HEALTH AND HUMAN SERVICES AGENCY
1600 PACIFIC HIGHWAY, ROOM 206, SAN DIEGO, CALIFORNIA 92101-2422
(619) 515-6555

ELIZABETH A. HERNANDEZ, Ph.D.
DEPUTY CHIEF ADMINISTRATIVE OFFICER

JAMIE L. BEAM
INTERIM CHIEF OPERATIONS OFFICER

September 30, 2026

TO: Supervisor Terra Lawson-Remer, Chair
Supervisor Monica Montgomery Steppe, Vice Chair
Supervisor Paloma Aguirre, Chair Pro Tem
Supervisor Joel Anderson
Supervisor Jim Desmond

FROM: Elizabeth Hernandez, Ph. D. Interim Chief Administrative Officer
Health and Human Services Agency

REPORT ON H.R. 1 MEDI-CAL ELIGIBILITY CHANGES AND COUNTY READINESS

On August 26, 2025 (24), the San Diego County Board of Supervisors (Board) established the Ad Hoc Subcommittee on Social Safety Net and Behavioral Health Systems Transformation (Safety Net Ad Hoc) to explore, study, plan, and recommend actions to support and strengthen the County's social safety net amid the implementation of H.R. 1, which includes sweeping changes to eligibility for Medi-Cal health insurance and CalFresh food assistance. The Safety Net Ad Hoc's focus on transparency and preparedness prompted the development of the H.R. 1 Medi-Cal Eligibility Changes and County Readiness Report (Attachment A).

The report details the County of San Diego's (County) efforts to prepare for significant federal and State Medi-Cal eligibility, enrollment, and delivery system changes that will begin taking effect in late 2026 and accelerate in 2027. As of June 2026, 804,488 San Diego County residents were enrolled in Medi-Cal. An estimated 309,939 residents may be subject to the new work and community engagement requirements, and a projected 68,761 of those individuals may lose coverage. A separate group of approximately 17,141 noncitizens currently receiving federal full-scope Medi-Cal may lose comprehensive coverage beginning July 1, 2027, depending on final State policy. Together, these changes could result in nearly 86,000 County residents losing or experiencing disruption in comprehensive health coverage. The estimates will continue to evolve as federal and State guidance, particularly regarding exemptions and continued State-funded coverage, becomes available.

The County is advancing a broad readiness and mitigation strategy detailed in Attachment A that centers on proactive member communications and partnerships with managed care plans, hospitals, community clinics, County Medical Services (CMS) providers, community-based organizations, Community Health Workers, and Coverage Ambassadors. These strategies aim to:

- Keep eligible residents enrolled in Medi-Cal and expedite re-enrollment when coverage is lost;
- Identify and document work-requirement exemptions as early and automatically as possible;
- Reduce administrative burden for residents, County staff, providers, and community partners;
- Minimize disruptions in primary, specialty, behavioral health, and other essential care;
- Connect residents to work, education, training, and volunteer opportunities when needed to maintain eligibility; and

- Maintain a coordinated safety net for residents who are no longer eligible for Medi-Cal, Covered California, or another coverage program.

Even with these measures, some residents are expected to become uninsured or experience temporary disruptions in coverage and care. The County must therefore prepare both for residents who remain eligible for Medi-Cal but experience a temporary coverage gap and for residents who no longer have access to comprehensive coverage. While not discussed in detail in this report, two key programs will be brought to the Board later this year: 1) the Safety Net Bridge program is intended to provide short-term support for the first group, and 2) CMS, the County's indigent care program, will provide an appropriate longer-term safety net for individuals without another source of coverage.

For any questions or additional information, please contact Alberto Banuelos, Ph.D., Interim Director, Self-Sufficiency Services, via phone at (619) 338-2220 or email at Alberto.Banuelos@sdcounty.ca.gov.

Respectfully,



ELIZABETH HERNANDEZ, Ph.D.
Deputy Chief Administrative Officer
Health and Human Services Agency

Attachment A – H.R.1 Medi-Cal Eligibility Changes Readiness Report

cc: Ebony N. Shelton, Chief Administrative Officer
Joan Bracci, Assistant Chief Administrative Officer/Chief Financial Officer
Andrew Potter, Clerk of the Board of Supervisors

H.R.1 Medi-Cal Eligibility Changes Readiness Report

SEPTEMBER 30, 2026

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Executive Summary

San Diego County is preparing for significant federal and State Medi-Cal eligibility, enrollment, and delivery system changes that will begin taking effect in late 2026 and accelerate in 2027. These changes include new work and community engagement requirements, six-month eligibility renewals for the Affordable Care Act Adult (ACA) Expansion Group, reduced retroactive coverage, limits on federal funding for certain noncitizens, and changes in coverage and delivery systems for members with Unsatisfactory Immigration Status (UIS).

As of June 2026, 804,488 San Diego County residents were enrolled in Medi-Cal. An estimated 309,939 residents may be subject to the new work and community engagement requirements, and a projected 68,761 of those individuals may lose coverage. A separate group of approximately 17,141 noncitizens currently receiving federally funded full-scope Medi-Cal may lose comprehensive coverage beginning July 1, 2027, depending on final State policy. Together, these changes could result in nearly 86,000 County residents losing or experiencing disruption in comprehensive health coverage. The estimates will continue to evolve as federal and State guidance, particularly regarding exemptions and continued State-funded coverage, becomes available.

The County's strategy is guided by several core principles: maximize the use of federally and State-funded health coverage; prevent eligible residents from losing Medi-Cal because of procedural or administrative barriers; connect residents to primary care medical homes and preserve continuity of care; reserve County-funded indigent care for individuals without another coverage option; and administer the safety net efficiently and in a fiscally responsible manner. Consistent with these principles, the County's goals are to:

- Keep eligible residents enrolled in Medi-Cal and expedite re-enrollment when coverage is lost;
- Identify and document work-requirement exemptions as early and automatically as possible;
- Reduce administrative burden for residents, County staff, providers, and community partners;
- Minimize disruptions in primary, specialty, behavioral health, and other essential care;
- Connect residents to work, education, training, and volunteer opportunities when needed to maintain eligibility; and
- Maintain a coordinated safety net for residents who are no longer eligible for Medi-Cal, Covered California, or another coverage program.

The County is advancing a broad readiness and mitigation strategy that includes proactive member communications; expanded use of automated, ex parte eligibility processes; connections to work and community engagement opportunities through the WorkReady Hub with 211 San Diego; partnerships with managed care plans, hospitals, community clinics, County Medical Services (CMS) providers, community-based organizations, Community Health Workers, and Coverage Ambassadors; increased staffing and training capacity; and the use of data, technology, and

continuous quality improvement to identify exemptions, support accurate eligibility determinations, and monitor implementation.

Even with these measures, some residents are expected to become uninsured or experience temporary disruptions in coverage and care. The County must therefore prepare both for residents who remain eligible for Medi-Cal but experience a temporary coverage gap and for residents who no longer have access to comprehensive coverage. The Safety Net Bridge program is intended to provide short-term support for the first group, while CMS – the County's indigent care program under Welfare and Institutions Code section 17000, must provide an appropriate longer-term safety net for individuals without another source of coverage.

This creates significant fiscal and operational risk for the County. The currently identified FY 2026–27 local impact is $23.7 million, but the larger exposure may emerge over several years through increased demand for eligibility staffing, CMS, Behavioral Health Services, Safety Net Bridge, emergency and uncompensated care, and other County-funded services. The enacted State budget provides funding to help counties administer the eligibility changes but does not provide dedicated funding for indigent medical care for residents who lose Medi-Cal. The County's best fiscal mitigation strategy is therefore also its best coverage strategy: prevent avoidable disenrollment, preserve continuity of care, maximize all available federal and State funding, and maintain a clearly defined and efficiently administered indigent care safety net.

Information in this report is as of August 13, 2026 with enrollment data through June 2026. Future data updates will be available on the County's H.R.1 Dashboard with more periodic updates shared with the Ad Hoc Subcommittee on Social Safety Net and Behavioral Health Systems Transformation (Safety Net Ad Hoc).

Current Landscape of Medi-Cal Eligibility Policy Changes

As a result of H.R.1 and State budget changes, the Medi-Cal program is undergoing significant eligibility, enrollment, and delivery system changes. The biggest changes include new work and community engagement requirements, more frequent eligibility renewals, limits on federal funding for certain noncitizens, and coverage changes for members with UIS. Generally, these changes either apply to people with UIS or the Medi-Cal Expansion Population, sometimes referred to as the ACA Adult Expansion Group or Modified Adjusted Gross Income (MAGI) New Adult Group.

At the federal level, Medi-Cal is governed by federal Medicaid law and overseen by the Centers for Medicaid and Medicare. At the State level, policies are set by the Department of Health Care Services, or DHCS and communicated through All County Welfare Directors' Letters (ACWDL) and related guidance. Without formal guidance from the federal and State government, counties are limited in what they can accurately communicate to members and plan for. Some, but not all, guidance has been received for the upcoming Medi-Cal changes, leaving significant gaps in the

County's ability to finalize mitigation planning. This section describes what we do and do not yet know about the policy changes.

Work and Community Engagement Requirements

Beginning January 1, 2027, certain adults will be required to satisfy work and community engagement requirements to receive Medi-Cal Benefits. This includes adults between the ages of 19 and 64 in the ACA Adult Expansion Group who do not qualify for an exemption, including certain adults without children under 13. To satisfy the requirements, individuals will have to work, complete community service, or participate in a work program for a minimum of 80 hours per month; have monthly income that is equal to the federal minimum wage multiplied by 80 hours (approximately $580/month); or be enrolled in an educational program at least half-time. This rule will be evaluated by the County at a member's application and redetermination (also known as renewal).

Exemptions will apply for reasons including disability, serious health condition, pregnancy, and based on State projections[1] are estimated to apply to approximately 45% of the impacted population, which is discussed further in the Population & Risk Segmentation section of this report.

