



The Honorable Jesse Gabriel, Chair

Assembly Budget Committee
1021 O Street, Suite 8230
Sacramento, CA 95814

The Honorable John Laird, Chair

Senate Budget and Fiscal Review Committee
1021 N Street, Room 8720
Sacramento, CA 95814

The Honorable Mia Bonta, Chair

Assembly Health Committee
1020 N Street, Suite 390
Sacramento, CA 95814

The Honorable Akilah Weber Pierson, Chair

Senate Health Committee
1021 O Street, Suite 7310
Sacramento, CA 95814

The Honorable Dawn Addis, Chair

Assembly Budget Subcommittee No. 1 on Health
1021 O Street, Suite 4120
Sacramento, CA 95814

The Honorable Caroline Menjivar, Chair

Senate Subcommittee 3 on Health and Human Services
1021 O Street, Suite 6630
Sacramento, CA 95814

Cc: The Honorable Robert Rivas

Speaker of the Assembly
1021 O Street, Suite 8330
Sacramento, CA 95814

Cc: The Honorable Monique Limón

Senate President pro Tempore
1021 O Street, Suite 8518
Sacramento, CA 95814

Re: Alternative Solution to Retain Coordinated Care for Medi-Cal Members with Unsatisfactory Immigration Status

Dear Legislative Leaders:

We write to express our strong opposition to the proposal to move Medi-Cal members with unsatisfactory immigration status (UIS) from managed care into the state Fee-for-Service (FFS) delivery system. In recent years, California extended coverage to the UIS population in recognition of their integral role in our communities and our economy. That coverage, combined with stable provider

relationships, has enabled individuals to access preventive services and receive treatment for long-standing conditions that previously went unmanaged. We believe that the state can address federal compliance concerns without creating an access crisis.

The Administration's proposal would dismantle the coordinated care infrastructure on which UIS members rely and would **replace it with a fragmented system characterized by limited care management, fewer provider options, and significantly higher long-term costs**. Rather than reducing expenditures, the Administration's proposal would shift costs to more acute and expensive settings, thereby creating avoidable crises for families and greater financial pressure on counties, hospitals and community providers.

For our region, this issue is immediate and significant. CenCal Health serves 230,000 members across Santa Barbara and San Luis Obispo Counties, including 38,703 UIS community members. Among those members are 4,501 children and 1,676 older adults. These are not merely numbers in a budget proposal. They are our patients, students, neighbors, workers, parents, grandparents, and community members.

Our Coalition Supports a Compliant Alternative

We remain committed to program integrity and full compliance with federal guidance, and we understand that the Local Health Plans of California (LHPC) has created an alternative proposal (Alternative Proposal) that achieves both. We applaud the Assembly's plan which proposes to retain non-emergency benefits in Managed Care. The Alternative Proposal **preserves continuity of care and avoids the disruption** that would result from moving nearly two million vulnerable Medi-Cal members into fee-for-service. Under the Alternative Proposal, UIS members would remain connected to CenCal Health, to their local provider, and to the care coordination infrastructure, member services, and access supports provided by CenCal Health, while the state would directly pay for the federally sensitive carve-out services through their proposed Fee-For-Service system. **This approach is compliant with federal requirements.**

The LHPC proposal **preserves nearly two-thirds** of the Administration's assumed savings, while avoiding larger downstream costs to hospitals, clinics, physicians, counties, and members. It also preserves physician rates for managed care services paid currently paid by CenCal Health. Critically, it also protects the safety net by avoiding the Administration's projected utilization consequences, including the proposed **16% increase in inpatient care and 12% increase in emergency room use**, because plans like CenCal Health would continue managing outpatient access, primary and specialty care pathways, complex case management, community health worker services, and local care coordination. **Our Central Coast Health Coalition and Community Partners support the alternative proposal put forward by LHPC.**

We recognize that the state is responding to federal guidance, but compliance does not require removing members from managed care. **We urge the Legislature to pursue the solution that preserve comprehensive, coordinated care for all populations, regardless of immigration status.** California can meet the federal directive and achieve meaningful savings without reducing access to care for nearly two million Medi-Cal members, over 38,000 of whom reside in San Luis Obispo and Santa Barbara Counties.

For decades, the Central Coast has built a coordinated, community-based Medi-Cal delivery system that system is local, accountable, integrated, and deeply connected to the people it serves. Fee-for-Service cannot replicate this system.

We urge state leaders to reject this step backward and instead adopt an alternative model that preserves coordinated care and protects vulnerable members from being pushed into a fragmented system that cannot meet their needs.

Respectfully,

The Central Coast Health Coalition and Community Partners

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