

Medi-Cal Policy FAQs

version date August 14, 2025

1. Q: When should we anticipate changes occurring due to the passing of H.R.1?

A: The changes in H.R. 1 and from the state budget occur at different times over the next several years. Some changes are phased in starting in mid to late 2026, and others do not begin until 2027, 2028, and beyond. CenCal Health has developed a detailed policy [implementation grid](#) which explains when each health-related provision will become effective, as well as a more [simplified timeline](#).

2. Q: How many members might lose coverage under the new legislation?

A: H.R. 1 includes changes like the implementation of work requirements and more frequent eligibility determinations. Prior experience with these types of changes in other states has shown that the most common reason for disenrollment is administrative issues, such as not submitting the appropriate paperwork to verify work requirements. It's possible that up to 30,000 people out of our 242,000 members may lose eligibility over the coming years due to these changes.

3. Q: We see a lot of provisions targeting the adult expansion population. What does that mean?

A: The Affordable Care Act (ACA) expanded eligibility to childless individuals aged 19-64 whose income is below 138% of the Federal Poverty Level. Prior to the ACA, Medi-Cal was largely for low-income families with children, seniors, people with disabilities, children, and pregnant women. CenCal Health has approximately 74,000 ACA expansion members for whom changes like work requirements would be required.

4. Q: When we think of work requirements, what happens to those individuals who may be unable to work?

A: There are several populations who will likely be excluded from work requirements, including those in active substance use disorder treatment or parents who care for children under a certain age. It is likely that California will have 1-3 years prior to the required implementation of work requirements, so we have time to work together to determine the most effective work requirement model on the Central Coast, and to advocate for those populations whom we believe should be excluded.

5. Q: What implications will future work requirements have on CalAIM services?

A: In order to remain eligible for CalAIM, members will need to remain on Medi-Cal and will need to fulfill the future work requirements. Many populations of focus covered under CalAIM programs will likely be excluded from work requirements. CenCal Health will be partnering locally to ensure that as many people as possible remain on Medi-Cal and therefore able to access CalAIM services.

- 6. Q: What resources can providers provide to their patients who are no longer eligible for Medi-Cal?**
- A:** Members who lose eligibility through Medi-Cal can be directed to our local social services departments or promotores who can assist with options and next steps.
- 7. Q: How can our community work together to ensure that access to care is maintained?**
- A:** This year, over 30 local providers and community partners created the Central Coast Health Coalition who partnered together to advocate for the protection of Medicaid. CenCal Health believes that this type of continued collaboration, along with our local health departments, will be essential for protecting access to care and innovating local solutions.
- 8. Q: Does CenCal Health determine member immigration status?**
- A:** No, CenCal Health does not determine immigration status or Medi-Cal eligibility.
- 9. Q: When will the change in the Prospective Payment System (PPS) rates for services provided to members with unsatisfactory immigration status (UIS) take place? Are there any additional populations that are at risk?**
- A:** The elimination of the PPS rate for UIS populations is set to become effective July 1, 2026. At this time, CenCal Health is not aware of any additional populations who are at risk with respect to PPS funding. Note that this change impacts Federally Qualified Health Centers and Rural Health Centers only.
- 10. Q: Will CenCal Health be reducing payments made to providers?**
- A:** CenCal Health will not be reducing contracted per-member payments or per-member Quality Care Incentive Program payments to providers.
- 11. Q: Was Proposition 35 impacted by the passage of H.R. 1 or the State budget?**
- A:** Current provider rate enhancements made in 2024 through the Targeted Rate Increase process are not impacted and will continue. New increases which were planned under Proposition 35 will likely not occur, as the funding mechanism through the MCO tax was impacted by Federal and State legislation.
- 12. Q: I just contracted as a CenCal Care Connect D-SNP provider. Is this program in danger of being cut?**
- A:** CenCal CareConnect, our Dual Special Needs Plan (D-SNP), will launch on January 1, 2026, as planned.
- 13. Q: What resources are available for providers to assist members with accessing care during this time?**
- A:**
- Telehealth: CenCal Health covers care delivered via telemedicine per DHCS guidelines.
 - Transportation: Eligible members can access door-to-door transportation for appointments, to pick up medications, and have their labs drawn through our transportation vendor, Ventura Transit Systems (VTS). Members can contact our Member Services Department at 1-877-814-1861
 - Medication: CenCal Health members can have their medication delivered to their homes through Medi-Cal Rx. Search for mail-order pharmacies on the [Medi-Cal Rx website](#) by using the display filter for "mail order" after you search for a pharmacy near you. Members can also call the Medi-Cal Rx call center for assistance locating a mail-order pharmacy at 1-800-977-2273 (TTY 711), 24 hours a day, 7 days a week.

14. Q: Does Medi-Cal cover telehealth services?

A: Yes, CenCal Health will reimburse for care delivered via telemedicine per DHCS guidelines.

15. Q: What providers are impacted by the funding ban on prohibited entities?

A: The federal ban on Medicaid payments to prohibited entities impacts primarily Planned Parenthood. As of August 12, 2025, an injunction remains in effect which blocks the implementation of this funding restriction.

16. Q: What impacts are there with transgender care and gender affirming services for CenCal Health members?

A: Transgender care and gender affirming services remain Medi-Cal benefits and therefore reimbursable by CenCal Health. We recognize that some providers may be impacted by the Executive Order prohibiting such services. Providers seeking access to transgender care and gender affirming services for their members can contact our Provider Relations Department for assistance at 805-562-1676.

17. Q: What impact might the changes to the definition of Public Charge have on our community?

A: CenCal Health is working with our health care providers to discuss ways to support access to care for everyone in our community. The change in Public Charge definition has not changed Medi-Cal eligibility at this time.

18. Q: How does the recent legislation impact our local hospitals?

A: Hospitals both locally and throughout the state are assessing what the recent legislation means for their organizations. Here on the Central Coast, we are in touch with all of our local hospitals and will continue to be a partner as they work through their associations to assess any impacts and next steps.

19. Q: Are there any changes to IHSS or SSI?

A: No changes were noted in the state budget regarding IHSS or SSI at this time.