As of August 13, 2026, there are still significant unknowns about Medi-Cal Work and Community Engagement Requirement implementation. The Centers for Medicaid and Medicare released an Interim Final Rule (IFR) on June 3, 2026 with an open comment period through July 31, 2026. The rule is anticipated to be finalized in the Fall but no official date has been announced. The IFR includes a strict requirement that for a recipient to claim a serious or complex health condition as a reason for exemption, the condition must prevent the individual from working, volunteering, caregiving, or studying for at least 80 hours per month. This means that Medicaid recipients exempted from the employment requirements for medical frailty may need to regularly verify that they remain exempt. Furthermore, it requires states to define which "serious or complex health conditions" may exempt individuals from work requirements. States had already begun identifying qualifying conditions to meet the upcoming January implementation deadline, so this is a significant barrier to timely and clear implementation.

On June 29, 2026, CA Attorney General Rob Bonta and a coalition of 24 Attorneys General and two Governors filed a lawsuit against the U.S. Department of Health and Human Services and the Centers for Medicaid and Medicare, challenging the narrow medical frailty definitions and compliance requirements in the IFR. The lawsuit also challenges the limits on self-attestation, the 12-month claims lookback, and verification processes they say are unworkable.

These actions mean key policy guidance is still evolving that will significantly impact Medi-Cal Work and Community Engagement Requirement implementation such as:

- Detailed exemption criteria

[1] https://www.dhcs.ca.gov/wp-content/uploads/2026/06/MAY-2026-Medi-Cal-Local-Assistance-Estimate.pdf

- How members will provide attestation or documentation for exemptions
- Guidance to states on defining medical frailty or serious complex health conditions

This report will focus on Work and Community Engagement Requirements, however the other changes described below are important context to understand the full impact to Medi-Cal members and the community.

Six Month Eligibility Checks

Starting on January 1, 2027, individuals in the ACA Adult Expansion Group will be subject to Medi-Cal renewals every six months rather than annually. DHCS has shared a *draft* ACWDL outlining California's approach to transition members to the six-month renewal cycle beginning with renewals *initiated* on or after January 1, 2027. In California, a renewal is considered initiated two months before the renewal due date, and is the start of the ex parte process, mailing of renewal packets, and the 60-day period to complete the renewal. Therefore, this change will be applied beginning with March 2027 renewals, which are initiated in January 2027.

Retroactive Coverage

Beginning January 1, 2027, retroactive Medi-Cal coverage will be reduced from three months to one month for the ACA Adult Expansion Group and to two months for those eligible for other Medi-Cal eligibility groups. Preliminary guidance[2] for this change was released by DHCS in March 2026.

Noncitizen Eligibility

Starting October 1, 2026, the federal government will change how it classifies some immigration statuses to "unsatisfactory" making those individuals no longer qualified noncitizens for purposes of federally funded full-scope Medicaid. This change will remove federal funding for full-scope eligibility for certain longstanding noncitizens and humanitarian statuses such as refugees, asylees, humanitarian parolees, and victims of human trafficking with a pending status. Federal funding will remain available only for emergency and pregnancy-related services for this group.

The recently enacted FY 26-27 State budget provides funding to maintain full-scope Medi-Cal benefits for the groups no longer eligible for federally funded full-scope coverage through June 30, 2027, pursuant to the Health Trailer Bill, SB 164 – effectively shifting funding sources and delaying the loss of full scope coverage for this population. Beginning July 1, 2027, this group is expected to shift to restricted-scope coverage unless they qualify through another coverage pathway. The exact scope of coverage available after July 1, 2027 remains subject to final State guidance.

Separately, beginning January 1, 2027, some Medi-Cal members with UIS will transition from managed care to fee-for-service Medi-Cal. This change affects how care is delivered - also known as the "delivery system" - not whether members remain covered, as long as they continue to meet Medi-

[2] https://www.dhcs.ca.gov/wp-content/uploads/2026/04/ACWDL-26-07.pdf

Cal eligibility requirements. The State budget also includes funding for care coordination and navigation to support this transition.

Dental Coverage

Adults over the age of 19 with UIS in California were slated to lose full scope dental coverage and shift to emergency only dental effective July 1, 2026. While DHCS had previously released guidance and sent notices to affected members ahead of the planned July 1, 2026 implementation, a legislative agreement was reached in California that delayed the shift to emergency-only dental coverage for this population to July 1, 2027.

Medi-Cal Premiums

The enacted State budget requires the 2027-28 May Revision budget proposal to determine the level of Medi-Cal premiums for enrollees with UIS, to be set between $30 and $50 per month, effective July 1, 2027. Premiums will likely apply to Medi-Cal members ages 19 to 59 who are not pregnant and who are undocumented or have UIS and remain in full-scope Medi-Cal. Premiums will not apply to individuals under age 19, individuals age 60 or older, pregnant or postpartum individuals, or individuals enrolled in the Medi-Cal Inmate Eligibility Program.

Medi-Cal Changes Already In Effect

On January 1, 2026, the State of California enacted a full-scope enrollment freeze on people with UIS, such as undocumented adults. This change ended California's policy of enrolling UIS individuals in full-scope Medi-Cal. Individuals already enrolled may generally keep full-scope coverage if they renew on time and continue to meet Medi-Cal eligibility rules. Also on January 1, 2026, California enacted a partial asset limit for certain Medi-Cal populations. These changes have been implemented.

Taken together, these represent the most significant Medi-Cal eligibility and enrollment changes since implementation of the ACA. They will increase the frequency and complexity of eligibility determinations, create new documentation and noticing requirements, and increase the risk that eligible members lose coverage for procedural reasons. For the County, the changes will affect eligibility operations, customer communications, call center volume, community partner coordination, health plan and provider transitions, and potential demand for County indigent care services. Additional information on Medi-Cal eligibility changes is listed in **Appendix A.**

County Impact

Work Requirements for Expansion Population

As of June 2026, there were 309,939 individuals in the ACA Adult Expansion Group in San Diego County. **Table 1** below reflects the number of San Diego County Medi-Cal members in the ACA Adult Expansion Group who may be subject to new work and community engagement requirements based

on their renewal month beginning with January 2027, prior to screening and exemptions. Information is based on enrollment data available from CalSAWS as of June 2026. These rules apply to adults ages 19-64 who:

- Are in ACA Adult Expansion Group
- Are not otherwise excluded from the work requirement, and
- Do not meet any exemption or short-term hardship exception

TABLE 1: Medi-Cal Work Requirement Local Estimates

Renewal Month	Estimated Individuals Subject to Work Requirements
Jan	25,606
Feb	27,328
Mar[3]	30,719
Apr	27,687
May	31,188
Jun	26,069
Jul	18,983
Aug	19,792
Sep	22,123
Oct	23,777
Nov	24,035
Dec	32,632
TOTAL	**309,939**

A map showing the zip codes with the highest number of individuals likely to be subject to work and community engagement requirements is included in **Appendix B**.

In May 2026, DHCS[4] estimated that approximately 22% of the statewide ACA Adult Expansion population may lose Medi-Cal coverage as a result of work requirement implementation. This represents just over 1 million of the estimated 4.77 million Californians in the ACA Adult Expansion population, not the total Medi-Cal population. Applying this methodology to San Diego County, **22% (or roughly 68,761 individuals) of our Medi-Cal expansion population could potentially lose benefits before 2030.**

[3] The work requirement rule may impact renewals due in March 2027 and later, pending final policy guidance
[4] https://www.dhcs.ca.gov/wp-content/uploads/2026/05/DHCS-FY-2026-27-May-Revise-Highlights.pdf

Table 2 applies DHCS estimates[5] to the San Diego County impacted population, based on Medi-Cal enrollment as of June 2026:

TABLE 2: Estimated Local Medi-Cal Coverage Loss

Description	Estimated Individuals
Total ACA Adult Expansion Population (M1 aid code)	309,939
Population Likely to Meet a Work Requirement Exemption *or* Already Be Income Compliant (approx. 55.63% of total M1)	172,416
Population Likely to **Not** Meet an Exemption or Already Be Meeting Work Requirement (approx. 44.37% of total M1)	137,523
Assume 50% disenrolled through 2030 due to failure to comply/return necessary verifications (approx. 22.19% of total M1)	68,761

These estimates are subject to change, however they represent a scale of impact that the County and its partners can use for planning purposes.

Exemptions

Based on information available as of August 13, 2026, some adults in the ACA Adult Expansion Population are exempt from the work requirements, including:

- Parents, guardians, caretaker relatives, or family caregivers of a dependent child 13 years of age and younger or a disabled individual
- Pregnant individuals through one year postpartum
- Inmates of public institutions
- Participants in a drug or alcohol rehabilitation or treatment program
- Veterans with a total disability
- American Indians and Alaska Natives
- Former foster care youth
- Those who are satisfying CalWORKs or CalFresh work requirements
- Medically frail individuals, subject to final federal and state definition

DHCS estimates that 45% of the ACA Adult Expansion population statewide will meet an exemption, with the highest proportion being exempted for medical frailty, being a parent/caretaker with children under 14, or already meeting the SNAP/CalFresh work requirement. They further estimate that another 10% who don't already qualify for an exemption will already be income compliant.

[5] https://www.dhcs.ca.gov/wp-content/uploads/2026/06/MAY-2026-Medi-Cal-Local-Assistance-Estimate.pdf

County staff concur with these estimates, and are prioritizing accurate, comprehensive data for each Medi-Cal household to identify exemptions wherever appropriate. A full accounting of actual local exemptions is not currently feasible given that many criteria are still being defined. However, there is some information staff can currently confirm that will likely lead to an exemption, such as:

- **nearly 50,000 San Diego County M1 households report having children under 14**
- **nearly 4,000 who are currently inmates of public institutions, and**
- **approximately 2,500 who identify as American Indian or Alaska Native.**

Approximately 50,000 San Diego County M1 adults are also currently reporting enough income or work hours to meet the requirement. This number is likely to increase as there is an increased emphasis on reporting and collecting this information. Staff will continue to refine the data above as additional State guidance, as well as data about the local implementation of CalFresh work requirement become available in the next several months.

