CSAC Health & Human Services Policy Committee

County Indigent Care Overview

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Statutory Requirements

Welfare and Institutions Code (WIC) § 17000: Sets forth the county obligation provide health care to medically indigent persons. Counties have broad discretion to set standards; however, must ensure that medical care is provided to indigents without imposing unrelated financial eligibility criteria. This obligation neither requires a county to satisfy all unmet needs, nor mandates universal health care.

WIC § 10000: Imposes a minimum standard of care while retaining county discretion on determining how to meet this standard, subject to certain conditions. Stipulates that Counties must provide "medically necessary care", and such care must be "sufficient to remedy substantial pain and infection."

Important considerations:

- Counties are providers of last resort
- Obligation does not extend to mental health care
- Obligation does not apply to undocumented individuals

How is Indigent Care Delivered

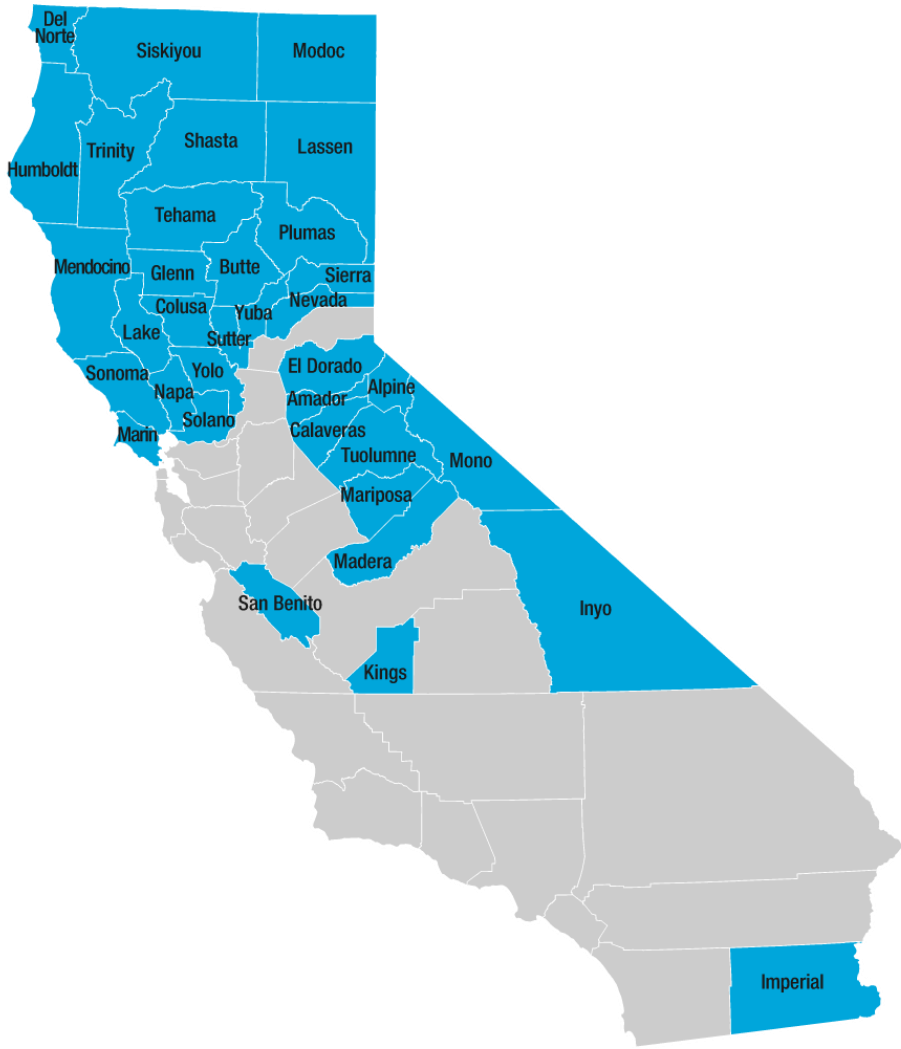
California Indigent Programs

- 34 counties fulfill statutes via County Medical Services Program (CMSP) (denoted in blue)
- 24 counties fulfill statutes via County Medically Indigent Services Program (CMISP)

