

**CMSP GOVERNING BOARD
MEETING AGENDA ITEM
SUMMARY REPORT**

AGENDA ITEM

XI – Public Hearing: Proposed Program, Eligibility, and Benefit Changes

At the Governing Board’s March 26 and May 27, 2026 meetings, in response to impending reductions to Medi-Cal enrollment resulting from federal Medicaid work requirements under House of Representatives 1 (H.R.1), the Board considered and approved a set of changes to the Connect to Care (CTC) Program, CMSP eligibility and CMSP benefits, to be effective January 1, 2027, pending public hearings to be held by the Governing Board.

Under California law (Welfare and Institutions Code Section 17000) counties are required to “relieve and support all incompetent, poor, indigent persons, and those incapacitated by age, disease, or accident, lawfully resident therein, when such persons are not supported and relieved by their relatives or friends, by their own means, or by state hospitals or other state or private institutions.” Under this state law, counties provide medical services to the indigent poor who are lawfully present. The CMSP program assists the CMSP counties in fulfilling this responsibility.

The proposed suspension of the Connect to Care program, the proposed eligibility changes for the CMSP program, and the proposed reduction of CMSP benefits are necessitated by the Federal passage of H.R. 1, which established new Medicaid (Medi-Cal in California) enrollment and eligibility requirements. The estimated number of CMSP county residents who will disenroll from Medi-Cal due to H.R. 1 requirements and become uninsured is up to 124,000. Estimated annual costs to provide CMSP benefits for these uninsured individuals, under current CMSP eligibility requirements and benefit levels, is up to \$943 million.

In consideration of Welfare and Institutions Code 17000, the Governing Board’s current fund balance, changes to the Medi-Cal program, and in consideration of the absence of ongoing funding for CMSP, the following program changes are proposed to provide an orderly transition to higher levels of CMSP enrollment beginning in 2027, when major components of H.R. 1 begin to take effect.

If the Governing Board votes “Nay” on any proposed program, eligibility, and/or benefit change, the change will not be implemented and the current program, eligibility and/or benefit will remain unchanged. If the Governing Board would like to propose additional program, eligibility, and/or benefit changes deemed to be a reduction in benefit, those changes would be directed to the appropriate CMSP Committee(s) for consideration, be brought back to the Board for approval, go to two public hearings after required noticing, and then back to the Board for final approval. This process can take 6 months with additional time for full implementation.

Additionally, any recommendations approved by the Governing Board in this item are exempt from CEQA pursuant to CEQA Guidelines section 15061(b)(3), as there is no possibility that these actions may have a significant effect on the environment.

A. Proposed Suspension of the Connect to Care Benefit Program

At the Board's May 27, 2026 meeting, the Board approved suspension of the Connect to Care (CTC) program pending public hearings.

CTC was established in 2020 to provide no/low-cost primary care benefit coverage to low-income documented and undocumented uninsured adults that are likely eligible for CMSP but have not applied for CMSP coverage. Applicants aged 21-64 must reside in a CMSP county, have incomes above 138% FPL and no greater than 300% FPL, with a self-reported asset limit of \$20,000 individual / \$30,000 couple. Enrollment in CTC is done through the mCase eligibility system at Community Health Centers and does not interact with the county eligibility system, CalSAWS.

With the anticipated changes to CMSP enrollment resulting from H.R. 1 in 2027, going forward this stand-alone primary care benefit program would:

- Create duplication with the existing full-scope CMSP benefit package, which includes primary care;
- Be contrary to any Governing Board action to eliminate full scope benefits to the undocumented, if such action were to be taken; and,
- Be contrary to any Governing Board action to change the federal poverty level, asset test, share of cost, and Covered California requirements for the CMSP benefit program, if such action were taken.