Work Requirement Exemption Identification

Many of the exemptions listed above, including age, parent/caretaker status, satisfying other work requirements, and employment may be identified through existing data sources or automated data matches with data currently available through the CalSAWS system. This includes automatically meeting Medi-Cal work requirements if someone is already meeting CalFresh or CalWORKs work requirements. The ability to automatically pull information from CalSAWS to verify that an individual meets Medi-Cal work requirements (often referred to as "ex parte" review or automated verification), is expected to significantly reduce the burden on individuals impacted by the new requirements and reduce loss of coverage. Automated verification is also expected to reduce the burden on staff by providing ease of access to necessary information to ensure members maintain coverage.

The largest number of exemptions is anticipated to come from identifying members as medically frail. This is especially significant given that nearly 15% (approximately 45,000) of San Diego County's ACA Adult Expansion identifies as experiencing homelessness and 10% (approximately 10,000) are between the ages of 60-64.

Final guidance – especially in light of the June 29, 2026 lawsuit – is pending on the definition of medical frailty, however DHCS is intending to leverage claims and encounter data to identify medically frail members. DHCS will add additional data sources as part of the ex parte review to confirm work and community engagement exemptions. These sources will include claims data, members eligible for a waiver (which includes Home and Community-Based Services waiver programs), and enrollment in DHCS benefits or other programs that could reasonably indicate that an individual meets a medical exemption or other exemption such as caring for a young child or a family member who is disabled. DHCS will release an additional letter regarding new data sources and their usage in the future.

Behavioral Health Exemptions

The proactive identification of medically frail individuals, people with disabilities, and participants in a drug or alcohol rehabilitation or treatment program has been a priority area for the County. Many behavioral health and other healthcare providers have been engaged on this topic and it will be essential to partner with them when the rules are finalized.

Based on what we know now, DHCS is intending to leverage claims and encounter data to identify behavioral health clients who may qualify as medically frail or as participants in a drug or alcohol rehabilitation or treatment program. If this rule is finalized, there would be no separate provider certification process currently anticipated. County Behavioral Health Services will work with County outreach teams to keep providers informed about how DHCS will be using the claims data to support exemption identification or how information can be provided when there is a billing or claims lag.

Potential In-Home Support Services (IHSS) Exemption

While many IHSS recipients are not part of the ACA Expansion Population, there are likely some individuals receiving IHSS who are and therefore may be subject to the work requirements. DHCS has discussed using IHSS-related data to help identify individuals who may qualify for an exemption, potentially through the medically frail or disability-related exemption categories. This remains pending further clarification due to the Interim Final Rule and forthcoming federal and State guidance.

Noncitizen Changes

Approximately 17,141 San Diego County Medi-Cal members enrolled as of June 2026 are expected to be subject to new federal definitions of "unsatisfactory immigration status" and no longer qualified noncitizens for purposes of federally funded full-scope Medicaid beginning in October 2026.

As described in the Current Landscape section above, the State has decided that qualified noncitizens may retain full-scope benefits until June 30, 2027 – so this population may retain current coverage temporarily with state funding as long as they continue to meet other eligibility requirements. For those that switch to State-funded full-scope Medi-Cal starting October 1, 2026, they should see no changes to their covered medical services until June 30, 2027. Starting July 1, 2027 they are expected to transition to restricted-scope coverage unless they meet criteria such as being blind, disabled, 65 or older.

Separately, the State has authorized all Medi-Cal recipients with UIS, including children and adults, to shift from managed care to fee-for-service (FFS) starting in January 2027. These members may see some changes to their eligibility for enhanced care management services and their health plan beginning in January 2027. This shift to FFS is a federally required delivery system change and is separate from the work requirement policy.

Together, these estimates show that San Diego County will experience overlapping implementation pressures beginning in late 2026 and accelerating in 2027. The County will need to prepare for increased eligibility workload, customer questions, exemption documentation issues, returned mail and renewal risk, provider and health plan coordination needs, and potential increases in coverage loss or care disruption among members who remain eligible but are unable to navigate new requirements.

County Readiness and Mitigation Strategies

Keeping eligible individuals enrolled in Medi-Cal and connected to care is a top County priority. The County's mitigation strategy builds on lessons learned from recent CalFresh policy changes and the end of the Public Health Emergency, when Medi-Cal renewals resumed in March 2023 after a three-year pause.

The County's goals are to prevent avoidable churn, maximize continuous enrollment for eligible members, expedite re-enrollment when coverage is lost, reduce administrative burden for members and staff, identify exemptions as early as possible, and maintain access to care through health care and community partners. Safety Net Bridge, CMS network providers, managed care plans, hospitals, clinics, Community Health Workers, Coverage Ambassadors, and community-based organizations will be important partners in helping members maintain coverage, reconnect to coverage when needed, and prevent avoidable care disruption.

Member Communication, Media, and Community Toolkit

In Phase 1 of H.R.1 engagement, focused on CalFresh, between March and June 2026, member communication efforts directly reached every CalFresh household, with many receiving multiple contacts. In addition, community engagement efforts directly reached more than 5,500 people through more than 100 community presentations, generated 1.7 million views on social media, and received an additional 5,420 views through the online Community Toolkit. Presentations reached community-based organizations, neighborhood groups, faith-based organizations, cities, chambers of commerce, and other trusted community messengers with clear, consistent messaging and resources.

The "Don't Guess — Check!" social media campaign, which encourages members to update their contact information in BenefitsCal and check their renewal dates, launched in early June 2026. As of early July, the campaign included 30 posts across Instagram, Facebook, X, and YouTube, generating more than 32,000 views and reaching an audience of nearly 18,000.

Phase 2 is building on Phase 1 efforts and will ramp up after final Medi-Cal work requirement guidance is released, anticipated in fall 2026. Planning and early implementation are underway

focused on Medi-Cal changes. Clear, consistent messaging in Phase 2 will focus on the following in multiple languages:

- Medi-Cal eligibility and requirements are changing, and help is available.
- Some households may see changes to their Medi-Cal coverage or eligibility requirements.
- Most people will continue to qualify for Medi-Cal.
- Members should update their contact information, check BenefitsCal, open County mail, and respond to renewal notices on time.
- The County and its partners are available to help individuals understand next steps and connect to resources.

In August 2026, the Community Toolkit was updated with the latest information about Medi-Cal changes and shared via an All-Sector Telebriefing on August 13, 2026. Messaging through October 2026 will focus on broad Medi-Cal awareness, then will shift to more specific and focused outreach on work requirements, six-month renewals, and customer actions needed to maintain coverage. The County will continue updating the online Community Toolkit with flyers in all County threshold languages, presentations, FAQs, media fact sheets, and partner resources. Medi-Cal-specific presentations will be provided to *Live Well San Diego* Regional Community Leadership Teams and *Live Well San Diego* sectors, including CBO, Rural and Faith-Based, Education, Youth, and Business sectors.

Traditional media will be paired with organic and paid social media, including new rounds of the "Don't Guess — Check!" campaign. Staff will also participate in in-studio and other media interviews in English and Spanish to reach communities across the County.

Renewal Touchpoints and Churn Prevention

A priority for the County is renewing eligible individuals with minimal churn, which refers to the number of members who lose benefits and need to reapply. Two months before a member's Medi-Cal renewal date, the statewide CalSAWS system generates an auto-renewal for individuals who already have sufficient information in the system, such as income, residency, and citizenship, to complete the renewal without additional member action. This is referred to as an "ex parte" renewal and leads to an **average of 30% of the total expanded adult population being auto-renewed each month**. Members who are auto-renewed receive a notice informing them of the action.

According to DHCS data[6], in April 2026, San Diego County exceeded the statewide average of 42.41% of redeterminations renewed via ex parte across all Medi-Cal members, with 45.88% locally.

[6] https://www.dhcs.ca.gov/data-statistics/medi-cal-enrollment-and-renewal/april-2026-medi-cal-enrollment-and-renewals-dashboard/

For members who are not automatically renewed, proactive communication will be essential to helping them remain connected to benefits, particularly high-risk populations. Planned member touchpoints include:

Table 4: Direct Medi-Cal Customer Communication

Timing (In advance of Renewal Due Date)	Member Touchpoint
3 months	\New\ Text message alert (Reminder of upcoming renewal, how to report any new changes in contact information, and ways to submit renewal packet to keep benefits)
2 months	Text message alert; robocall about upcoming renewal
45 days	Renewal packet mailed; *New* State notice expected for individuals who appear to be subject to, and not already meeting, work requirements based on existing case record information
30 days	Reminder notice mailed; Text reminder
15 days	2nd reminder notice mailed; robocall reminder
0-14 days	\New\ text and robocall reminders twice a week if renewal is not yet submitted
Past due	Discontinuance notice mailed at the end of the month, including information about the 90-day cure period
Past Due	\New\ Text message about 90-day cure period and available resources

Most members will be contacted at least five times by the County directly prior to their renewal packet being submitted, with each communication encouraging them to call the County to discuss their case or access resources to maintain coverage. Many members will receive even more touchpoints if their redetermination packets are not submitted by mid-month.

Medi-Cal communication will build on lessons learned during the implementation of CalFresh changes in early to mid-2026. The addition of additional customer outreach and communication for CalFresh customers since April 2026 has proven effective in reducing procedural discontinuances at renewal. Beginning in April 2026 with non-citizen CalFresh customers, the enhanced communication strategy of texts and robocalls twice weekly leading up to the renewal deadline contributed to **steady declines in discontinuance rates due to procedural reasons** (i.e. not returning renewal packets or completing the renewal process). Continued outreach during the following month after a customer's discontinuance, when participants can still complete their renewal without submitting a new application, further amplified this success and drove down discontinuance rates. The results demonstrate how timely and focused communication can meaningfully improve program continuity for customers and provides a blueprint to follow as we continue efforts to preserve Medi-Cal enrollment for those who remain eligible.