Care Delivery in Counties

- Public Hospitals
- Health Departments
  - Direct Services
  - Contracted Services

Largely Financed by 1991 Realignment Funds

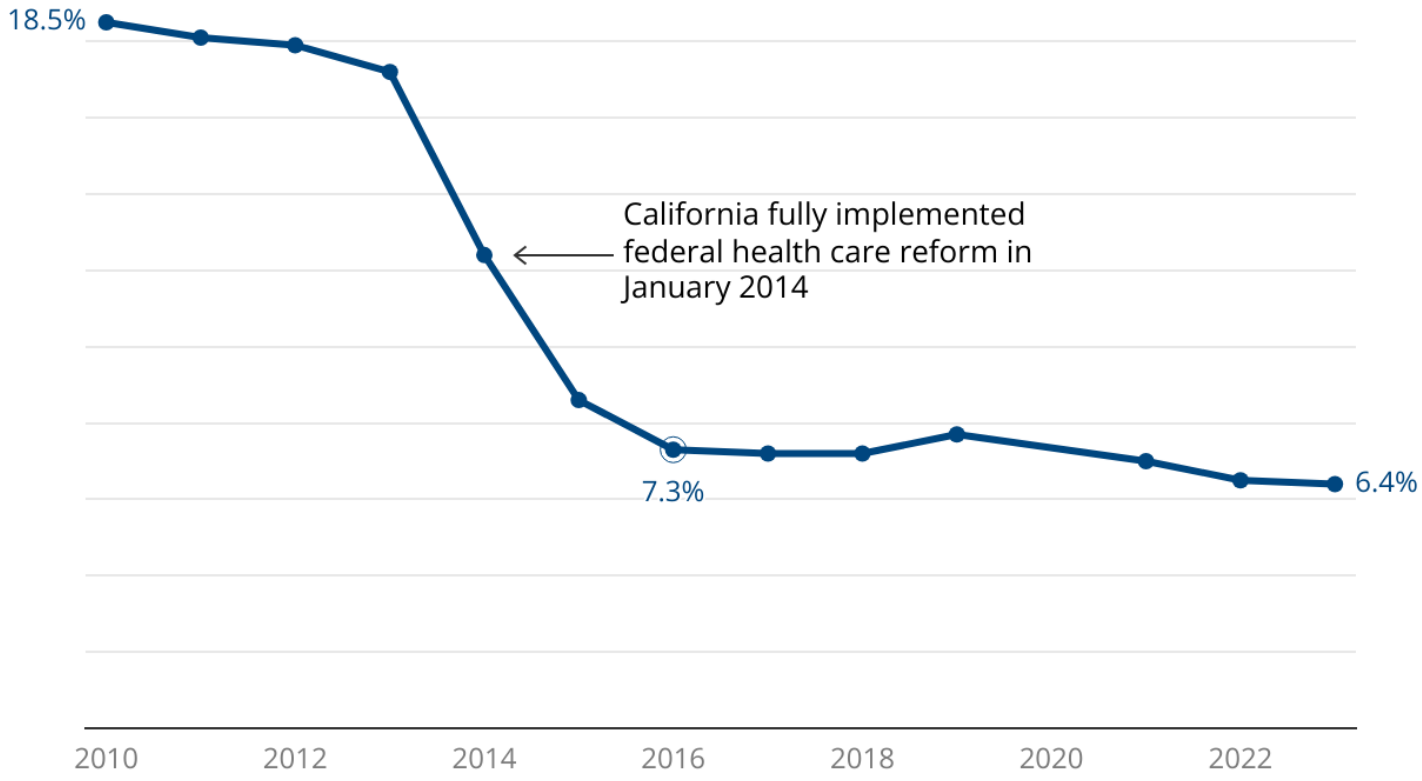


Affordable Care Act

- Expanded coverage to roughly 13 million Californians
- Reduced number of enrollees in county indigent care programs
- State diverted 1991 Health Realignment funds to other state priorities via AB 85 (2013)

California's Uninsured Rate Reaches Historic Low in 2023

Percentage of People Without Health Coverage, 2010 to 2023



Note: The US Census Bureau did not release standard 2020 ACS 1-year estimates due to the impact of the COVID-19 pandemic. The chart depicts a linear interpolation between the 2019 and 2021 figures.