PROJECTED ANNUAL SAVINGS:	Up to \$5 million
PERSONS AFFECTED:	1,300 individuals
PROPOSED EFFECTIVE:	January 1, 2027

RECOMMENDATION

It is recommended that the Board approve the suspension of the Connect to Care program effective January 1, 2027, authorize staff to implement the suspension of the Connect to Care program and that Connect to Care members be provided with the opportunity to apply for CMSP in accordance with CMSP eligibility requirements and benefit coverage in effect as of January 1, 2027.

B. Proposed Changes to CMSP Program Eligibility Requirements

At the Board's January 28, 2026 meeting, the Board directed both the CMSP Eligibility and Planning & Benefits Committee to review proposed eligibility changes given the impacts of H.R. 1 on the CMSP benefit program.

At the Board's March 25, 2026 meeting, following discussion, staff and committee recommendations, the Board approved the following set of proposed changes to CMSP

eligibility requirements pending public hearings. Please refer to Attachment 1 for a summary of the items approved by the Board and the committee recommendations on those items.

1. Reduce CMSP eligibility to 200% of the Federal Poverty Level

In May 2016, the CMSP Governing Board approved increasing the upper income limit for CMSP eligibility from 200% FPL to 300% FPL. Effective January 1, 2027, it is proposed that the upper income limit for CMSP be reduced to 200% FPL, the same level it was prior to the Affordable Care Act (ACA).

PROJECTED ANNUAL SAVINGS:	Indeterminable but expected to be significant
PERSONS AFFECTED:	Indeterminable but expected to be significant
PROPOSED EFFECTIVE:	January 1, 2027

RECOMMENDATION

It is recommended that the Board approve the proposal to reduce CMSP eligibility to 200% of the Federal Poverty Level effective January 1, 2027 and authorize staff to implement the change.

2. Reinstate full monthly share of cost for all applicants with no reduction in payment amount

In May 2016, the CMSP Governing Board approved applying a 75% reduction to the monthly share of cost (SOC) amount due from CMSP members with incomes above 138% FPL to 300% FPL. Effective January 1, 2027, it is proposed that the full monthly SOC be reinstated with no reduction.

PROJECTED ANNUAL SAVINGS:	Indeterminable but expected to be significant
PERSONS AFFECTED:	Indeterminable but expected to be significant
PROPOSED EFFECTIVE:	January 1, 2027

RECOMMENDATION

It is recommended that the Board approve the proposal to reinstate the full monthly share of cost for all applicants with no reduction in payment amount effective January 1, 2027 and authorize staff to implement the change.

3. Establish no share of cost for individuals up to 100% of the Federal Poverty Level

In May 2016, the Board authorized the removal of the monthly SOC requirement for CMSP applicants with incomes up to 138% FPL. Prior to this time, CMSP applicants with incomes up to 67% FPL had no SOC requirements. Effective January 1, 2027, it is proposed that there be no SOC for CMSP applicants up to 100% FPL instead of up to 138% FPL.

PROJECTED ANNUAL SAVINGS:	Indeterminable but expected to be limited
PERSONS AFFECTED:	Indeterminable but expected to be limited
PROPOSED EFFECTIVE:	January 1, 2027

RECOMMENDATION

It is recommended that the Board approve the proposal to establish no share of cost for individuals up to 100% of the Federal Poverty Level effective January 1, 2027 and authorize staff to implement the change.

4. Reinstate the requirement that CMSP eligible applicants who may be otherwise eligible for Covered California apply during its open enrollment

Following enactment of the ACA, the Board established a requirement that CMSP applicants who may be otherwise eligible for Covered California apply for Covered California during its open enrollment period. In October 2023, the Board approved removal of this requirement, and instead required such applicants be provided with information about applying for Covered California. Effective January 1, 2027, it is proposed that eligible CMSP applicants again be required to apply for Covered California during Covered California's open enrollment period.

PROJECTED ANNUAL SAVINGS:	Indeterminable but expected to be limited
PERSONS AFFECTED:	Indeterminable but expected to be limited
PROPOSED EFFECTIVE:	January 1, 2027

RECOMMENDATION

It is recommended that the Board approve to reinstate the requirement that CMSP eligible applicants who may be otherwise eligible for Covered California apply during its open enrollment effective January 1, 2027 and authorize staff to implement the change.