In addition, any time the County Self-Sufficiency Services (SSS) has a customer interaction for any reason, staff first address the customer's immediate need and then review the system for pending items that could affect upcoming renewals. For example, if someone visits a Family Resource Center or calls the Access Call Center about their CalFresh case and the eligibility worker sees that their Medi-Cal case also needs attention, they will handle the interaction accordingly.

A successful strategy during the Public Health Emergency unwinding was the use of **yellow envelopes**, rather than standard white envelopes, for Medi-Cal renewal packets. This made renewal packets easier for members to identify. SSS staff are engaged with County Welfare Directors Association of California (CWDA) and DHCS to continue this strategy and support the goal of maximizing renewal packet returns.

The 90-day Medi-Cal cure period is also a key churn prevention strategy. This rule allows the eligibility worker to complete a redetermination when the customer provides all necessary information within 90 days of the discontinuance date. This is a key difference from CalFresh and underscores the importance of continued outreach even after a customer's renewal date has passed.

Additional enrollment assistance and outreach strategies include:

- Community Health Worker deployment in high-impact areas
- Mapping high-impact areas and assessing outreach gaps
- One-on-one outreach at events and in Family Resource Centers
- Eligibility workers supporting hospitals, clinics, and other partners with eligibility and enrollment questions
- Live Well on Wheels mobile unit participation at community events
- Flyers in threshold languages about Medi-Cal changes, work requirements, and available health care resources

SSS has also implemented a survey at the conclusion of Access Call Center interactions to assess whether customer communication is clear and helpful. In June 2026, 58 CalFresh members who called about work requirements completed the survey, with 100% reporting they were provided with clear information about policy changes and 97% reporting they were clear on resources and exemptions. Staff will continue to utilize this survey process for continuous quality improvement ongoing throughout CalFresh and Medi-Cal implementation.

Workforce, Education, and Volunteer Opportunities

Unlike CalFresh, Medi-Cal has never had work and community engagement requirements and there is no federally or State-funded dedicated workforce training program. Reducing the risk that members cannot identify qualifying work, volunteer, education, or training activities is a key priority for the County. Various strategies are already in place and have been shared widely by leveraging the

outreach and enrollment strategies described above. Current efforts to support populations to meet work and community engagement requirements include:

The.WorkReady.Hub

County staff worked with 211 San Diego, the San Diego Workforce Partnership, and HandsOn San Diego to create simple pathways for individuals to meet CalFresh and Medi-Cal work-related requirements. The WorkReady Hub was launched on June 1, 2026 to provide a single referral point to access work, education, training, and volunteer opportunities from hundreds of organizations. The WorkReady Hub can be accessed with no wrong door: County staff can make a warm transfer to 2-1-1 after a member discusses their eligibility with Access Call Center, members can call 2-1-1 directly or visit the WorkReady Hub online. The Hub features resources and opportunities that will support people in meeting the work or engagement requirements (e.g. resume writing, training, etc.). In addition to work requirement resources, 211 provides information on food access points and locations for free and low-cost medical services. In the first month of its launch on June 1, 2026, the WorkReady Hub had more than 3,600 visits, and 211 received nearly 300 calls requesting WorkReady Hub resources.

Through regular meetings with our WorkReady Hub partners: 211 San Diego, the San Diego Workforce Partnership, and HandsOn San Diego, the County is ensuring these partners are informed and prepared to meet any increase in demand. To date, changes to partner service volume have been relatively minor, and staff will continue to monitor trends and adjust as needed.

Strengthening.Resources

County staff created a campaign to leverage the more than 600 *Live Well San Diego* partners, CBOs and businesses to support the community by adding or updating their information with 211. These updates provide timely opportunities and referral options for those seeking employment, training and volunteer resources. Requests for partner updates to the Hub are included in community presentations, the Community Toolkit webpage, social media, Regional Community Leadership Teams, and *Live Well San Diego* newsletters with a collective reach of more than 20,000 individuals. Staff will also host a webinar on August 19, 2026 with 211 San Diego to demonstrate how organizations can connect individuals to their services by providing updated, thorough information for the WorkReady Hub and additional 211 resources.

Volunteer.Opportunities.with.the.County

County outreach staff are convening departments with large volunteer programs to identify ways to streamline the recruitment and application process with Department of Human Resources and promote opportunities more widely. This approach will provide individuals who would like to meet work/community engagement requirements through volunteering with a variety of options throughout the region such as volunteer efforts with departments like Libraries, Parks and Recreation, Aging & Independence Services and Animal Services in addition to many others. In FY 24-25, volunteers with the County contributed over 800,000 hours and provided nearly $30 million

dollars in benefits to departments. Enhancements to the County's volunteer program and processes have the dual benefits of helping individuals meet requirements while also providing more robust services to the public.

County.Events.and.Partnerships.
Various County departments continue to cultivate partnerships and host events to provide the community with opportunities to find work, education and training. A few highlights in Summer 2026 include:

- the Career Readiness Workshop developed by Central Region Community Leadership Team Education and Economic Development Workgroup engaged transitional age youth (16-24) in a workshop series in July and August 2026;
- the Department of Child Support Services back-to-school event featured Employment services from County Human Resources; education, training and college savings information from San Diego Community College District and 529 ScholarShare; and High school diploma program from the County Library;
- San Diego County's Emergency Medical Services (EMS) Corps partnered with Southwestern College's Fire Academy to expand opportunities for young adults, with 4 EMS Corps graduates accepted into the August 2026 Fire Academy; and
- the County's Probation Department launched a new Probation Mobile Center to offer screenings and connect clients to employment, education, housing, Medi-Cal, substance use treatment, mental health care, and court-related programs.

Health Care and Community Partnerships

Strong partnerships with Medi-Cal managed care plans, hospitals, community clinics, County Medical Services network providers, and CBOs will be critical to preventing and mitigating coverage loss and care disruption.

Hospitals
The SSS Hospital & Community Support Services team operates the Hospital Outstation Point of Entry (HOPE) program to provide dedicated eligibility support to hospital patients. **Applications received through this partnership are processed by a specialized SSS team that works with hospitals to complete Medi-Cal eligibility determinations as quickly as possible in an expedited manner.** This includes designated "concierge" staff to provide application processing support, quick virtual access to answer questions, and recurring touchpoints to share updates, provided there is explicit customer authorization.

From July 2025 through June 2026, the HOPE Program, through partnering with 6 hospitals, processed 11,256 applications and nearly 18,000 inquiries, with 87% related to Medi-Cal and 13% related to CalFresh. Monthly reports are provided to HOPE partners tracking total applications submitted, pending applications, and average processing times. The County plans to sustain the HOPE program and continue quality assurance and improvement efforts in partnership with

hospitals and HASDIC. The program will be critical to ensure patients who are actively accessing hospital services can maintain benefits whenever eligible.

Community.Clinics

SSS has been meeting with Health Center Partners and Health Quality Partners to strengthen community clinic collaboration, with a focus on connecting members to services and assisting current participants in maintaining Medi-Cal coverage. **A pilot was launched in August 2026 to extend the HOPE program referenced above to Vista Community Clinic.** In the first week of the partnership, there were 31 Medi-Cal, CalFresh, or combo (Medi-Cal and CalFresh) applications submitted with specialized SSS staff assigned to work with the clinic to complete Medi-Cal eligibility determinations as quickly as possible and provide quick virtual access to answer questions. SSS will continue to monitor the pilot and plan for expansion with Federally Qualified Health Centers, and continue to evaluate staffing capacity for the Hospital & Community Support Services team. Staff will also engage with other types of clinics to explore partnership opportunities.

Managed.Care.Plans

SSS has existing *Data Use Agreements* with Medi-Cal managed care plans (MCPs) that allow the County to share which plan members have renewals coming in the subsequent month. State law allows this type of limited data sharing and helps plans provide an additional touchpoint with members to keep enrollment current. Three of the four regional plans — Molina, Blue Shield, and Community Health Group — currently request renewal information from the County on a regular basis. The State also requires plans to share information with the County when a member's change in circumstances may affect eligibility and when their contact information changes. The County will continue to maintain and strengthen these partnerships to ensure MCPs can best support their members with continued eligibility and access.

In addition, the four San Diego Medi-Cal MCPs collectively engaged the YMCA to plan 7 community sessions on upcoming H.R.1 changes beginning in September 2026. The plans will use the County's Community Supports sessions as a blueprint, along with the DHCS "train-the-trainer" toolbox and coordinate with the County to align on messaging and support enrollment services and programmatic questions. The goal is to inform the community of upcoming changes, encourage members to look for mailed renewal packets, and inform the expansion population about new requirements, including six-month renewals and work, school, or volunteering requirements.

In alignment with the blueprint, plans will invite Feeding San Diego and other community-based organizations, Enhanced Care Management providers, and Community Supports providers to attend and share information about services.

Community_Based.Organizations

CBOs will continue to serve as trusted messengers and customer support partners. Through partner networks, presentations, informational webinars, and toolkits, County staff are working to ensure

CBOs are informed and prepared to amplify messaging and help members navigate Medi-Cal changes.

As part of the response to CalFresh changes, the County expanded promotion of a special, dedicated Access CBO phone line to directly connect with SSS eligibility staff. This led to **17 new CBOs signing up in FY25-26,** bringing the total number of organizations to 116. This direct connection helps CBOs assist members more quickly and accurately. From June 2025 to March 2026, the line received more than 66,000 calls, averaging approximately 7,300 monthly. These applications are processed in an expedited manner by a specialized SSS team, and are tracked and reported via a CBO Referral Report that is included in monthly reports to the Social Services Advisory Board (SSAB). SSS has hosted two training sessions for CBOs in 2026 to ensure CBOs can best leverage this tool.