Source: US Census Bureau, American Community Survey

California Budget & Policy Center

Timeline of Federal/State Medi-Cal Changes

Fiscal Year	2025-2026	2026-2027	2027-2028	2028-2029
Medi-Cal Eligibility	**January 1, 2026** Reinstatement of the asset limit.	**January 1, 2027** Redetermine eligibility for Medicaid expansion adults every six months. Retroactive Coverage reduction to 1 month for Medicaid expansion adults and 2 months for other Medicaid enrollees.		**October 1, 2028** Cost sharing of up to $35 per service for Medicaid expansion adults.
Medi-Cal Undocumented	**January 1, 2026** Freeze of Medi-Cal enrollment for undocumented aged 19 and older.	**January 1, 2027** Undocumented monthly premiums $100 per month for those aged 19 and older.		
Medi-Cal Work/Community Engagement Requirement		**January 1, 2027** Implement mandatory work requirements for Medicaid expansion adults.		
Covered California Enhanced Premium Tax Credits	**December 31, 2025** Enhanced premium tax credits expire.			

State has option to delay implementation until 12/31/28, with federal approval

CMISP Policy Levers

When considering adjustments to CMISP program size, there are a few important policy levers that impact the number of enrollees and program revenue

- **Eligibility:**
  - **Income Threshold** Factors include what income level would be considered eligible for the program
  - **Residency Status:** Whether to serve the undocumented population.
  - **Asset Tests:** Assessing value of household assets in determining program eligibility
- **Cost Sharing:** Implementing measures such as Share of Cost and copayments to offset the cost of care
- **Utilization Management:** Stringent cost control measures, pre-authorization and denial management
- **Property Liens:** Allowable under WIC § 17109, County may require the applicant to transfer or grant to the county any property interest they own to reimburse the county for the cost of aid

Sacramento County CMISP Eligibility

- Lawfully present residents aged 18 and above with no other options for coverage and accompanying emergency room visit, hospitalization, or life-threatening event/condition
- Incomes at or below 400% of the Federal Poverty Level (FPL)
- No asset test
- Coverage duration of up to 12 months
- Cost sharing 138-400% FPL
- Coverage to undocumented population through a separate program called Healthy Partners

(*rules have changed over time)

	Income Threshold	Asset Test	Coverage Duration	Share of Cost/ Copayments	Coverage to Undocumented Persons
Statewide	Ranges from ≤100% FPL to 500% FPL	Imposed by some counties	• <3 months • 4-6 months • Up to 12 months	• None • Based on income or household • Specific services	• No • Yes • Limited Scope

Sacramento County CMISP Program Overview

Benefits and Services

- Medically necessary primary and specialty care
- Medical service such as diagnosis and treatment, outpatient surgical procedures and emergency and hospital care
- Specialty services including diagnostic consultation, short-term treatment and long-term management of chronic health conditions
- Pharmacy and ancillary services
- DME, dental, and other services subject to limitations

Enrollment, Cost, Infrastructure & Utilization

- **Pre-ACA (2008/09):**
  - Over 50,000 participants per year
  - Approximately $50M budget per year
  - 11 county clinics (9 physical sites plus 2 mobile teams)
  - Leverage of clinic specialty network of 344 contracts
  - 108 FTEs in clinic (clinic staff, case management, billing, and utilization management) and 40 FTEs in eligibility
- **Post-ACA (2018>):**
  - Zero participants per year
  - Limited budget (No budget in Fiscal Year 25/26)
  - 2 physical clinic sites and 1 mobile team
  - 1 contract for specialty care referrals and legacy contracts with hospitals
  - No dedicated clinic or eligibility staff