5. Set the asset limit to \$10,000 individual / \$20,000 couple, exclusive of a primary residence and vehicle, and apply the asset limit to all CMSP applicants

In May 2016, the Board approved increasing the asset limit for CMSP applicants with incomes above 138% up to 300% FPL from \$2,000 individual / \$3,000 couple to \$20,000 individual / \$30,000 couple. The Board also approved removal of the asset limit for CMSP applicants with incomes up to 138% FPL. Effective January 1, 2027, it is proposed that the asset limit be applied to all CMSP applicants and be set to \$10,000 individual / \$20,000 couple, exclusive of a primary residence and vehicle.

PROJECTED ANNUAL SAVINGS:	Indeterminable but expected to be limited
PERSONS AFFECTED:	Indeterminable but expected to be limited
PROPOSED EFFECTIVE:	January 1, 2027

RECOMMENDATION

It is recommended that the Board approve setting the asset limit to \$10,000 individual / \$20,000 couple, exclusive of a primary residence and vehicle, and apply the asset limit to all CMSP applicants effective January 1, 2027 and authorize staff to implement the change.

C. Proposed Changes to CMSP Program Benefits

At the Board's January 28, 2026 meeting, the Board directed the CMSP Planning & Benefits Committee to review proposed changes to CMSP program benefits given the impacts of H.R. 1 on the CMSP benefit program.

At the Board's March 25, 2026 meeting, following discussion, staff and committee recommendations, the Board approved the following set of proposed changes to CMSP benefits pending public hearings. Please refer to Attachment 1 for a summary of the items approved by the Board and the committee recommendations on those items.

1. Reinstate emergency services only CMSP coverage for undocumented immigrants

When CMSP was created in 1983, eligibility for coverage was limited to legal residents of participating CMSP counties. After Proposition 99 (Tobacco Tax) was passed in 1988 and Proposition 99 funding was allocated to CMSP, undocumented residents were granted CMSP eligibility for emergency services only. While Proposition 99 funding ultimately declined several years later, emergency services only CMSP eligibility for undocumented county residents continued. In July 2023, the Board approved expanding the scope of services for undocumented CMSP members to full scope coverage.

A county's WIC Section 17000 mandate places responsibility on counties for those "legally resident therein," which does not include undocumented persons. In response to state fiscal constraints and changes to Medicaid under H.R. 1, Medi-Cal has made a series of changes related to coverage for undocumented applicants and has reverted to emergency services only coverage in lieu of full scope coverage for certain new adult applicants.

PROJECTED ANNUAL SAVINGS:	Up to \$44,000,000.00
PERSONS AFFECTED:	Up to 8,680 persons
POSED EFFECTIVE:	January 1, 2027

Full scope coverage for the potential undocumented population (up to 8,680 persons) is estimated to be up to \$57,000,000 per year. Emergency only coverage for the potential undocumented population that utilizes emergency services only coverage (up to 4,340 persons, or half of the potential full scope population) is estimated to be up to \$13,000,000 per year. The potential annual savings to reinstate emergency services only coverage is the net difference between these two estimates, which is up to \$44,000,000.

RECOMMENDATION

It is recommended that the Board approve reinstating emergency services only CMSP coverage for undocumented immigrants effective January 1, 2027 and authorize staff to implement the change.

2. Reinstate monthly share of cost requirements for primary care services

In September 2018, the Board approved providing coverage for selected primary care and pharmacy services without CMSP members having to meet their monthly SOC amount. Prior to this time, the SOC requirement applied to all CMSP benefits. Currently there is no SOC for any services for members with incomes less than or equal to 138% FPL; however, this rule is currently under consideration in Agenda Item XI.B.3. See Attachment 2 for a summary of services that currently do and do not require SOC and the recommendation proposed effective January 1, 2027.