The County also encourages CBOs to enroll in a BenefitsCal account, which enables CBO staff, with client consent, to help submit applications and renewals, check application status, and view important dates.

Care Management and Safety Net Infrastructure

The County will lean on existing care management and safety net infrastructure to identify high-risk individuals, support renewal completion, connect individuals to care, and help people re-enroll quickly if coverage is lost. This includes the SD Wellness Collaborative, Community Health Workers, Coverage Ambassadors, Safety Net Bridge, CMS network providers, managed care plans, hospitals, clinics, and other trusted partners.

Regular engagement will continue with Hospital Association of San Diego & Imperial Counties (HASDIC), Healthy San Diego, SSAB, and other key stakeholders. CMS and Safety Net Bridge will be aligned with broader communications and outreach strategies to support individuals who are at risk of coverage loss or care disruption.

Statewide Engagement and Advocacy

Key to these efforts is the County's engagement and advocacy strategy which includes close collaboration with statewide associations, state agencies, and the state legislature. HHSA and the County's Economic Development and Government Affairs (EDGA) department are working hand in hand to elevate County priorities in these advocacy spaces, including:

- In early 2026, County lobbyists had individual meetings with each member of the San Diego delegation to outline the local impacts of H.R.1, including the number of affected residents and anticipated fiscal, operational, and administrative implications.
- Facilitated Vice Chair Montgomery Steppe's March visit to Sacramento to meet with delegation and Administration members and communicate regional impacts and County concerns related to H.R.1.

- Throughout 2026, conversations have continued with San Diego delegation staffers to keep them apprised of County impacts amid the evolving federal and state landscapes.
- Collaboration with organizations such as California State Association of Counties (CSAC) and Urban Counties of California (UCC) to align messaging, coordinate strategy, and develop a unified set of advocacy requests reflecting county priorities and resource needs.
- Prioritized H.R.1 needs in County's State budget advocacy strategy, highlighting H.R.1 related fiscal impacts and outlining required resources and support for County implementation. Key priority areas, in alignment with statewide organizations including CSAC and UCC, include funding to support the County Medical Services (CMS) Indigent Care program, the County's CalFresh and Medi-Cal eligibility workforce, and Behavioral Health programs, as well as other policy changes. The FY 26-27 Enacted State Budget included a one-time statewide allocation of $197 million for Medi-Cal County eligibility related to H.R. 1 implementation.
- Continued monitoring, analyzing, and prioritizing state legislation to determine 2026 and 2027 legislative advocacy strategies. In the 2026 legislative session, supported eight bills addressing access and implementation challenges introduced by H.R. 1.
- Leveraging County leadership expertise at statewide legislative hearings:
    - On March 10, 2026, Interim HHSA Deputy Chief Administrative Officer, Dr. Elizabeth Hernandez testified at a Joint Informational Hearing of the Assembly and Senate Health Committees titled, "The Cost of Uncertainty: Health Coverage Access and Affordability Amid Federal Instability." During her testimony, Dr. Hernandez spoke to how H.R. 1 represents a fundamental restructuring of the federal-state-county partnership for provision of safety-net services and the potential vulnerabilities it will create among residents.
    - On August 5, 2026, Dr. Hernandez testified at the Assembly Budget Subcommittee 7 hearing on indigent care. Dr. Hernandez spoke to the indigent care services currently provided by the County and the pressures to the local safety net that H.R. 1 policy changes will cause.

County leadership from HHSA and EDGA also participate in:

- CWDA Board of Directors and chairing key CWDA committees,
- Various CalSAWS H.R. 1 workgroups targeting system updates and enhancements for both CalSAWS and BenefitsCal portal,
- County Health Executives Association of California (CHEAC)'s legislative committee, and
- The Southern Area Consortium of Human Services (SACHS) and SACHS legislative committees.

Additional advocacy priorities include urging state agencies to align policy guidance for work requirements for Medi-Cal and CalFresh, given that the programs are overseen by different agencies with different rules.

Operational Readiness

Self-Sufficiency Services Human Services Specialists (HSS) are universal workers, meaning they determine eligibility for federal entitlement programs the County administers on behalf of the State. Continuous training is provided to support customer service and timely service delivery.

Staffing Model and Workforce Capacity

Hiring is underway for the 122 full-time employees that were approved to be added to the SSS budget during the June 25, 2026 County budget adoption. Three hiring halls to fill these positions were successfully completed in June and July 2026 and resulted in 607 interviews and 103 new hires that will begin onboarding between July and October 2026. Additional hiring halls are tentatively planned for September and October 2026.

The full extent of workload impacts due to Medi-Cal changes is not yet known. County staff will monitor workload changes, application and renewal processing times, vacancy rates, appeals, call center volume, and other operational metrics as CalFresh changes roll out and Medi-Cal implementation approaches. Each affected Medi-Cal case may require additional staff time for work requirements and six-month renewals, including explaining and screening for exemptions, entering information into CalSAWS, and assisting members with identifying qualifying work, school, volunteer, or training activities if needed to maintain eligibility. Staffing impacts are further discussed in the Fiscal section of this report.

SSS will continue refining workflows to support exemption identification, automated verification, renewal completion, customer communications, case corrections, and expedited re-enrollment when coverage is discontinued. Workflow design will prioritize reducing unnecessary customer burden, maximizing ex parte processes, and ensuring staff have clear procedures for new eligibility requirements.

Training Plan

SSS is developing a staff training plan for upcoming Medi-Cal changes. Trainings will be delivered through the Learning Management System, live webinars, hands-on lab sessions, instructional videos, policy memos, and other staff supports.

Training for eligibility staff is tentatively scheduled as follows:

- Work requirements — November 2026
- Six-month renewals — November 2026
- Reduction of retroactive Medi-Cal period — December 2026
- Loss of Medi-Cal dental coverage — completion date to be determined (State delayed implementation)

- Change in federal definition of qualified noncitizen — completion date to be determined (State recently opted to continue full-scope coverage for this population through June 2027)

SSS will also host monthly technical assistance calls for staff to provide ongoing support with work exemptions and will develop Policy User Guides, including short video recordings, to support eligibility staff with CalSAWS entries. Program memos will be used to update staff on policy changes and provide resource information that can be shared with customers at point of contact. For example, Program Memo 26-14 provided guidance on the referral process to the 211 San Diego WorkReady Hub.

In addition, the SSS Continuous Quality Improvement unit rolled out the "We Are In It Together" accuracy campaign in December 2025, which includes additional case reviews, quality control, and training. SSS uses data from case reviews to identify trends and ongoing training opportunities related to newly introduced policies.

Appeals Readiness

Members generally have 90 days from receipt of a denial Notice of Action to request a hearing for an eligibility appeal, with limited exceptions. H.R.1 changes may increase eligibility appeals due to potentially more complex cases and projected benefit/coverage loss. Appeals are not expected to occur all at once but may increase as the changes take effect and cases come up for renewal. SSS will continue to provide appeal rights information through standard notices and customer service channels, monitor appeals volume and shift resources as needed.

Customers may submit appeals through multiple methods, including directly through the California Department of Social Services (CDSS) by phone, email, fax, the State ACMS appeals system, or by mailing the NA Back 9 form included with their Notice of Action. Customers may also contact the County for assistance in filing an appeal on their behalf. Appeals are centrally scheduled by the State and assigned to the County, with some hearings conducted in person and supported onsite by Legal Aid Society of San Diego (LASSD) staff, while the majority are conducted virtually.

SSS partners closely with LASSD and meets monthly to discuss policy updates and appeal trends. At a recent August 2026 meeting, SSS staff explored process improvement ideas from LASSD including a triage model to resolve simple cases earlier and reduce backlog, improvements to communication protocols, and increased communication about work requirement impacts.

Data and Technology Opportunities

The County is committed to improving client experience, streamlining eligibility determinations, and reducing administrative burden on staff and customers. While SSS leads the State in application and renewal timeliness and low error rates, expanded use of technology, Artificial Intelligence (AI) and automation tools at the statewide and local level will help reduce errors to yield better quality control

results, simplify manual workload and data entry for staff, and also make it easier for customers in the midst of significant eligibility changes from H.R.1.

Statewide Solutions.

As referenced in the exemptions section of the report, States are required to use claims and encounter data from the preceding 12 months to verify medical frailty status before requesting information from the individual. To do this, the State is partnering with counties to maximize the use of information available in CalSAWS, other statewide systems such as Medi-Cal Eligibility Data System, SAVE (Systematic Alien Verification for Entitlements, administered by U.S. Citizenship and Immigration Services to provide point in time immigration status and U.S. citizenship information), and partner data sources. This will be critical to identifying exemptions, updating citizenship or immigration status, reducing customer burden, supporting accurate eligibility determinations. As one example, in July 2026[7] the California Department of Developmental Services began sharing available data about individuals receiving regional center services that may help lead to work requirement exemptions.

Over the past year, SSS has partnered with CDSS, CalSAWS and other counties on a new BenefitsCal feature called Truv. As of July 20, 2026, customers are now able to securely sign in to their employer, payroll provider, or financial institution when applying for benefits via BenefitsCal, and **Truv pulls available income information** for them to review and confirm. By electronically verifying income upfront, Truv reduces errors and can shorten processing times, helping eligible households access critical resources faster. Phase 2 of this feature will tentatively go live in January 2027 for applicants to provide income information through Truv during the intake process. A third phase is tentatively scheduled for May 2027 for the renewal and status report process. More information is available in ACL No. 26-11[8].

Other recent State automations went into effect on August 8, 2026, with CalSAWS now including administrative exemption data for CalFresh participants immediately viewable to staff in the system. These exemptions are based on data available to CDSS that has been confirmed and verified. This enhancement reduces procedural burdens on both staff and program participants.

County staff have been working with CalSAWS to develop an **AI Case Comment/call recording** to summarize conversation to make case notes easier. San Diego County is part of the final implementation wave. CalSAWS is expected to begin final planning efforts with County staff in October, with implementation scheduled from November through December 2026.

