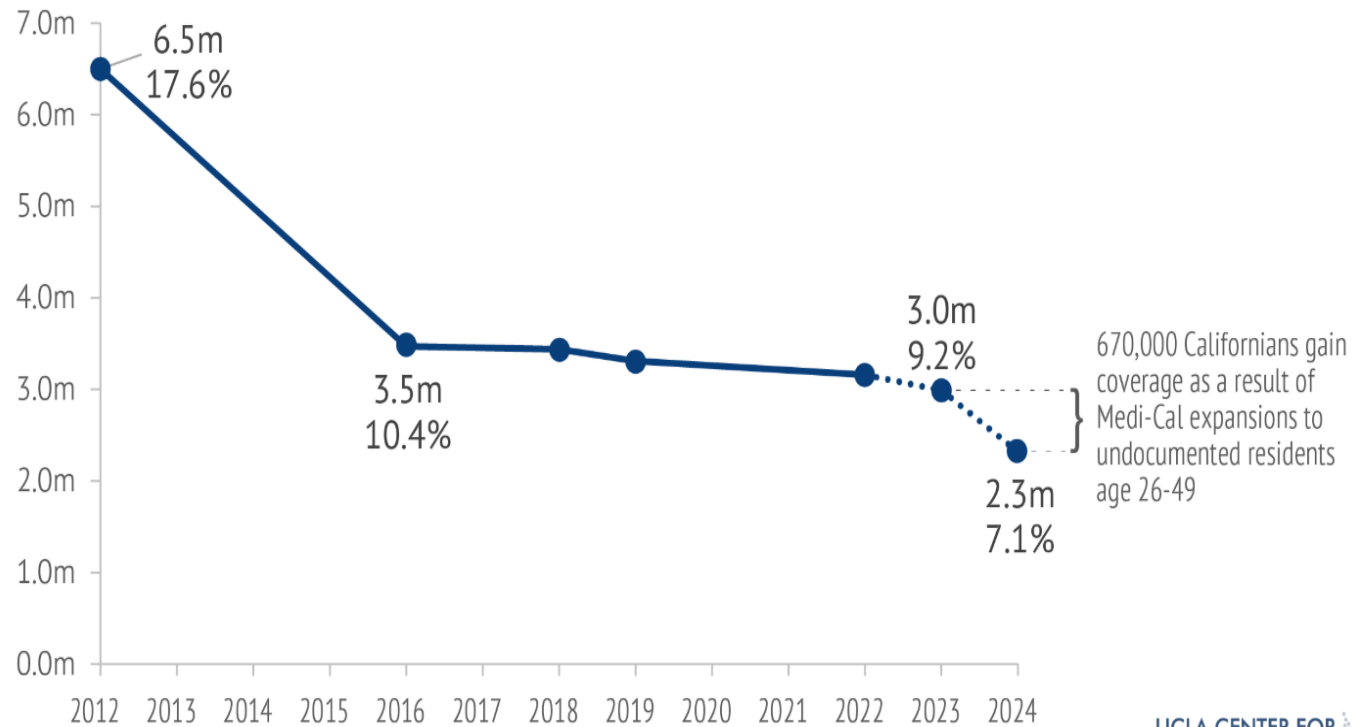


After H.R. 1: Sustaining a Culture of Care for All Californians

Sandra R. Hernández, MD
January 27, 2026



Exhibit 1. Number of uninsured (in millions) and uninsured rate among Californians age 0-64



Note: assumes ARP subsidies through Covered CA are extended through 2024



Sources: CalSIM version 3.2 2023, 2024 and California Health Interview Survey^[1]

Today, California's uninsured rate is the lowest it has ever been: about 7.1%, down from 17.6% in 2012, before the Affordable Care Act took effect.

With recent state and federal policy changes, the number of uninsured Californians could rise from 2.3 million to as many as 5.4 million, close to pre-ACA levels (around 15%). This means approximately 2 million Medi-Cal members and 600,000 Covered California enrollees may lose coverage in the coming years.