PROJECTED ANNUAL SAVINGS:	Indeterminable, but expected to be significant
PERSONS AFFECTED:	Indeterminable, but expected to be significant
PROPOSED EFFECTIVE:	January 1, 2027

RECOMMENDATION

It is recommended that the Board approve the reinstatement the monthly share of cost requirements for primary care services effective January 1, 2027 and authorize staff to implement the change.

3. Discontinue chiropractic services as a CMSP covered benefit

In July 2021, the Board expanded the CMSP full-scope benefit coverage to include chiropractic services. Prior to this time, chiropractic services were not covered.

PROJECTED ANNUAL SAVINGS:	Up to \$400,000
PERSONS AFFECTED:	Up to 1,240 persons
PROPOSED EFFECTIVE:	January 1, 2027

If 1% of the 124,000 potential members (1,240) utilizes this service one time, the potential annual savings to discontinue chiropractic services is up to \$400,000.

RECOMMENDATION

It is recommended that the Board approve the discontinuance of chiropractic services effective January 1, 2027 and authorize staff to implement the change.

4. Discontinue coverage for outpatient substance use disorder treatment services and expanded mental health services as CMSP covered benefits

In July 2023, the CMSP Governing Board expanded CMSP benefit coverage to include outpatient substance use disorder treatment services and services for mild to moderate

mental health conditions. See Attachment 3 for a summary of coverage prior to the benefit expansion, the benefit expansion, and the proposed change.

PROJECTED ANNUAL SAVINGS:	Up to \$3 million dollars
PERSONS AFFECTED:	Up to 9,300 persons
PROPOSED EFFECTIVE:	January 1, 2027

If 7.5% of the 124,000 potential members (9,300) utilizes one of these services one time, the potential annual savings to discontinue these services is up to \$3,000,000.

RECOMMENDATION

It is recommended that the Board approve the discontinue of coverage for outpatient substance use disorder treatment services and expended mental health services as CMSP covered benefits effective January 1, 2027 and authorize staff to implement the change.

5. Discontinue coverage for specified vision, audiology, and selective dental services as CMSP covered benefits

In July 2023, the Board expanded the CMSP benefit coverage to include additional vision, audiology, and selective dental services. See Attachment 4 for a summary of coverage prior to the benefit expansion, the benefit expansion, and the proposed change.

PROJECTED ANNUAL SAVINGS:	Up to \$1.52 million
PERSONS AFFECTED:	Up to 4,960 persons
PROPOSED EFFECTIVE:	January 1, 2027

If 4% of the 124,000 potential members (4,960) utilizes one of these services one time, the potential annual savings to discontinue coverage for these services is up to \$1,520,000.

RECOMMENDATION

It is recommended that the Board discontinue coverage for specified vision, audiology, and selective dental services effective January 1, 2027 and authorize staff to implement the change.

Attachment 1

Summary of Governing Board & Committee Actions on Proposed CMSP Eligibility & Benefits Changes

Item Summary	CMSP Planning & Benefits Committee 3/11/2026	CMSP Eligibility Committee 2/26/2026	Governing Board 3/25/2026
XI.B.1. Reduce CMSP eligibility to 200% of the Federal Poverty Level (FPL)	Recommend Approval (5 Aye/2 No)	Recommend Approval by Consensus	Approved Pending Public Hearings (9 Aye/0 No)
XI.B.2. Reinstate full monthly share of cost for all applicants with no reduction in payment amount	Recommend Approval (5 Aye/2 No)	Recommend Approval by Consensus	Approved Pending Public Hearings (9 Aye/0 No)
XI.B.3. Establish no share of cost for individuals up to 100% of the FPL	Recommend Approval (5 Aye/2 No)	Recommend Approval by Consensus	Approved Pending Public Hearings (9 Aye/0 No)
XI.B.4. Reinstate the requirement that CMSP eligible applicants who may be otherwise eligible for Covered California apply during its open enrollment	Recommend Approval (5 Aye/2 No)	Rejected by Consensus	Approved Pending Public Hearings (9 Aye/0 No)
XI.B.5. Set the asset limit to <u>\$10,000</u> individual / <u>\$20,000</u> couple, exclusive of a primary residence and vehicle, and apply the asset limit to all CMSP applicants	Recommend Approval to reinstate the pre-ACA asset limit of <u>\$2,000</u> individual / <u>\$3,000</u> couple and apply the asset limit to all CMSP applicants. (5 Aye/2 No)	Rejected by Consensus to reinstate the pre-ACA asset limit of <u>\$2,000</u> individual / <u>\$3,000</u> couple and apply the asset limit to all CMSP applicants Offered alternative asset limit of \$10,000 per household; and that 2 motor vehicles be exempt from the asset test for household sizes of 2 or more.	Approved Pending Public Hearings (7 Aye/2 No)

Item Summary	CMSP Planning & Benefits Committee 3/11/2026	CMSP Eligibility Committee 2/26/2026	Governing Board 3/25/2026
XI.C.1. Reinstate emergency services only CMSP coverage for undocumented immigrants	Rejected Recommend to Retain Full Scope CMSP coverage for undocumented members. (4 Aye/3 No)	<i>Item Not Considered by Eligibility Committee</i>	Approved Pending Public Hearings (6 Aye/3 No)
XI.C.2. Reinstate monthly share of cost requirements for primary care services	Recommend Approval (4 Aye/3 No)	<i>Item Not Considered by Eligibility Committee</i>	Approved Pending Public Hearings (7 Aye/2 No)
XI.C.3. Discontinue chiropractic services as a CMSP covered benefit	Recommend Approval (6 Aye/1 No)	<i>Item Not Considered by Eligibility Committee</i>	Approved Pending Public Hearings (7 Aye/2 No)
XI.C.4. Discontinue coverage for outpatient substance use disorder treatment services and expanded mental health services as CMSP covered benefits	Rejected (7 No/0 Aye)	<i>Item Not Considered by Eligibility Committee</i>	Approved Pending Public Hearings (7 Aye/2 No)
XI.C.5. Discontinue coverage for specified vision, audiology, and selective dental services as CMSP covered benefits	Recommend Approval (4 Aye/3 No)	<i>Item Not Considered by Eligibility Committee</i>	Approved Pending Public Hearings (7 Aye/2 No)

Attachment 2

Reinstate Monthly Share of Cost (SOC) for Primary and Preventive Care Services

Benefit	SOC Required for Coverage Effective 9/2018	Proposed SOC Requirement for Coverage Effective 1/2027
Adult Immunizations	No	Yes
Colorectal Cancer Screening	No	Yes
Hospital Outpatient Services	Yes (with specific exclusions)	Yes
Inpatient Hospital Care (including inpatient rehabilitation and mental health)	Yes	Yes
Laboratory and Radiology Services	No (with specific exclusions)	Yes
Outpatient Clinic Services	No	Yes
Physical Therapy	No	Yes
Primary Care and Specialist Office Visits	No	Yes
Psychiatric Services Provided by a Licensed Psychiatrist	No	Yes
Screening for Depression, Alcohol Misuse, Obesity Counseling	No	Yes
Prescription Medications with a \$5 Copay per Prescription (\$1500 maximum benefit limit)	No	Yes
Specialty Prescription Medications	Yes	Yes
Tobacco use Counseling and Intervention	No	Yes
Various In-Office Minor Medical Procedures	No	Yes
Chiropractic Services	Yes	To be discussed separately in Agenda Item XI.C.3.
Dental Services	Yes	To be discussed separately in Agenda Item XI.C.5.
Outpatient Mental Health Services (Mild to Moderate)	No	To be discussed separately in Agenda Item XI.C.4.
Outpatient Substance Use Disorder Services	No	To be discussed separately in Agenda Item XI.C.4.
Additional Ancillary Services**	Yes	Yes
**Adult Day Health Care, Blood and Blood Derivatives, Chronic Hemodialysis Services, Durable Medical Equipment (DME), Emergency Ambulance Services and Medically Necessary Transportation from acute hospital to other facilities for medically necessary care, Family Planning Services including Sterilization (when no other coverage, including F-PACT), Hearing Aids, Home Health Agency Services, Infusion Therapy, Inpatient and Outpatient Heroin Detoxification Services (excluding methadone maintenance), Medical Supplies Dispensed by Physicians, Licensed Pharmacies, or DME dealers and prosthetic or orthotic providers, Non-Emergency, Medical Transportation when Medical Necessary, Outpatient Audiology Services, Outpatient Occupational Therapy Services, Outpatient Rehabilitation Services in a Rehabilitation Facility, Outpatient Speech Pathology Services, Podiatry Services, Prosthetic and Orthotic Appliances, Transplants		