Lastly for statewide solutions, the California Health and Human Services Agency and the Labor and Workforce Development Agency invited the County to participate in a 10-county pilot to support the development of a **self-service screening tool** for members to calculate remaining work, volunteer,

[7] https://www.dds.ca.gov/newsletter/how-california-is-preparing-for-new-federal-work-requirements/
[8] https://cdss.ca.gov/Portals/9/Additional-Resources/Letters-and-Notices/ACLs/2026/26-11.pdf?ver=qbe_MPwytIx3USyKyuqNXQ%3d%3d

or other qualifying hours. Staff have met with lead agencies and nonprofit partner Aurrera Health Group to share county perspectives and ensure future implementation reflects local operational realities to share. The organizers invited San Diego County to give an overview of the WorkReady Hub at the August 26 Community of Practice, focusing on the platform's purpose, implementation approach, and early lessons. The presentation will help highlight county efforts and support peer learning before a moderated panel discussion. The pilot start date has not yet been determined and staff will continue to provide updates.

Local.Innovations

SSS is advancing technology and AI-enabled solutions where the County has local discretion to reduce barriers for applicants and members, simplify eligibility processes for staff, improve accuracy, and help maintain benefits for eligible individuals.

One area of focus is the development of an intuitive **AI-powered search tool** that allows staff to quickly locate program guide, policies, and other essential materials. By improving access to information, staff can provide more timely and accurate support, reducing delays and improving outcomes for individuals receiving benefits. The Statement of Work has been finalized and the budget approved. A project kickoff meeting was scheduled for August 19.

SSS is also working with the County Technology Office to review feasibility for 3 potential AI solutions. Initial meetings were held in August 2026. If deemed feasible, staff will draft a scope of work and pricing estimates for review and approval. This includes:

1. **Copilot for Agents**, which will enhance the Access Call Center agent workspace by automatically summarizing customer interactions, reducing manual note-taking and improving documentation consistency.
2. Use of **AI to check for anomalies in data entry** that would prompt staff to review case information if there appears to be a discrepancy in data entry
3. **Analytics Advance**, which uses AI to analyze customer interaction data, revealing trends, communication gaps, and process inefficiencies. It will enhance operational reporting and support more data driven decision-making. As program requirements evolve, this capability will help identify patterns in customer inquiries, assess the effectiveness of current messaging, and ensure the community remains informed and able to maintain benefits.

Together, these innovations have the potential to strengthen program and service delivery, improve efficiency, and create a more responsive and supportive service environment. They build on the automated tools and technology that SSS currently utilizes to maintain operational excellence. Current examples include but are not limited to:

- Automation for Quick Customer Address Correction that identifies undeliverable mail, generates next day digital notifications with case details and automatically creates task and journal entries in CalSAWS to reduce the volume of returned mail daily
- Review and assignment of new applications and recertifications to a worker within 1-day

- Robo-calls and texting campaigns
- Customized data reports to ensure workload balance, timeliness, and properly assess impacted populations

Additional.External.Data_Sharing.Opportunities
In addition to the data sharing agreements with Managed Care Plans described above, the County is also exploring additional data-sharing opportunities with 211 San Diego and the Community Information Exchange in partnership with the Safety Net Ad Hoc.

Metrics & Monitoring

Monitoring impacts to customers, the community, and the County workforce is a top priority to inform ongoing changes to the County's H.R.1 mitigation strategy. SSS currently produces monthly public reports with information on:

- Overall enrollment trends for Medi-Cal, CalFresh and County Medical Services, including breakdowns by Supervisorial districts and various demographic categories
- Applications registered and renewals generated
- Application processing times
- Call volume, wait times, and lobby visits

These data points drive operational decision-making and resource allocation daily. They are also shared monthly with the County's Social Services Advisory Board. In May 2026, the County's Office of Business Intelligence (OBI) launched new public-facing dashboards to be able to better analyze and report data related to H.R.1 policy changes, including but not limited to:

- The number of renewals/redeterminations due each month for populations potentially impacted by CalFresh Noncitizen Changes, CalFresh Work Requirements (added July 2026), and Medi-Cal Work Requirements (to be added early 2027)
- The disposition of the cases in the previous month (continued, discontinued, still in process) for the policies listed above
- Total recipients for Medi-Cal, CalFresh, and County Medical Services

An example of this dashboard is provided as **Appendix D**. In addition, OBI also established additional internal operational dashboards in partnership with SSS reporting monthly on:

- Total number of individuals discontinued (lost coverage)
- Detailed reasons for monthly discontinuances
- Available hospital and local healthcare data (such as visits to the emergency room)
- Outreach metrics (events, media/social media reach, text messages) focused on helping San Diego County residents maintain benefits.
- Applications for Medi-Cal, CalFresh, and County Medical Services

In partnership with 211 San Diego, the County also regularly reviews data on monthly calls, visits, and referrals from the WorkReady Hub.

Remaining Risk Areas

Despite these mitigation strategies, several risks remain:

- Eligible individuals may lose coverage because of missed notices, incomplete paperwork, or difficulty documenting exemptions.
- Members may experience confusion because Medi-Cal, CalFresh, immigration-status, renewal, and delivery system changes are occurring on overlapping timelines.
- Providers, MCPs, CBOs, and County staff may face increased questions and case resolution needs.
- Section 17000/CMS and Safety Net Bridge programs may experience increased demand if members lose Medi-Cal coverage or experience care disruption.
- The County may face audit, quality control, or federal compliance risk if implementation requirements are unclear, systems are not ready, or federal and State guidance changes close to implementation.

The County will continue to refine mitigation strategies as federal and State guidance is finalized and as operational data becomes available. See **Appendix C** for additional information on the implementation roadmap.

County Fiscal Exposure and FY 2026–27 State Budget

Revenue.Assumptions

In the May 18, 2026 H.R.1 Fiscal and FTE Analysis report, staff reported an updated FY 2026–27 direct County fiscal impact of $23.7 million increase in local funds for CalFresh and Medi-Cal eligibility related administrative costs. These additional funds were included in the adopted FY 26-27 County budget using Unlocked Reserves for eligibility staffing ($7.9M) and CalFresh administrative costs ($15.8M).

Since then, on June 29, 2026, Governor Gavin Newsom signed the Budget Act of 2026, AB 109, into law, along with additional bills that comprise part of the overall State budget package. The State described the enacted budget as a $352 billion spending plan that preserves, reserves, and responds to federal policy changes, including those enacted through H.R. 1. The State's adopted budget included significant CalFresh and Medi-Cal one-time administrative funding statewide to support county eligibility offices with H.R.1 implementation, including work requirements and six-month redeterminations. While guidance and allocations are not yet finalized, updated revenue estimates using information from the Enacted State Budget show potentially $27 million more than budgeted for CalFresh and about $41 million more than budgeted for Medi-Cal, for a total estimated increase of $68 million. The County would be anticipated to get final allocation letters in September or October 2026 based on previous years' experience. **Based on initial estimates, this additional one-time revenue should allow the County to preserve the initial investment of local funds from Unlocked Reserves budgeted in Self Sufficiency Services for FY 2027-28 depending on Board direction ($23.7 million), relieve some pressure on Social Services Realignment Revenue ($18.3**

million), and provide additional capacity for Medi-Cal H.R. 1 implementation activities ($26 million).

- CalFresh Revenue: Projected increased H.R.1 funding of $27 million
    - A portion of this funding, roughly $18 million, would be available to spend over three fiscal years.
    - The enacted State budget includes trailer bill language establishing a temporary CalFresh county match waiver, allowing counties to draw down their full State General Fund allocation without an additional match once certain parameters are met. This alleviates some pressure on counties in the short term given the decrease in the federal share of administrative costs.
    - At this time, given current budgeted CalFresh eligibility costs, the County would anticipate claiming all of the available revenue in the current fiscal year.
    - This would allow approximately $9 million in budgeted Unlocked Reserves and $18 million in Social Services realignment, or a total of $27 million in local funds, to be preserved for future years.

- Medi-Cal Revenue: Projected increased H.R.1 funding of $41 million
    - Currently, this funding is only available for use during the current state fiscal year.
    - The State Administration is continuing to have discussions regarding whether the H.R.1 Medi-Cal funding could be available for expenditure over two fiscal years (FY 2026-27 and FY 2027-28).
    - Staff anticipate claiming approximately $15 million of the available revenue for current year budgeted costs, replacing Unlocked Reserves. This leaves an additional $26 million in Medi-Cal revenue available to program.
    - County staff are awaiting additional guidance on which types of Medi-Cal H.R.1 expenditures will be eligible for reimbursement, including clarification on whether contracted costs may be claimed. SSS is also reassessing opportunities to further strengthen internal County staffing this year should the funds be unable to carry forward. At this time, the team anticipates needing through the end of October to complete the analysis. Because the funds are one-time, planning scenarios will also need to incorporate potential bridge strategies and estimated wind-down periods if additional funding is not secured in future years.

Since the County does not yet have formal allocation letters from the State, estimated funding amounts for Medi-Cal and CalFresh may change once the distribution among counties is finalized. The portion of budgeted County costs attributed to each funding source also changes throughout the year based on staff time studies and the timing of projected overhead and operating costs. Staff will continue to update projections quarterly.

While potential costs continue to evolve and will not be fully known until all H.R.1 policies are in place for more than a year, the next section describes updated assumptions about the County's fiscal

exposure related to FTEs and potential downstream safety net costs if individuals lose Medi-Cal or CalFresh benefits.

FTE.Estimates.
The County's adopted FY 2026-27 budget included 122 additional full-time Self-Sufficiency employees to address CalFresh changes and to begin to address Medi-Cal changes. **At this time, there are no changes to the estimated need for staffing.** Throughout the CalFresh changes that began in April, SSS has been able to maintain steady application and renewal processing times, indicating no extreme stress on the system due to a strong training and preparedness plan. Staff will continue to monitor these indicators, as discussed further in the Metrics & Monitoring section of this report.