How We Got Here:

Timeline of California Coverage Expansions

2010

Bridge to Reform
Section 1115
demonstration waiver
and Low Income
Health Program begins

2014

Medi-Cal expanded
under the ACA
alongside other ACA-
related expansions

2016

Medi-Cal expanded for
children age 19 and
younger, regardless of
immigration status

2020

Medi-Cal expanded for
young adults age 19 to
26, regardless of
immigration status

2022

Medi-Cal expanded for
older adults age 50
and older, regardless
of immigration status

2024

Medi-Cal expanded for
adults age 26 to 49,
regardless of
immigration status

2025

Federal H.R. 1,
commonly known as
the One Big Beautiful
Bill Act, passed

2026

Medi-Cal enrollment
freeze takes effect for
undocumented adults
age 19 and older

Notes: *CHIP* is Children's Health Insurance Program; *CalAIM* is California Advancing and Innovating Medi-Cal; *UIS* is unsatisfactory immigration status.

Source: [The Crucial Role of Counties in the Health Care and Public Health of Californians](#), authors' analysis of resources.

Projected Impacts: Medi-Cal and Covered California

As of July 2025, 14.7 million Californians — nearly one-third of all Californians — are enrolled in Medi-Cal. Almost 52% of Medi-Cal members are Latino/x, and almost 2 million Californians are enrolled in Covered California health plans.

Sources: [CHCF Medi-Cal Enrollment Tracker](#), [CA HHS Open Portal](#); [Statement On Proposed Health Provisions In House Reconciliation Bill](#)

Federal policy changes will put millions of Californians at risk of losing coverage. Includes expiration of enhanced premium subsidies (December 2025) and H.R. 1 eligibility and access requirements (January 2027).



Work Requirements: Estimated 1.4 million will lose coverage



6-Month Eligibility Redeterminations: Estimated 400,000 will lose coverage



Limiting Coverage for Some Immigrants: Estimated 200,000 will lose full-scope coverage



Enhanced Premium Subsidies Expiration: Estimated 600,000 will lose coverage

Source: [CalHHS webinar on H.R. 1](#).

State Budget Response to H.R. 1

State budget actions affect approximately 1.6 million immigrants currently enrolled in Medi-Cal.

- **January 1, 2026, enrollment freeze for undocumented adults age 19 and older.** Includes a 90-day grace period for re-enrollment if coverage is lost for procedural reasons (i.e., lost paperwork)
- **Beginning July 1, 2027, adults age 19 to 59 with certain immigration statuses, including those that are undocumented, will be required to pay a \$30 monthly premium,** creating an affordability barrier to maintaining coverage.

Enrollment Data Source: [CHCF Medi-Cal Enrollment Tracker](#), [CA HHS Open Portal](#).

Source on Budget Changes: [Department of Finance Health and Human Services Budget Summary 2025-2026](#).

Meeting the Moment: Four State Policy Imperatives



1. Minimize the harm of work requirements
2. Ensure access to care for uninsured Californians
3. Strengthen Medi-Cal for the future
4. Use regulatory authority to contain costs

The 25% Problem: Why Health Care Is So Expensive



Health care affordability crisis:

Millions of Californians skip or delay care because they cannot afford it.



Underlying costs drive prices:

Hospital operations, drug prices, and clinician fees have risen for decades.



25% of spending = no patient benefit:

~\$73 billion annually in waste (CA, 2020)

Top drivers of waste:

- Administrative complexity
- Excessive profits due to low competition
- Treating preventable illness

Smarter spending, not cuts:

- Avoid across-the-board cuts
- Invest in primary care and prevention
- Reduce waste while protecting quality

Bottom line: Reducing unnecessary costs — not essential care — is the key to making health care more affordable.

Current and New Technologies Will Be Instrumental

1. **Data systems/exchange:** Verify eligibility, reduce unnecessary treatment, reduce administrative costs
2. **AI:** Automate enrollment, reduce administrative costs, extend workforce capacity
3. **Telehealth:** Cost-effective way to provide access to care



Thank You

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