Attachment 3

CMSP Coverage for Outpatient Substance Use Disorder Treatment Services and Mental Health Services

Benefit	Covered Before 7/2021 Benefit Expansion	Covered On/After 7/2021 Benefit Expansion	Proposed Coverage Effective 1/2027
Individual Counseling for Alcohol and/or Drug Abuse Treatment Services	No	Yes, with no Share of Cost (SOC) requirement	No
Group Counseling or Alcohol and/or Drug Abuse Treatment Services	No	Yes, with no SOC requirement	No
Individual and group mental health evaluation and treatment (psychotherapy)	No	Yes, with no SOC requirement	No
Psychological testing	No	Yes, with no SOC requirement	No
Outpatient services for the purposes of monitoring medication therapy	No	Yes, with no SOC requirement	No
Inpatient Psychiatric Services	Yes, with a SOC requirement	Yes, with a SOC requirement	Yes, with a SOC requirement
Outpatient Psychiatric Services	Yes, with a SOC requirement	Yes, with a SOC requirement	Yes, with a SOC requirement
Inpatient Heroin Detoxification	Yes, with a SOC requirement	Yes, with a SOC requirement	Yes, with a SOC requirement

Attachment 4

Discontinue CMSP Coverage for Vision, Audiology, and Selective Dental Services

Benefit	Covered Before 7/2023 Benefit Expansion	Covered On/After 7/2023 Benefit Expansion	Proposed Coverage Effective 1/2027
Eye Exams	No	Yes, with a Share of Cost (SOC) requirement	No
Contact Lens Testing	No	Yes, with a SOC requirement	No
Low Vision Testing	No	Yes, with a SOC requirement	No
Prescription Glasses	No	Yes, with a SOC requirement	
Artificial Eye Services and Materials	No	Yes, with a SOC requirement	No
Audiometry Assessments	No	Yes, with a SOC requirement	No
Tympanometry Assessments	No	Yes, with a SOC requirement	No
Hearing Aid Evaluations	No	Yes, with a SOC requirement	No
Evoked Response testing	No	Yes, with a SOC requirement	No
Electronystagmography	No	Yes, with a SOC requirement	No
Cochlear Implants	No	Yes, with a SOC requirement	No
Diagnostic & Preventative Dental Hygiene	Yes, with a SOC requirement	Yes, with a SOC requirement	Yes, with a SOC requirement
Periodontal & Restorative Services	Yes, for select services, with a SOC requirement	Yes, with a SOC requirement	Yes, for select services, with a SOC requirement
Endodontic Services	Yes, for select services, with a SOC requirement	Yes, with a SOC requirement	Yes, for select services, with a SOC requirement
Prosthetics, Implants, & Prosthodontics	No	Yes, with a SOC requirement	No
Oral & Maxillofacial surgery	Yes, with a SOC requirement	Yes, with a SOC requirement	Yes, with a SOC requirement
Emergency Dental Services	Yes, with a SOC requirement	Yes, with a SOC requirement	Yes, with a SOC requirement