For Medi-Cal implementation, in Fall 2025 staff originally estimated up to 727 FTEs may be needed based on a potential worst-case scenario of mandated bi-monthly eligibility checks for work requirements. Since the initial analysis, while the County still does not have the full picture, we have been able to determine a reduced need for additional FTEs based on:

- Likely 6-month (semi-annual) eligibility checks only (not bi-monthly)
- The heaviest staff impacts are anticipated in July 2027 when we see the first 6-month Medi-Cal renewals begin
- The anticipated Medi-Cal workload will likely be reduced due to the determination that meeting CalFresh work requirements will automatically mean meeting Medi-Cal work requirements (i.e. more Medi-Cal members being exempt from Medi-Cal work requirements)

Based on the factors above and SSS's recent hiring of around 100 new Human Services Specialists and supporting supervisorial staff that will be fully trained in time for Medi-Cal change implementation, at this time, SSS does not anticipate a need for additional eligibility worker staffing in the current fiscal year for initial Medi-Cal change implementation. However, there are likely areas where clerical, call-center, and other ancillary staff would be valuable to help prepare the County team and the community for implementation. This analysis for FY 26-27 will be ongoing through Octiber as staff evaluate the additional one-time funds for implementation made available in the State budget.

SSS anticipates having a more accurate assessment of ongoing staffing needs related to implementation of Medi-Cal changes in September/October 2027. While work requirements are likely to increase workload starting early 2027, the most significant impacts are expected when there are thousands of additional renewals that need to be processed when 6-month eligibility checks begin in mid-2027. If there are any early flags raised through monitoring of initial indicators of key operational measures (application processing and wait times, etc.), staff will report to the Safety Net Ad Hoc about potential mid-year adjustments. The Board's early investment in new staffing resources for SSS has positioned the County to prepare for the changes ahead.

Downstream.Safety.Net.Costs.
State and County H.R.1 analyses underscore the potential downstream impact on County safety net programs, providers, and the community, even though actual County-level impacts will depend on final implementation rules and local mitigation efforts.

The Adopted FY 2026–27 Operational Plan also included $44.7 million investment set aside for safety net services. The $44.7 million is not solely dedicated to H.R. 1 impacts but is broadly defined to support safety net areas at risk, including potential impacts from federal and State policy changes. One million of the $44.7 million has already been allocated by the Board to support expanded food access under the Board's Safety Net Bridge initiative.

This may be used, but is not limited to potential additional costs that will be further refined based on Board direction later this year, including:

- Potential expansion or increased utilization of County Medical Services, which is anticipated to go to the Board for consideration in Winter 2026; and
- Safety Net Bridge Program costs.

While the State budget includes one-time county administration funding for implementation of Medi-Cal changes, it does **not include new dedicated funding for counties to provide indigent medical care to members who lose Medi-Cal coverage as a result of H.R.1**. If the number of uninsured residents and associated costs increase, the County's obligation to provide indigent care may grow without a corresponding restoration of the realignment funding previously redirected to the State.

In May, staff also identified additional potential future County fiscal exposure related to:

- Medi-Cal revenue loss in Behavioral Health Services, given that in FY 2024–25 approximately 55% of Specialty Mental Health clients and 74% of Drug Medi-Cal clients were ACA Expansion members who may be subject to new work requirements. While most BHS expansion members will qualify for a Medi-Cal work requirements exemption, some may lose coverage due to non-compliance, and an increased frequency of renewals.
- Potential Medi-Cal penalties, audit risk, or other compliance-related costs in future years.
- Increased future costs as a result of a change in federal funding for CalFresh benefits for States with error rates at or above 6%.

Costs for these items will be identified once more information is available about federal and state policies. This financial impact will be considered for future incorporation in a mid-year adjustment and/or subsequent operational plans.

These future costs remain difficult to quantify because final federal and State guidance is still pending, and actual impacts will depend on the number of members who lose coverage, the timing of coverage loss, final guidance on exemption criteria, State funding decisions, and the County's ability to prevent churn and support re-enrollment.

Key Fiscal Risk for the County

While strong upfront planning has positioned the County well for the initial phase of H.R.1 implementation in FY 2026–27, the greater fiscal risks are likely to surface later and may unfold over several years. If eligible members lose Medi-Cal coverage because of missed renewals, inability to document exemptions, work requirement compliance barriers, or immigration-status-related changes, the County may experience increased pressure on Behavioral Health Services, CMS, and Safety Net Bridge. For this reason, the County's fiscal mitigation strategy is closely tied to the operational strategies described above: preventing avoidable churn, maximizing ex parte renewals, identifying exemptions early, communicating clearly with members and partners, and expediting re-enrollment when Medi-Cal coverage ends.

Preparing the County's Safety Net for 2027

The County is entering a period of substantial uncertainty and elevated risk. Final federal and State guidance remains incomplete, the timing and scale of coverage loss will evolve, and the effects may extend well beyond eligibility operations. If residents lose Medi-Cal because of procedural barriers, an inability to document an exemption, or changes in immigration-related eligibility, the resulting costs will not simply disappear. They may shift to County-funded behavioral health and indigent care programs, hospitals and clinics providing uncompensated care, and residents whose treatment is delayed or disrupted. With no dedicated State funding for these downstream indigent care costs, the County must actively manage, not merely absorb, this risk.

The County has an opportunity to implement indigent care reforms in phases, beginning with an updated policy that establishes clear eligibility, covered services, and administrative standards before the most significant coverage changes take effect. As implementation proceeds and the impacts of federal and State policy changes become clearer, the County will monitor enrollment, service utilization, access, and costs and adjust its approach accordingly. Timely Board direction will allow the County to establish a coordinated safety net that maximizes available coverage, preserves continuity of care, and focuses County resources on residents without other coverage options, while remaining responsive to changing needs and managing fiscal and operational risk.

Appendix A: Summary of Major Medi-Cal Eligibility and Enrollment Changes

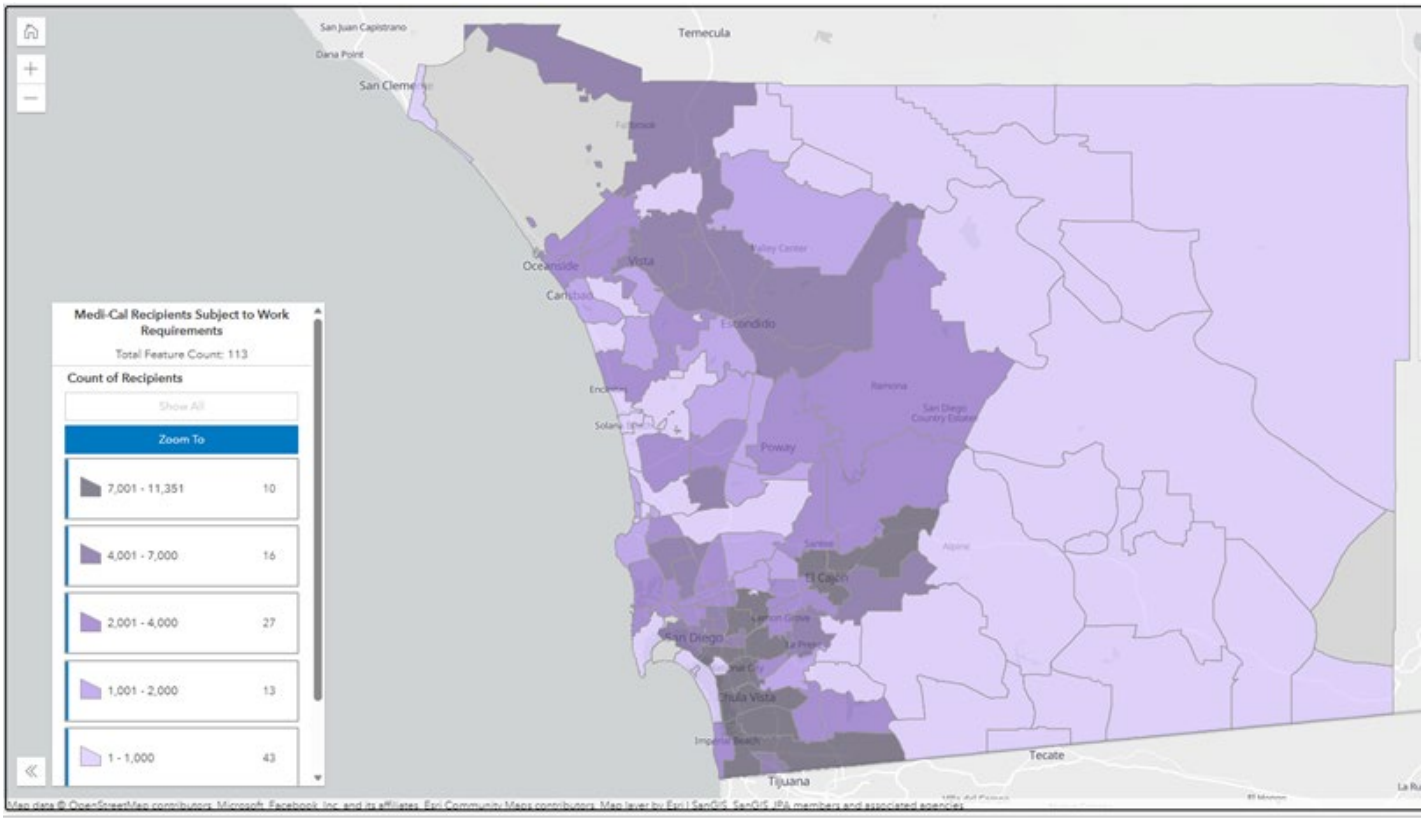
Policy Change	Effective Date / Timing	Population Potentially Affected	What Changes	County Impact / Planning Notes
Full-Scope Enrollment Freeze for Certain UIS Adults	January 1, 2026	Certain adults with Unsatisfactory Immigration Status (UIS) who are not already enrolled in full-scope Medi-Cal	California froze new enrollment into full-scope Medi-Cal for certain UIS adults. Individuals already enrolled may generally keep full-scope coverage if they renew on time and continue to meet eligibility rules.	Already implemented. Creates a smaller but more complex group of members who may retain coverage if they maintain eligibility and complete renewals timely.
Partial Reinstatement of Asset Limit	January 1, 2026	Certain Medi-Cal populations subject to non-MAGI eligibility rules	California reinstated an asset limit for certain Medi-Cal populations. This does not apply to all Medi-Cal members.	Already implemented. County eligibility staff must continue applying asset rules for affected groups while implementing additional 2027 changes.
Noncitizen Eligibility / Federal Funding Limits	October 1, 2026	Certain qualified noncitizens and humanitarian statuses, including some refugees, asylees, humanitarian parolees, and survivors of domestic violence or trafficking with pending status	Federal funding for full-scope Medicaid will be limited for certain noncitizen categories. California is expected to maintain state-funded full-scope Medi-Cal for affected qualified noncitizens through June 30, 2027.	State guidance still evolving. Important to distinguish federal funding changes from member eligibility and State-funded coverage decisions.
UIS Managed Care to Fee-for-Service Transition	January 1, 2027	Medi-Cal members with UIS who remain eligible for Medi-Cal	Members with UIS will transition from managed care to fee-for-service Medi-Cal. This is a delivery system change, not	High risk for care disruption, provider confusion, and navigation needs. County coordination with DHCS, health plans, providers, and

