



HEALTH CARE ACCESS FOR TWO MILLION CALIFORNIANS IN JEOPARDY

BY LINNEA KOOPMANS - 06.15.2026

The Legislature just gave themselves two critical weeks to work together with the Administration to adopt a **budget solution that prevents shifting nearly 2 million Medi-Cal enrollees into a fragmented fee-for-service system (FFS) where health care coverage is in name only.**

In an effort to keep Medi-Cal compliant with new federal rules and preserve coverage, the Newsom Administration proposed shifting undocumented Medi-Cal enrollees into an antiquated FFS system that offers few provider options and limited access to care. These enrollees would lose meaningful health care access and the transition would lead to further erosion of our safety net infrastructure which is already under tremendous strain.

Hundreds of thousands of Californians receiving specialty care, cancer treatment, behavioral health services, preventive health care, and other critical services could lose the providers they know and trust. Hospitals that are overburdened today would see a sharp rise in emergency department visits and hospital inpatient stays as people forgo needed care.

California's approach to Medi-Cal has been a national model for expanding both coverage and access to care for the most vulnerable populations. Managed care plans coordinate patient care, connect enrollees to provider networks, offer call center support, and are held to strict standards like timely access to appointments, services in your language, and access to providers within a reasonable distance.

Fee-for-service walks back these gains for the people who need it most. Undocumented enrollees would be on their own in navigating our complex health system.

Local plans analyzed data for their members who could be impacted and the numbers are chilling.

Health care access is on the line for:

- **689,000 undocumented enrollees receiving specialty care**
- **34,000 undocumented enrollees living with a cancer diagnosis**
- **70,000 undocumented enrollees receiving behavioral health services**
- **16,000 undocumented enrollees dependent on dialysis**
- **106,000 undocumented children receiving well-child visits**

The \$700 million in savings the Administration projects rests on a troubling assumption: that people will stop seeking the care they need. The proposal even concedes the predictable result, an increase in emergency room visits. A budget balanced on forgone care doesn't save money. It moves the cost onto patients and onto hospitals already stretched thin.

There is another path forward. An **alternative proposal** advanced by the Local Health Plans of California and a broad coalition of state and local safety net providers, health plans, local government, and advocates for vulnerable populations, **achieves budget savings, complies with federal law, and avoids moving undocumented populations into lesser care.** It maintains access to critical primary and specialty care services, preserves care coordination, and protects provider rates for managed care services.

Under this alternative, undocumented Medi-Cal enrollees would remain connected to their existing health plan, provider network, care coordination, member services, and access supports, while the state would directly pay for the services that are eligible for federal funding to comply with new federal guidance. Under this alternative, undocumented Medi-Cal enrollees would remain connected to their existing health plan, provider network, care coordination, member services, and access supports, while the state would directly pay for the services that are eligible for federal funding to comply with new federal guidance.

Our coalition stands ready to work with the Legislature and the Administration on a solution that reflects California's values of health care for all. Health for nearly 2 million Californians hangs in the balance.

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