Key Considerations and Take-Aways

- Counties will need to consider expectations vs legal mandates
- Infrastructure investments will be necessary if counties are going to meet the mandates
  - Hospital, clinics, contracts, and specialty care
  - Eligibility staff and systems and utilization management processes
- Healthcare costs have gone up significantly since the 2000s
- State investments are needed
- Changes are fluid and variability is expected

CAPH

Indigent Care & Public Health Care Systems

CSAC'S 131ST ANNUAL MEETING

Haleigh Mager-Mardeusz, Director of Policy
California Association of Public Hospitals and Health Systems
December 2025

CALIFORNIA'S PUBLIC HEALTH CARE SYSTEMS (PHS): 17 Systems, 44 Hospitals & 150+ Clinics

Alameda Health System
- Alameda Hospital
- Fairmont Rehabilitation and Wellness
- John George Psychiatric Hospital
- Park Bridge Rehabilitation and Wellness
- San Leandro Hospital
- South Shore Rehabilitation and Wellness
- Wilma Chan Highland Hospital

Arrowhead Regional Medical Center

Contra Costa Health Services
- Contra Costa Regional Medical Center

Kern Medical Hospital

LA County Department of Health Services
- Harbor/UCLA Medical Center
- Los Angeles General Medical Center
- Olive View/UCLA Medical Center
- Rancho Los Amigos National Rehabilitation Center

Natividad Medical Center

Riverside University Health System

San Francisco Department of Public Health
- Zuckerberg San Francisco General
- Laguna Honda Hospital and Rehabilitation Center

San Joaquin General Hospital

San Mateo Medical Center

County of Santa Clara Health System
- O'Connor Hospital
- Santa Clara Valley Medical Center
- St. Louise Regional Hospital
- Regional Medical Center

Ventura County Health Care Agency
- Santa Paula Hospital
- Ventura County Medical Center