Policy Change	Effective Date / Timing	Population Potentially Affected	What Changes	County Impact / Planning Notes
			necessarily a loss of eligibility.	community partners will be important.
Work and Community Engagement Requirements	January 1, 2027; practical timing may depend on renewal and noticing rules	ACA Adult Expansion / MAGI New Adult Group, generally adults ages 19–64, unless exempt	Certain adults must meet 80 hours per month of work, community service, work program participation, education/training, or qualify for an exemption. Compliance is expected to be reviewed at application and renewal.	Major operational impact. Exemption screening and documentation may be as significant as work reporting. Final federal and State guidance remains incomplete, including medical frailty standards and acceptable attestations.
Six-Month Eligibility Renewals	January 1, 2027; may first affect renewals due in March 2027, because renewals are initiated two months earlier	ACA Adult Expansion / MAGI New Adult Group, generally non-disabled adults ages 19–64	Affected members will renew Medi-Cal every six months instead of annually.	Increased renewal volume, returned mail risk, call center volume, and procedural discontinuance risk. County planning should focus on ex parte renewals, updated contact information, notices, and community assistance.
Retroactive Coverage Limits	January 1, 2027	ACA Adult Expansion population and other Medi-Cal eligibility groups	Retroactive coverage will be reduced from three months to one month for the ACA Adult Expansion population and to two months for other eligible groups.	May increase uncompensated care risk for hospitals, clinics, behavioral health providers, and County safety net programs when eligible individuals apply after receiving care.
Address Verification / Duplicate	January 1, 2027; national duplicate enrollment	All Medi-Cal members, with emphasis on members with returned mail, address changes,	States must use address information and data sources to reduce duplicate	May increase notices, case updates, returned mail processing, and risk of

Policy Change	Effective Date / Timing	Population Potentially Affected	What Changes	County Impact / Planning Notes
Enrollment Requirements	database expected later	or possible out-of-state enrollment	Medicaid enrollment and improve address accuracy.	coverage loss if members do not receive or respond to communications.
Adult Dental Benefit Change for Certain UIS Members	Delayed from July 1, 2026 to July 1, 2027	Adults ages 19 and older with UIS who do not qualify for federally funded full-scope Medi-Cal, unless exempt	Full-scope dental coverage will shift to emergency-only dental coverage for affected adults. Children, pregnant individuals, and certain former foster youth are not expected to lose full-scope dental benefits.	Implementation delayed one year. Requires corrected messaging because notices were previously issued for the July 1, 2026 effective date.
Monthly Premiums for Certain UIS Adults	July 1, 2027	Certain adults ages 19–59 with UIS who remain in full-scope Medi-Cal and are not pregnant	Affected members will be required to pay a monthly premium, currently identified by DHCS as $30 per month to keep full-scope Medi-Cal, but subject to next year's state budget.	Coverage loss risk if members do not understand, receive, or pay the premium. Requires outreach, customer assistance, and coordination with community partners.
Post-July 2027 State-Funded Coverage for Certain Noncitizens	July 1, 2027 and after	Certain noncitizens whose full-scope coverage is state-funded after federal funding limits take effect	The scope of state-funded coverage after July 1, 2027 remains subject to final State policy and guidance.	Significant planning uncertainty. County fiscal, operational, and indigent care impacts will depend on final State coverage rules and implementation instructions.

Appendix B: Map of Individuals Subject to Work Requirements

The following map pictures San Diego County zip codes with the highest number of ACA Expansion (M1) Medi-Cal members likely to be subject to work requirements. The darker shades represent areas with the greatest number of members at risk, with lighter shades representing areas with the least number of members at risk.



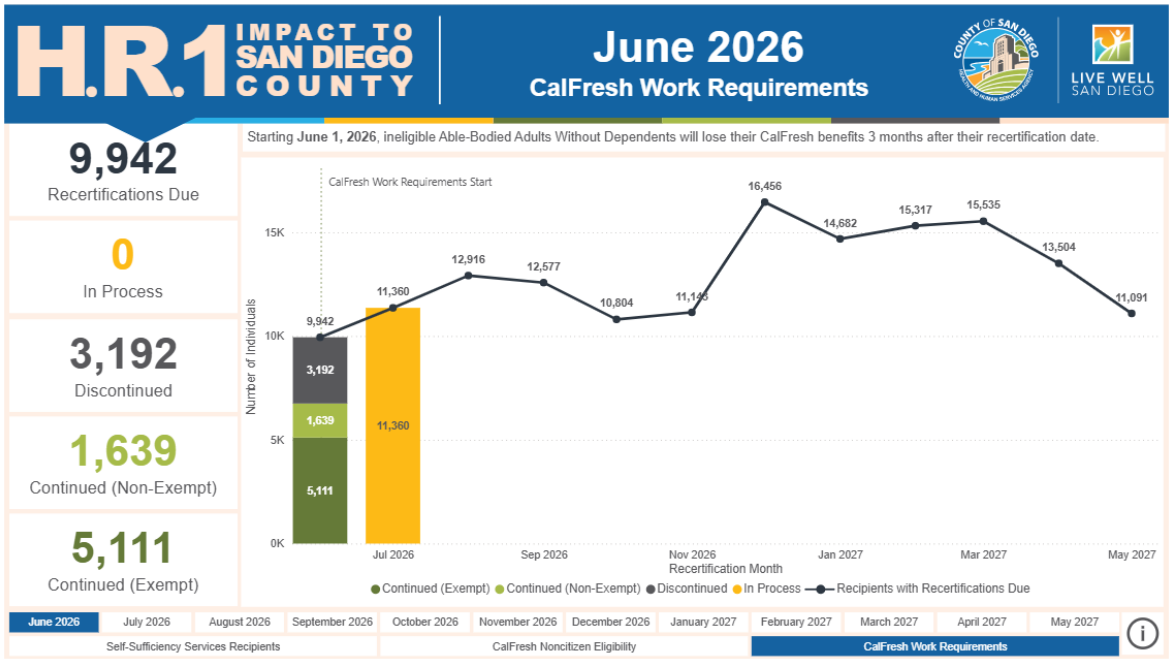
Appendix C: Implementation Overview

The table below provides a preliminary implementation overview based on information currently available from State and federal policy guidance. In particular, DHCS has communicated verbally that the first month work requirements begin for Medi-Cal renewals is March 2027 (for renewals initiated in January 2027), but official guidance has not been issued. Items marked with an asterisk (*) occur monthly, and items with a caret (^) are subject to change based on final State guidance.

Month	**Action**
June 2026	Launch WorkReady Hub to support Medi-Cal members with meeting work and community engagement requirements - **COMPLETE**
August 2026	Launch Medi-Cal Communication Plan (community presentations and updated toolkit, social media, County News Center, website updates, etc.) - **COMPLETE**
September 2026	Medi-Cal Customer text
October 2026	Access Call Center IVR will be updated
October 1, 2026*	Auto ex-parte process begins for Medi-Cal renewals due in January
October 15, 2026*	Customers with renewals due in January receive text and robocall
October 15, 2026*	Renewal packets mailed for renewals due in January
November 2026	Start Staff Training Plan for Work Requirements and Six-Month Eligibility Checks
November 2026 -July 2027	Establish contracts for Safety Net Bridge and County Medical Services
January 15, 2027*	Reminder notice mailed and text reminder for customers with renewals due January 31, 2027
January 2027*	Upon completion of renewal, households will be notified of the 6-month renewal period if applicable^
January 1, 2027	Work Requirements Begin for new Medi-Cal *applicants*^
March 1, 2027	Work Requirements Begin for Medi-Cal *renewals*^
April 2027	First month Medi-Cal members with a renewal due in January could lose their benefits due to work requirements (note: 90 day cure period)^
Early 2027	Begin Safety Net Bridge Medical Pilot
January - December 2027	Implement 2027 County Medical Services Reforms (pending Board approval)

Appendix D: Dashboard

After the first full month of Medi-Cal Work and Community Engagement Requirements, the County will publish a new dashboard displaying the total Medi-Cal redeterminations that were due the previous month for the population subject to work requirements, how many were continued for renewal and how many were discontinued. The dashboard will look like the current CalFresh Work Requirement dashboard pictured below which can be found on the County's HR1 webpage:



The current public dashboard also displays enrollment by month in Medi-Cal, CalFresh, and County Medical Services, as pictured below:

