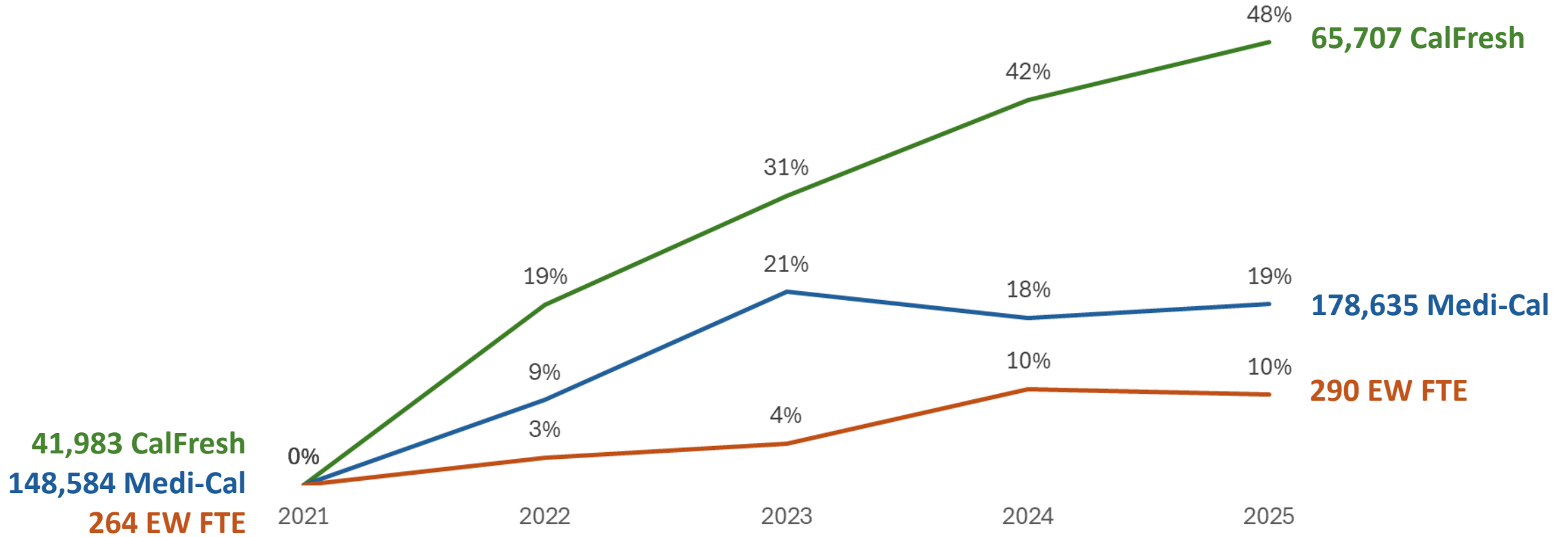
Caseload Workforce Misalignment

Client Service (Performance) Now Slipping

Number of Individuals Served



Misaligned Households and Workforce Growth



Client Service (Performance) Now Slipping

MC Applications

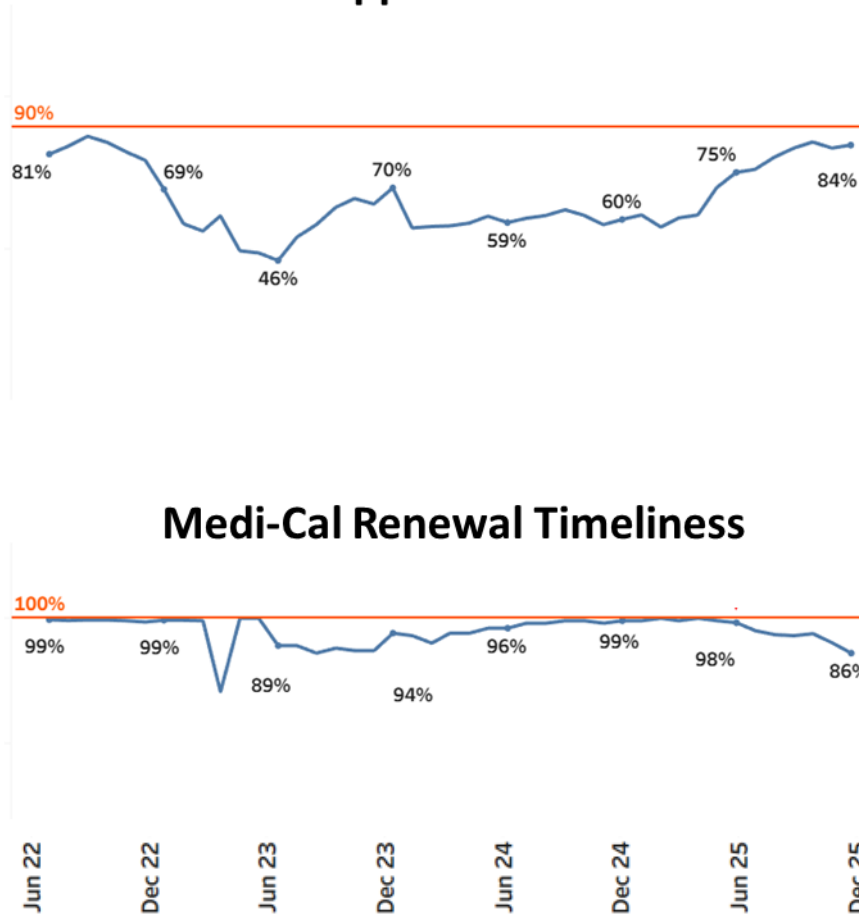
--Jun 2023 MC/CF dual applications increased efficiency

--Jul 2025 vacancy reduction achieved

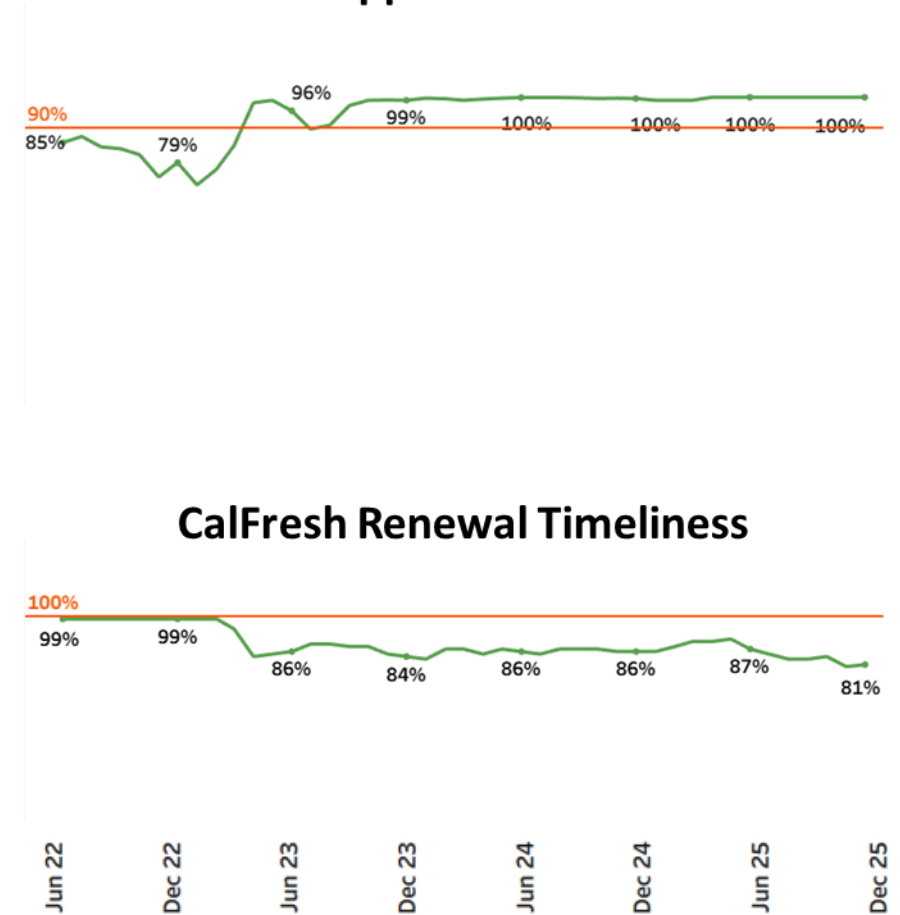
CF Applications

--We prioritize food access

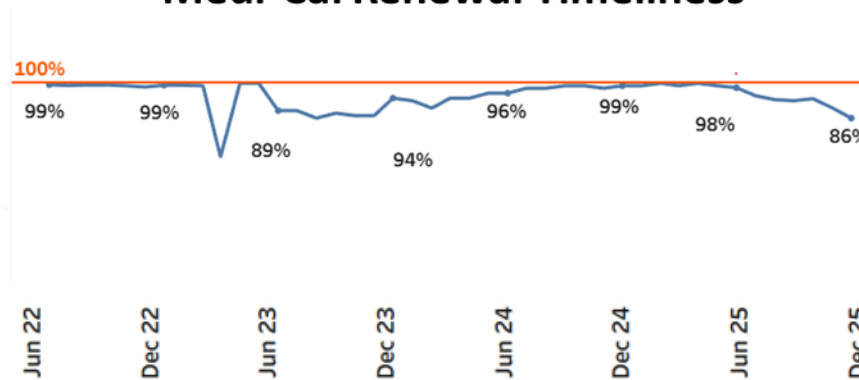
Medi-Cal Application Timeliness



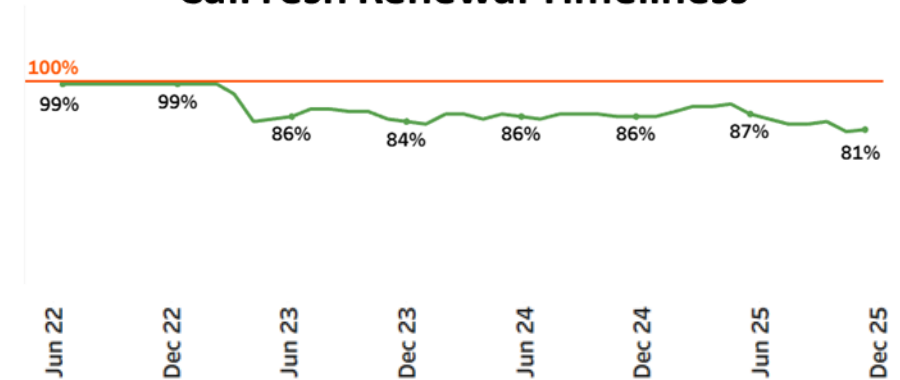
CalFresh Application Timeliness



Medi-Cal Renewal Timeliness



CalFresh Renewal Timeliness



MC and CF Renewals

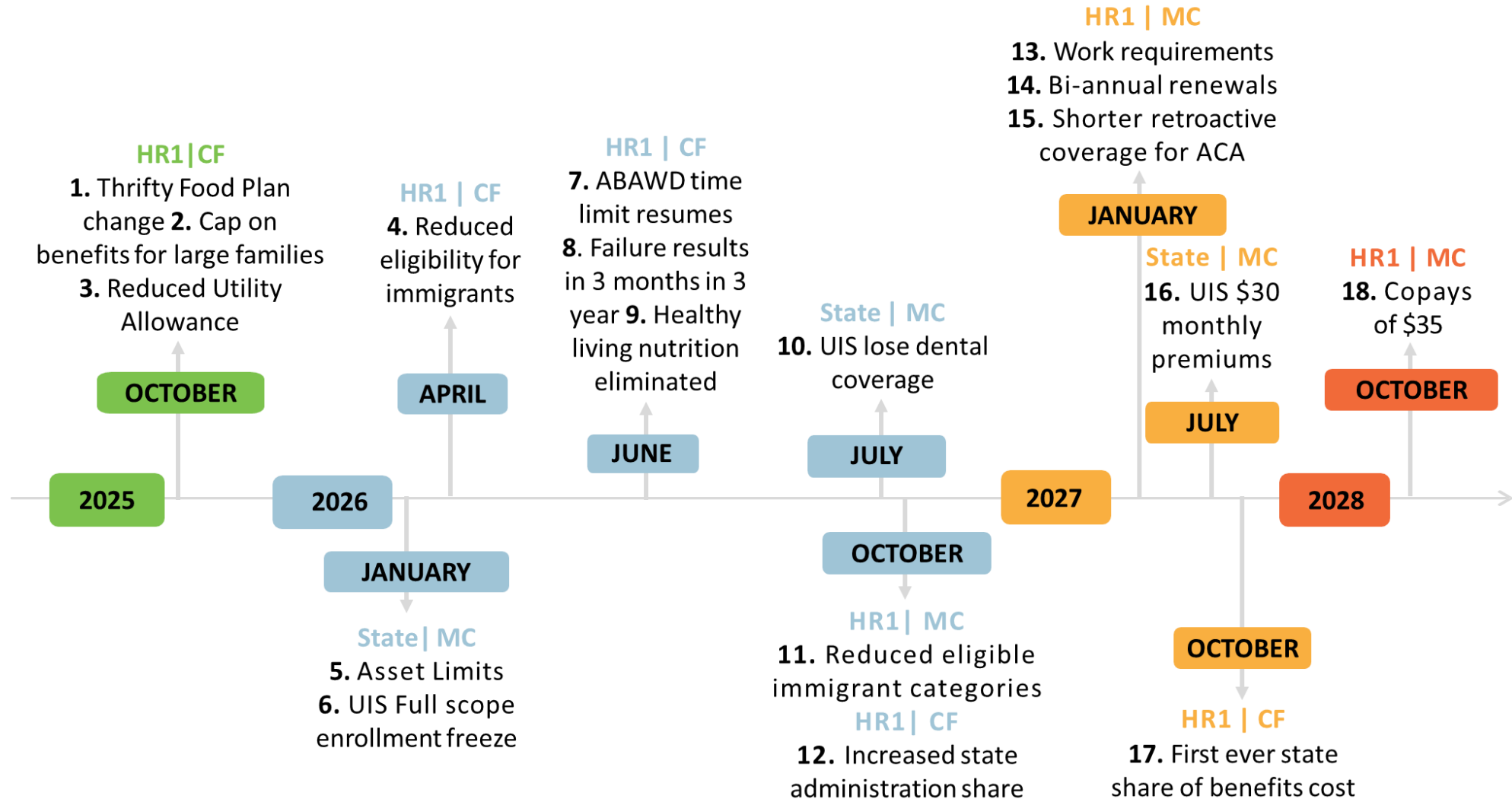
--Jul 2025 auto renewals reduced from 75% to 30% impact both MC and CF

HR1 and State Budget CalFresh and Medi-Cal Changes

Timeline

Most Consequential HR1 Changes for EHSD

HR1 Implementation Timeline



Most Consequential HR1 Changes for EHSD

Program	Date	Detail	Impacted	Client Impacts	Worker County Impacts
CF	6.1.26	7. Able-Bodied Adults 18-64 Without Dependents (ABAWD) without exemptions must meet work requirement	~51,313	Increased required documentation to provide verification of work or volunteer or school; loss of benefits if noncompliant	Significant increased work to identify recipient exemptions; additional CalSAWS screens to complete; if no exemptions refer to work programs; tracking participation time-clock; increased calls and appeals
CF	6.1.26	8. Restricts eligibility to 3 in 36 months if failure to meet work requirements	~51,313	Loss of benefits, increased food insecurity	Increased work to verifying exemptions and/or engagement compliance and to monitor 36-month time-clock
CF	10.1.26	12. Federal share of CF administration drops to 25% from 50%	~\$12.2 M annually	Should state and counties not be able to absorb increased cost, outreach may end and services may be delayed (calls, EBT issuance, case changes, application and renewals)	Increased costs may reduce funding available for staffing creating major strains on time per client, case processing accuracy, and timeliness
MC	1.1.27	13. ACA expansion adults 19-64 must meet work or exemption requirements	~67,719	Loss of full scope health coverage if failure to comply; emergency coverage continues	Significant increased work to identify recipient exemptions, and if none to refer to work programs; increased calls and appeals
MC	1.1.27	14. Renewals increase from once to twice annually for ACA expansion adults	~110,669	More frequent renewals leads to higher risk of benefits loss due to procedural burden	Doubles renewal workload adding 1.2 hours per adult per year

Responses

CDSS and DHCS Instructions to Date

Planning Workgroups

Training

Legislative Advocacy

CDSS CalFresh Instructions To Date

Number	Date Issued	Title
ACL 25-93	12-31-2025	HR1: Changes to Time Limit for Able-Bodied Adults Without Dependents Policy
ACL 25-92	12-31-2025	HR1: Changes to Noncitizen Eligibility Policy
ACL 25-79	11-07-2025	One-Year Able-Bodied Adults Without Dependents Time Limit Waiver for Colusa, Imperial, and Tulare Counties
ACL 25-50E	08-26-2025	Erratum To CalFresh Impacts Due to HR1
ACL 25-50	07-14-2025	CalFresh Impacts Due to HR1

DHCS Medi-Cal Instructions to Date

Number	Date Issued	Title
ACWDL 25-30	12-30-2025	Work and Community Engagement Requirements for New Adult Group
ACWDL 25-31	12-30-2025	Six-Month Renewals for New Adult Group
ACWDL 25-33	12-30-2025	Monthly Premiums for Adult Members with Unsatisfactory Immigration Status
ACWDL 26 07	3-12-2026	Policy Changes to Retroactive Medi-Cal Coverage Periods

Department of Health Care Services states these ACWDLs represent preliminary guidance and are subject to change based on developing federal policy guidance and state legislative changes.

Planning Workgroups: Local

CAO | EHSD | CCH

1. Biweekly meetings

EHSD

1. CalFresh Program Policy Committee
2. CalFresh Quality Assurance/Program Integrity Workgroup
3. CalFresh Error Citation Workgroup
4. CalFresh Oversight Meeting
5. ABAWD Workgroup
6. Data Council
7. Workforce Services Bureau Team Meeting

EHSD | CCH

1. Medi-Cal Enrollment and Retention Workgroup
2. CalAIM Pre-Release Workgroup
3. CalAIM Leadership Workgroup
4. Basic Health Collaboration Meeting
5. Minor Consent Applications Meeting
6. SAMHWORKs Services Meeting
7. Detention Health Medi-Cal Applications Review Meeting
8. Local Medi-Cal Advisory Committee

EHSD | Community

1. HR1 – Multi-Sector

Planning Workgroups: Regional and State

CWDA

1. Self Sufficiency
2. CalFresh
3. CalWORKs/Welfare-to-Work/Child Care
4. Medical Care
5. Regional Meetings to discuss CWDA topics – all programs

BASSC

1. Self Sufficiency

State

1. CDSS CalFresh ABAWD Policy Office Hours
2. CalFresh All Stakeholder Webinar (quarterly)
3. DHCS County Support Call
4. DHCS HR1 Federal Medi-Cal Changes County Workgroup
5. DHCS Medi-Cal Immigration-focused County Workgroup
6. CalSAWS Systems Workgroups

Training

1,098 hours to develop 126 modules
24 hours to train 1 worker | 555 workers to train

Impacts

Diverts works from casework and increases overtime costs

Reduces resources and time for other trainings:
refresher, error reduction, staff development,
reinforcement, new employee, promotion



Thank you to Managers, Supervisors, Staff!

State Budget Advocacy

Program	CWDA	Estimated CCC Share	CSAC	BOS
1. CalFresh prepare for and implement ABAWD work requirements	FY25-26 \$20 million GF FY25-26 \$9.3 million GF FY26-27 \$102.8 million GF Ongoing \$57.9 million GF	\$446,000 \$207,390 \$2,292,440 \$1,291,170	Same as CWDA	Letters: <ul style="list-style-type: none"> Honorable Akilah Weber Pierson, Senate Health Committee Honorable Caroline Menjivar, Senate Budget & Fiscal Review Subcommittee 3 Honorable Corey Jackson, Assembly Budget Subcommittee 2 Honorable Dawn Addis, Assembly Budget Subcommittee 1 Honorable John Laird, Senate Committee on Budget and Fiscal Review Honorable Monique Limon, Senate President Pro Tempore Honorable Roger Niello, Senate Committee on Budget and Fiscal Review Governor Gavin Newsom Office Visits: <ul style="list-style-type: none"> Senator Jesse Arreguín CWDA CF ABAWD Budget champion Senator Tim Grayson Senator Chris Cabaldon Asm. Anamarie Avila Farias Asm. Rebecca Bauer Kahan Asm. Buffy Wicks Asm. Lori Wilson
2. CalFresh administration cost shift	Authorize a CalFresh Match Waiver to draw full state funds if counties cannot increase match	CCC meets match	Supports CWDA	
3. CalFresh Payment Error Rate (PER) penalty	Hold counties harmless from Pre-H.R. 1 federally-driven Payment Error Rate (PER) fiscal sanctions	Would depend on situation	Supports CWDA	
4. Medi-Cal implement work requirement and bi-annual renewal	FY26-27 \$230.9 million GF FY27-28 \$304.7 million GF FY28-29 \$175.9 million GF Ongoing \$114.1 million GF	\$6,257,390 \$8,257,370 \$4,766,890 \$3,092,110	Same as CWDA	
5. Medi-Cal Consumer Price Index (CPI) increase	FY26-27 \$39.3 million GF Ongoing	\$1,065,030 Per CPI	Same as CWDA	
6. Medi-Cal enrollment freeze for UIS	Reverse enrollment freeze and oppose adding Medicaid work requirements to UIS population		Supports CWDA	

CCC share of state CF allocations = 2.23%; CCC share of state MC allocations = 2.71%

Eligibility Costs

Medi-Cal and CalFresh Revenue and Expenditure Trends

HR1 Created New Unfunded Mandates

Perfect Storm

MC & CF Revenue and Expenditure Trends

	Fiscal Year	State Allocation	Federal Allocation	1991 Realignment Utilized	2011 Realignment Utilized	Net County Cost Utilized	Total Revenue to Cover Expenditures	Number of Claimed FTE
Medi-Cal (MC)	FY20/21		61,129,714		-	-	61,129,714	154.2
	FY21/22		53,165,382		-	-	53,165,382	135.9
	FY22/23		52,139,949		-	-	52,139,949	139.4
	FY23/24		70,717,050		-	5,476,932	76,193,982	157.9
	FY24/25		70,512,125		56	6,084,173	76,596,354	165.0
	FY25/26 Budget		68,341,855		-	-	68,341,855	169.9
	FY26/27 Budget		74,374,645			7,540,457	-	81,915,102
CalFresh (CF)	FY20/21	16,362,292	21,669,177	966,481	-	4,801,966	43,799,916	109.7
	FY21/22	19,551,162	25,660,092	839,421	-	7,263,760	53,314,435	135.7
	FY22/23	19,616,594	27,043,329	856,975	-	7,142,169	54,659,067	136.3
	FY23/24	24,016,552	32,618,862	788,917	-	8,644,118	66,068,449	134.1
	FY24/25	21,978,952	29,651,021	4,402,825	-	4,114,219	60,147,017	125.1
	FY25/26 Budget	21,858,230	29,352,181	1,057,575	-	7,121,849	59,389,834	124.0
	FY26/27 Budget	34,438,514	20,567,206	-	8,599,785	-	63,605,505	130.0
Both	FY26/27 Budget	34,438,514	94,941,851	-	16,140,242	-	145,520,607	297.6

HR1 Created New **Unfunded** Mandates

EHSD has no capacity to independently generate revenue

	CalFresh	Medi-Cal	Total
1. FY26/27 Eligibility Worker FTE¹	130.0	167.6	297.6
2. FY26/27 Budgeted State and Federal Revenue	\$63,605,505	\$81,915,102	\$145,520,607
3. Current Work	Bi-Annual Renewal	Annual Renewal	
4. Added Work with HR1 Unfunded Mandates	Assessing and monitoring work requirements and exemptions (average of 3 hours per year per client, per CWDA state-wide survey)	Assessing and monitoring work requirements and exemptions (average of 3.5 hours per year per client, per CWDA state-wide survey) Second Annual Renewal (average of 1.2 hours per year, per CWDA state-wide survey)	
5. Estimated New FTE Required²	86 -- 177	208 -- 268	294 - 445
7. Estimated New Unfunded Annual Funding Required^{3, 4}	\$31,172,764 -- \$64,157,898	\$78,201,344 -- \$100,759,424	\$109,374,108 -- \$164,917,322

NOTES: ¹FY26/27 budget includes the 12 new eligibility workers approved by the Board on March 3, 2026 for current year. ²Estimates as we currently understand new rules and per CWDA state-wide survey, although state guidance has not yet been published for all new rules. ³Annual costs will increase with cost of doing business. ⁴Detailed analysis provided in Appendix 2, slide 33.

Perfect Storm

Increasing cases

Misaligned staffing

Slipping performance

Huge unfunded workload



Disenrollment



Recommendation

Accept this report and provide guidance to the
Employment & Human Services Director.

Appendices

1. Summary of HR1 and State Budget Changes
2. New Unfunded Eligibility Cost Scenarios
3. Medi-Cal and CalFresh Application and Renewal Flowcharts

Appendix 1

Summary of HR1 and State Budget Changes

Summary of HR1 and State Budget Changes

Source	Program	Date	Detail	~Number Impacted	Client Impacts	Worker County Impacts
HR1	CF	10.1.25	1. Only cost-neutral Thrifty Food Plan changes except for inflation	All CalFresh individuals	Annual increases may be lower	Understanding the change and answering recipients questions.
HR1	CF	10.1.25	2. Cap on benefits for households > 18 members	0	Large families may see lower benefits	Understanding the change and answering recipients questions.
HR1	CF	10.31.25	3. Limits LIHEAP-based Standard Utility Allowance (SUA) qualification to households with an elderly/disabled member	~929	May result in reduction in benefits if evidence of expense not provided	Deeper reviews to determine SUA eligibility; increased calls and questions; increased appeals

Summary of HR1 and State Budget Changes

Source	Program	Date	Detail	~Number Impacted	Client Impacts	Worker County Impacts
State	MC	1.1.26	4. Seniors, disabled, and long-term care residents must report assets	~24,280	Increased reporting burden and possible elimination of eligibility	Additional asset verification requests; more appeals and calls; less ex-parte reviews
State	MC	1.1.26	5. UIS enrollment freeze for full-scope	~28,387	New enrollees and existing enrollees who fail to timely renew will only receive emergency care;	Increased need to explain changes; increased need to explore alternate coverage options
HR1	CF	4.1.26	6. Many lawfully present immigrant groups lose eligibility	~1,114	Loss of benefits and increase food insecurity	Increased need to explain changes to clients and discontinue the case.
HR1	CF	6.1.26	7. Able-Bodied Adults 18-64 Without Dependents (ABAWD) without exemptions must meet work requirement	~51,313	Increased required documentation to provide verification of work or volunteer or school; loss of benefits if noncompliant	Significant increased work to identify recipient exemptions; additional CalSAWS screens to complete; if no exemptions refer to work programs; tracking participation time clock; increased calls and appeals

Summary of HR1 and State Budget Changes

Source	Program	Date	Detail	~Number Impacted	Client Impacts	Worker County Impacts
HR1	CF	6.1.26	8. Restricts eligibility to 3 in 36 months if failure to meet work requirements	~51,313	Loss of benefits, increased food insecurity	Increased work to verifying exemptions and/or engagement compliance and to monitor 36-month time-clock
HR1	CF	6.30.26	9. Eliminates CalFresh Health Living nutrition education	~5,000	Loss of nutritional education for seniors; loss of contract for vendor	None
State	MC	7.1.26	10. UIS adults lose dental coverage	~28,387	Decreased access to dental care	Increased call volume and referrals to other available resources needed
HR	MC	10.1.26	11. Expands UIS to include refugees, asylees, parolees, DV and trafficking survivors, etc.	~8,465	Loss of access to full-scope health coverage (emergency coverage remains)	Increased call volume and referrals to other available resources needed; increase in appeals

Summary of HR1 and State Budget Changes

Source	Program	Date	Detail	~Number Impacted	Client Impacts	Worker County Impacts
HR1	CF	10.1.26	12. Federal share of CF administration drops to 25% from 50%	~\$12.2 M annually	Should state and counties not be able to absorb increased cost, outreach may end and services may be delayed (calls, EBT issuance, case changes, application and renewals)	Increased costs may reduce funding available for staffing creating major strains on time per client, case processing accuracy, and timeliness
HR1	MC	1.1.27	13. ACA expansion adults 19-64 must meet work or exemption requirements	~67,719	Loss of full scope health coverage if failure to comply; emergency coverage continues	Significant increased work to identify recipient exemptions, and if none to refer to work programs; increased calls and appeals
HR1	MC	1.1.27	14. Renewals increase from once to twice annually for ACA expansion adults	~110,669	More frequent renewals leads to higher risk of benefits loss due to procedural burden	Doubles renewal workload adding 1.2 hours per adult per year

Summary of HR1 and State Budget Changes

Source	Program	Date	Detail	~Number Impacted	Client Impacts	Worker County Impacts
HR1	MC	1.1.27	15. ACA adults limited to 1 month retroactive coverage and all others to 2 months (compared to 3 months now)	TBD	Reduced protection against retroactive medical bills for client; reduced revenue for health provider if client cannot pay	More calls and more appeals
State	MC	1.1.27	16. UIS adults must pay \$30 monthly premium for full-scope coverage	~24,439	Increased financial burden and loss of full scope coverage if unable to pay, or if pays late	More client questions, increased tracking and actions related to payments
HR1	CF	10.1.27	17. First-ever state share of benefits, initially tied to 2025-2026 Payment Error Rate (PER)	~106,225	Benefit interruption to all recipients if state cannot afford and opts out of SNAP	Major pressure to reduce county over / under issuances; share of state-paid benefits will be limited to the counties within the 19 Performance Measurement Counties(PMC) based on error rates
HR1	MC	10.1.28	18. ACA adults with incomes 100-138% FPL must pay up to \$35 for certain services	TBD	Increased out-of-pocket costs; decreased use of care.	More client questions and billing clarification needs; increased tracking and actions if clients do not pay

Appendix 2

New Unfunded Eligibility Cost Scenarios

New Unfunded Eligibility Cost Scenarios

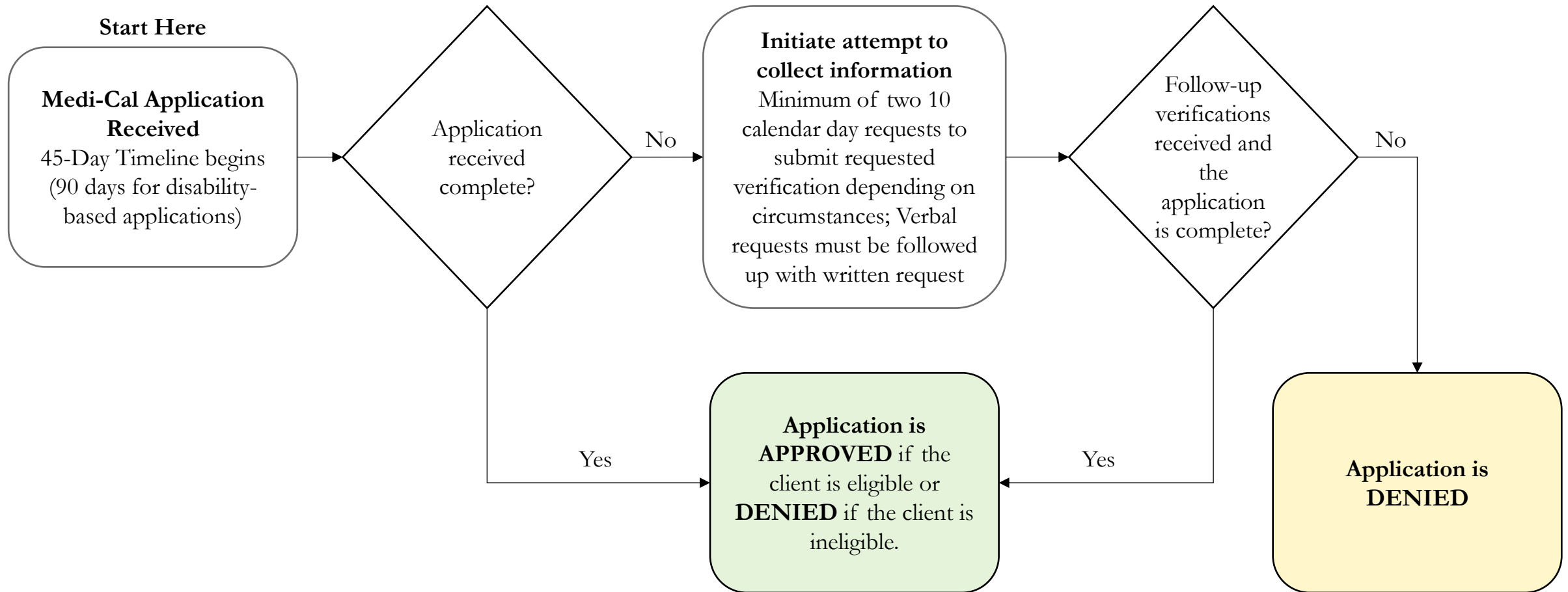
	Scenario 1 CWDA Estimate w/ No Automation	Scenario 2 CWDA Estimate w/ Partial Automation	
MC: Additional Hours for Work Requirement			
A	Additional hours per ACA client per year to assess exemptions	1	1
B	Number of ACA clients	110,669	110,669
C	Additional hours per ACA client per year to manage work requirements	2.5	2.5
D	Number of ACA clients subject to work requirements	110,669	67,719
E	Number of Additional Work Requirement hours needed (A*B) + (C*D)	387,342	279,967
MC: Additional Hours for Added Bi-Annual renewal			
F	Additional hours per ACA client per year for bi-annual renewals	1.2	1.2
G	Number of ACA clients subject to bi-annual renewals	110,669	110,669
H	% of renewals not auto-authorized	70.5%	70.5%
I	Number of bi-annual renewals hours needed (F*G*H)	93,626	93,626
MC: Additional FTE Required			
J	Total number of additional MC work hours needed per year (E+I)	480,968	373,592
K	Number of work hours per year per EW (2080-160 vacation, 88 holiday, 40 sick)	1,792	1,792
L	Number of additional MC EW FTE (J/K)	268	208
CF: Additional Hours and FTE Required for ABAWD			
M	Additional hours per client per year for ABAWD screening, compliance, verification, etc.	3	3
N	Number of clients subject to ABAWD	105,987	51,313
O	Number of additional work hours needed per year (M*N)	317,961	153,939
P	Number of work hours per year per EW (2080-160 vacation, 88 holiday, 40 sick)	1,792	1,792
Q	Number of additional CF EWs needed (O/P)	177	86
Total EW FTEs Needed (L+Q)			
		445	294
R	Fully Loaded Cost for MC Eligibility Worker	\$375,968	\$375,968
S	Fully Loaded Cost for CF Eligibility Worker	\$362,474	\$362,474
T	Additional MC FTE Cost (L*R)	\$100,759,424	\$78,201,344
U	Additional CF FTE Cost (Q*S)	\$64,157,898	\$31,172,764
V	Total Annual Cost (T+U)	\$164,917,322	\$109,374,108