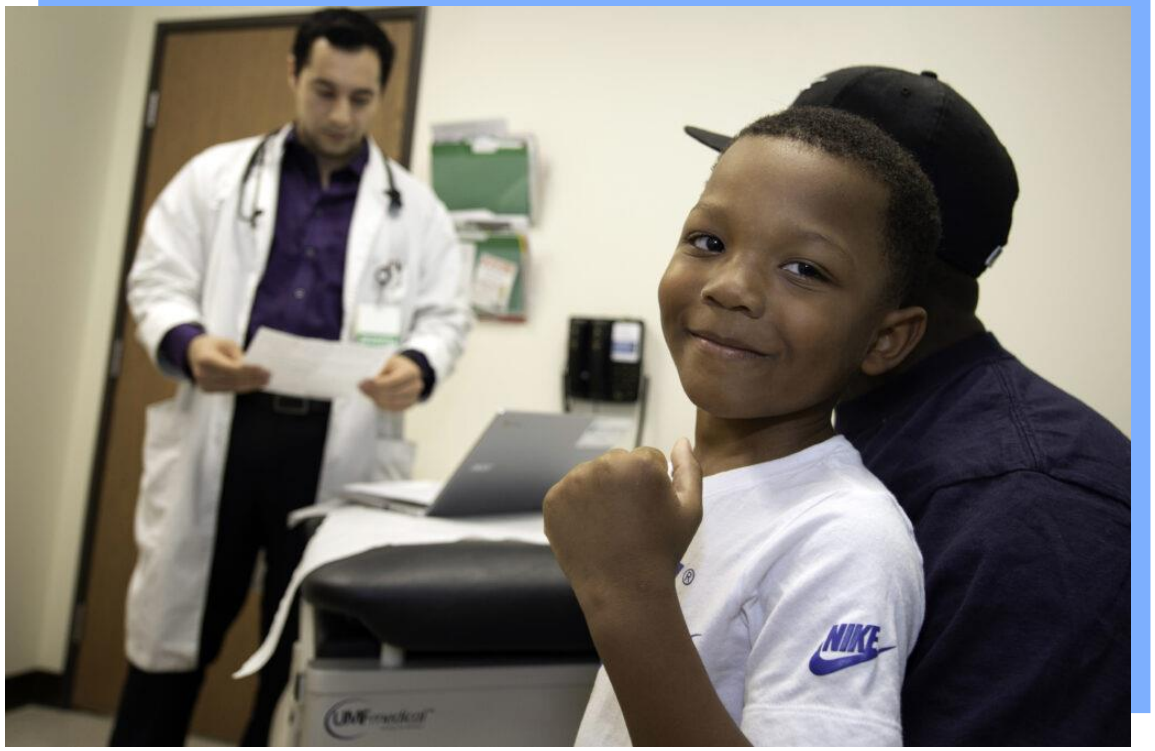
UC Health
- **UC Davis Health**
  - UC Davis Sacramento Medical Center
- **UC Irvine Health**
  - UC Irvine Health, Orange
  - UC Irvine Health, Fountain Valley
  - UC Irvine Health, Lakewood
  - UC Irvine Health, Los Alamitos
  - UC Irvine Health, Placentia Linda
- **UC San Diego Health**
  - UC San Diego East Campus Medical Center
  - UC San Diego Health, Hillcrest Medical Center
  - UC San Diego Health, Jacobs Medical Center
- **UC San Francisco Health**
  - UCSF Helen Diller Medical Center at Parnassus Heights
  - UCSF Health Saint Francis Hospital
  - USCF Health Saint Mary's Hospital
  - UCSF Mission Bay Medical Center
  - UCSD Mount Zion Medical Center
- **UCLA Health**
  - Ronald Reagan UCLA Medical Center
  - UCLA Santa Monica Medical Center
  - UCLA Resnick Neuropsychiatric Hospital
  - UCLA West Valley Medical Center

CAPH

Who Our Members Serve

Though accounting for just 6% of hospitals in the state, these PHS:

- Serve more than **3.7M** patients annually, a 30% increase since 2014
- Operate in 15 counties where more than **80%** of the State's population lives
- Provide **nearly half** of all hospital care to the remaining uninsured in California
- Provide **35%** of all hospital care to Medi-Cal beneficiaries in their communities
- Provide over **12M** outpatient visits per year



- Nearly **60%** of patients identify as persons of color
- **37%** of patients identify as Hispanic or Latino

CAPH

PHS-County Indigent Care Services Prior to the Affordable Care Act (ACA)

PHS Counties Operate as Provider Counties

- 12 provider counties
  - Own/operate or have county-affiliated public hospitals, clinics, and other facilities
- County-affiliated facilities and providers served as key providers of indigent care services
  - Some PHS-counties also contracted with or reimbursed private hospitals and clinics to deliver indigent care services, in addition to PHS

Characteristics of PHS-County Indigent Programs (Pre-ACA)

