



April 29, 2026

Honorable Sabrina Cervantes, Chair
Senate Appropriations Committee
State Capitol, 412
Sacramento, CA 95814

RE: SB 1422 (Durazo) Medi-Cal Access Restoration Act—SUPPORT

Dear Chair Cervantes,

Local Health Plans of California (LHPC) is the statewide trade association representing all 17 of California's public and not-for-profit community-based health plans, which collectively cover 70% of the state's Medi-Cal managed care enrollees or over 9.1 million Californians. We are pleased to submit our strong support for SB 1422 (Durazo), which would restore access to full-scope Medi-Cal coverage for income-eligible adults regardless of immigration status. SB 1422 presents a critical opportunity to address the fiscal and health care safety net implications resulting from the recent freeze on enrollment for certain adults otherwise eligible for comprehensive Medi-Cal coverage. While this policy change was implemented in response to budget constraints, its downstream effects are already creating inefficiencies and cost pressures across California's health care delivery system.

The enrollment freeze has disproportionately affected low-income immigrant communities, many of whom are integral members of California's workforce and economy. The limitation of coverage to emergency and pregnancy-related services interrupts continuity of care and restricts access to preventive, primary, and behavioral health services. Over time, this fragmentation of care contributes to worsening health outcomes and exacerbates disparities that the state has worked for years to reduce.

Equally important are the broader fiscal and system implications of maintaining a population without access to full-scope coverage. The absence of comprehensive Medi-Cal does not eliminate the need for care, but instead it shifts care to more acute and costly settings. Individuals without coverage are more likely to delay treatment until conditions become severe, resulting in increased reliance on emergency departments and hospital-based services. This pattern drives higher levels of uncompensated care for hospitals, public health systems, and counties, creating additional financial strain across the safety net.

For local plans and the providers with whom we partner, these dynamics undermine efforts to deliver cost-effective, coordinated care. Managed care is designed to emphasize prevention,

early intervention, and ongoing management of chronic conditions. These approaches reduce avoidable utilization and improve long-term outcomes. When individuals are excluded from full-scope coverage, they lose access to these core components of the delivery system, including critical whole person care supports and care coordination, and essential consumer protections such as network adequacy standards and grievance and appeals processes.

From a fiscal standpoint, SB 1422 represents a more sustainable approach to managing health care costs. By restoring access to comprehensive coverage, SB 1422 would help reduce avoidable emergency department use, mitigate the growth of uncompensated care, and support more efficient allocation of health care resources. In doing so, it aligns with the state's broader goals of improving system performance while maintaining fiscal responsibility. In addition, restoring full-scope Medi-Cal coverage promotes stability within the health care system. Providers, plans, and local partners rely on predictable coverage structures to effectively plan, invest in capacity, and coordinate care for vulnerable populations. Continued gaps in coverage introduce uncertainty and inefficiency that ultimately increase costs and reduce system effectiveness.

For these reasons, SB 1422 is a prudent fiscal and policy decision that supports the long-term sustainability of California's health care system. We respectfully urge the Committee to recognize both the human and financial implications of the current policy and to support SB 1422.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Katie Andrew', with a stylized flourish at the end.

Katie Andrew
Director of Government Affairs, Quality & Behavioral Health
Local Health Plans of California