Appendix 3

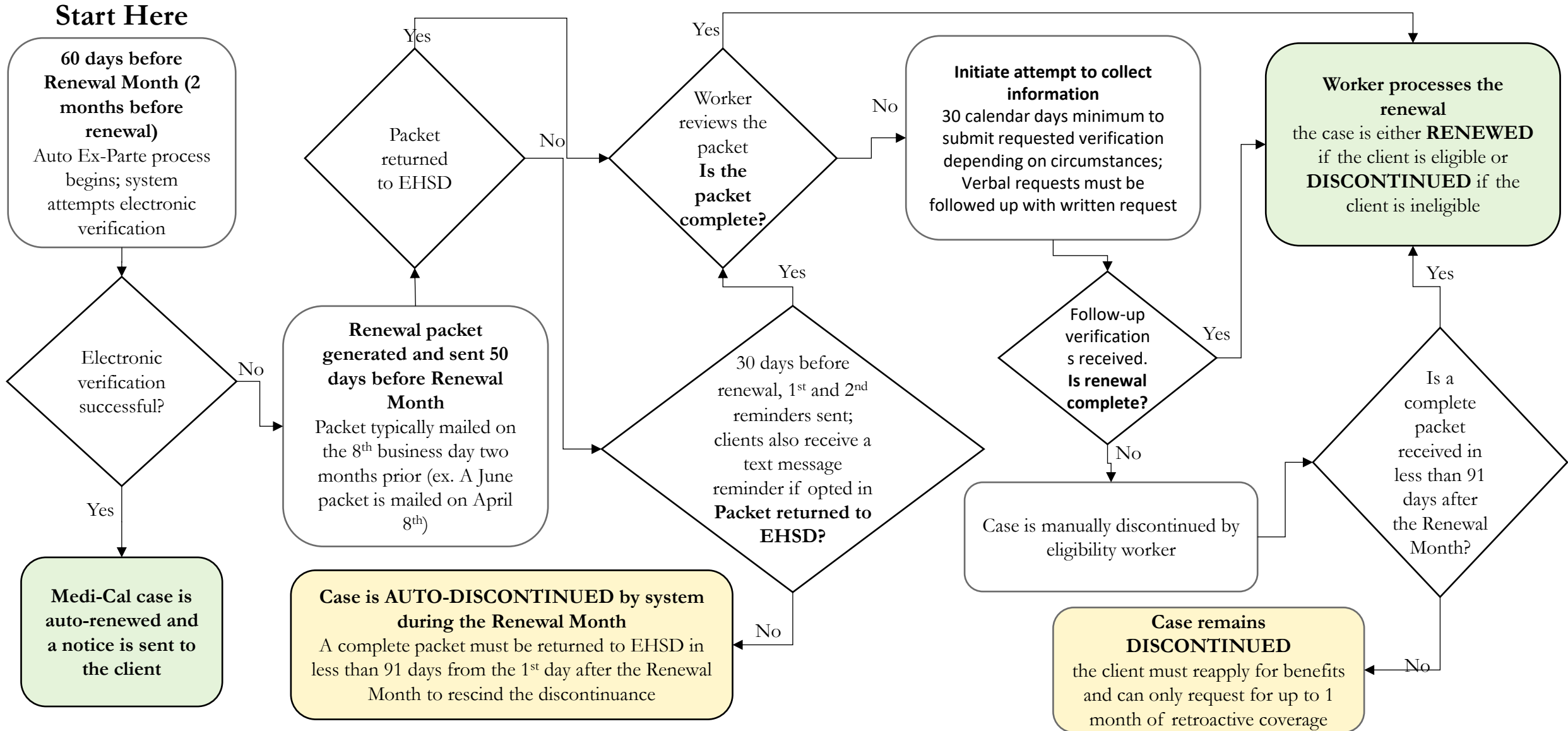
Medi-Cal and CalFresh

Application and Renewal Flowcharts

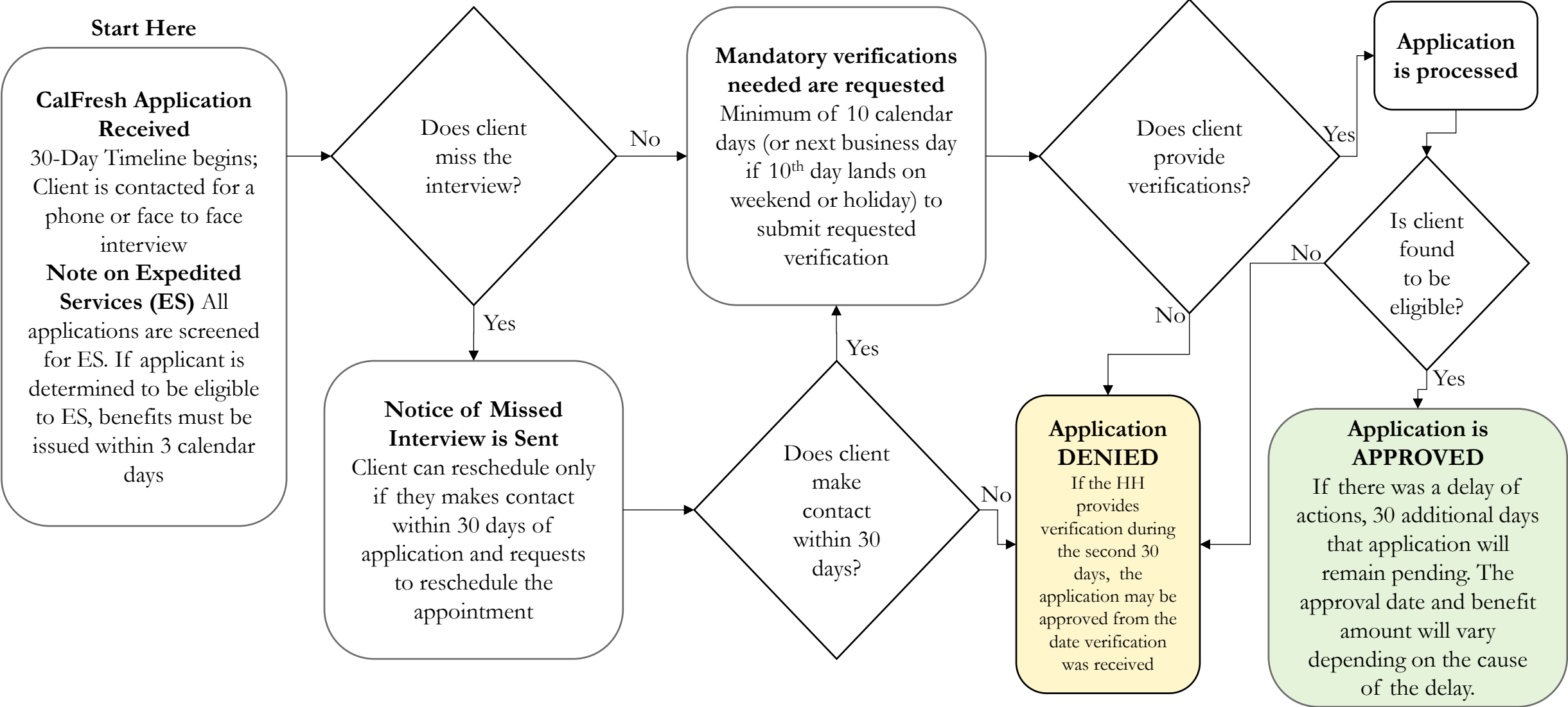
Medi-Cal Application Process



Medi-Cal Renewals Process



CalFresh Application Process



CalFresh Periodic Report Process

Start Here

The Semi Annual report (SAR 7) will be due depending on household circumstance

- If all members are elderly OR disabled w/ no earned income = NO SAR7 REQUIREMENT (waived 3.1.22-9.30.26).
- If all adult members are elderly OR disabled, reporting requirements will vary based on the source of income (earned or unearned) w/ SAR 7's required at different intervals:
 1. Households that have earned income will have SAR 7's due at 6, 12 & 18 months
 2. Households that have no earned income will have SAR 7's due at 12 months
- All other CalFresh households have a SAR 7 due at 6 months

If client is subject to SAR 7 requirements, the form is mailed to client.
It is considered timely if received by the 11th day of the month it is due.

Is the SAR7 received timely?

Yes

No

Worker reviews the SAR7

A timely SAR 7 is received by the 11th calendar day of the of the month it is due must be reviewed timely be EHSD staff.

Is the SAR7 complete?

Yes

No

BENEFITS

RECALCULATED for next payment period

Action taken must be done with enough time to allow 10-day notice when a change to the household allotment for the next payment period will result in a negative action such as a decrease

Yes

Worker processes the SAR7.
Is the client found to be eligible?

No

Notice to household that their benefits will be DISCONTINUED at the end of the month.
Benefits can be restored if the household provides the missing SAR 7 report, required verification, and/or other required information within 30 days following the month of discontinuance

Case DISCONTINUED

Action taken must be done with enough time to allow 10-day notice when discontinuance will occur

CalFresh Recertification Process