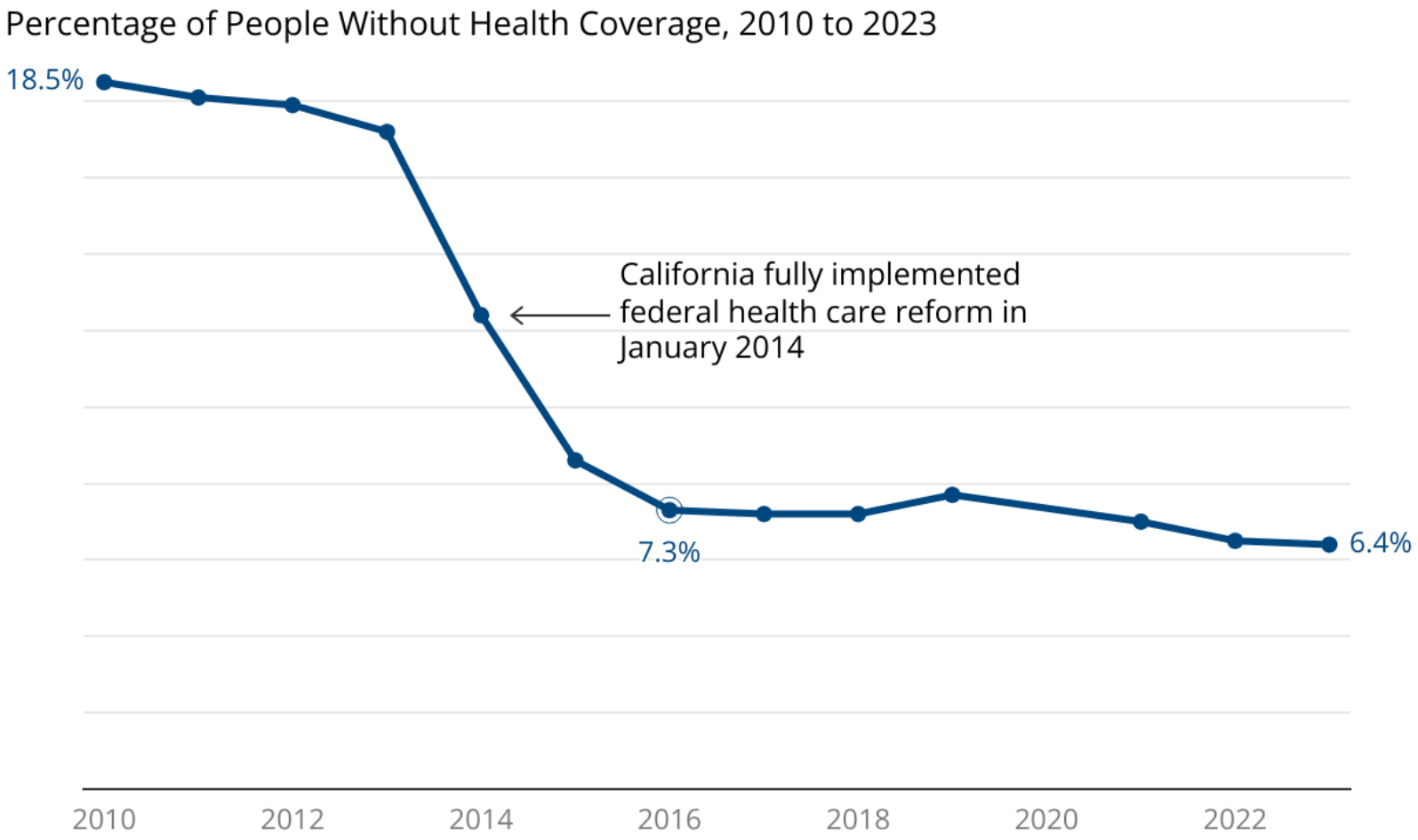
- Variation across PHS-counties on:
  - Program administration and number/type of programs
  - Age requirements
  - Immigration status requirements
  - Income eligibility thresholds
  - Medical need requirements
  - Participant financial contribution requirements
  - Covered services
  - Length of program enrollment
  - Other features like prior authorizations, medical homes

Coverage Initiative and Low-Income Health Program (2007-2013)

- Health Care Coverage Initiative (CI)
  - Program operated between 2007-2010 as part of California's 2005 Medicaid Hospital Financing Waiver
    - Supported by county and federal matching funds
    - Most PHS-counties participated
  - All CI programs assigned individuals to a medical home and included a benefit package with primary and preventive care and care management, among other features
- Low-Income Health Program (LIHP)
  - Program operated between 2011-2013 as part of California's 2010 Bridge to Reform Waiver
    - Supported by county and federal matching funds
    - All PHS-counties participated
  - Allowed counties to enroll low-income adults that would soon be eligible for Medi-Cal prior to the ACA expansion
    - Served ~660k, 90% seamlessly transitioned to Medi-Cal and 4% were referred to Covered California
  - LIHPs developed and managed at the county level but required minimum benefits, network adequacy and timely access, and limits on cost-sharing

Shifting Landscape Post-ACA

Uninsured Pre & Post-ACA



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Data source: US Census Bureau, American Community Survey
Graph source: [California Budget & Policy Center]

ACA Implementation

- Medi-Cal expanded to childless adults with a low-income
  - ~3.5 million gained coverage by 2016 under the ACA Medi-Cal expansion, growing to nearly 5 million today
- Individuals with middle and higher incomes gained access to private insurance through Covered California
  - ~1.2 enrolled in subsidized coverage via Covered California by 2016, growing to nearly 2 million today
- For PHS counties, this resulted in:
  - Significant declines in indigent care applicants and program participants
  - Redirection of resources
  - Greater financial stability for PHS
  - Shifting focus to Medi-Cal enrollment and coverage retention, greater emphasis on care coordination and system transformation
  - Serving residual uninsured – many PHS-counties expanded eligibility and services in indigent care programs, narrowed provider networks

Subsequent State-Only Expansions

- In more recent years, California expanded state-only Medi-Cal to income-eligible persons, regardless of immigration status, by age groups:
  - 2016 – children and youth under 19 (~220k enrolled)
  - 2020 – people age 19-26 (~150k enrolled)
  - 2022 – people over 50 (~445k enrolled)
  - 2024 – people age 26-49 (~850k enrolled)
- Uninsured rate in California reached a record low of 6.4% this year
- As a result, many indigent care programs today are largely dormant or have very few participants

HR 1 Impacts to PHS and Upcoming Coverage Changes

HR 1: An Unprecedented Threat to the Safety Net

- Unprecedented financial impact
  - $164 billion loss in federal health funding to California over ten years — the largest cut to Medi-Cal and safety-net care in state history
  - $4.4 billion annual loss for PHS by 2032
- Significant coverage losses; attacks multiple funding mechanisms simultaneously
  - Increased Medi-Cal redeterminations and new work requirements expected to lead to massive coverage losses – projections range from 1.2 to 3.4 million
  - Restricts state-directed payment programs, which PHS depend upon because Medi-Cal base rates are so low
  - Reduces federal match for emergency services for adults with an unsatisfactory immigration status
- Implementation timeline creates urgency
  - Cuts begin now—but full impact occurs gradually, making it difficult to prepare and creating cascading financial pressures

Medi-Cal State-Only Coverage and Reimbursement Changes

- Upcoming state-only Medi-Cal coverage changes:
  - Freeze on new full-scope enrollments for undocumented adults, starting January 1, 2026
  - Adults 19-59 with an unsatisfactory immigration status (UIS) will be required to pay $30/month premiums to maintain full-scope Medi-Cal coverage, starting July 1, 2027
- Reimbursement for Federally Qualified Health Centers also lowered for services provided to persons with UIS
- Taken together, these changes are expected to result in a $230 million annual loss for PHS by 2027

Note: dental benefits are also eliminated for adults with UIS, starting July 1, 2026

Preparing to Resurrect County Indigent Care Programs

- Maximize coverage to greatest extent possible
  - At state and local levels, efforts underway to minimize coverage loss under HR 1 implementation and support retention in Medi-Cal will be critical
  - Safety-net coalition of providers and plans exploring state-supported, statewide alternatives to Medi-Cal
- Regardless, counties likely to see significant increases in demand for indigent care services in upcoming years
  - State support will be needed to reestablish infrastructure to serve the sudden increase in uninsured Californians
- Efforts at the local level to start to prepare, include:
  - Reviewing/revisiting indigent care program structures, Section 17000 requirements, and infrastructure needs
  - Projecting coverage loss estimates and expected need for indigent care services
  - Developing cost estimates

County Medical Services Program

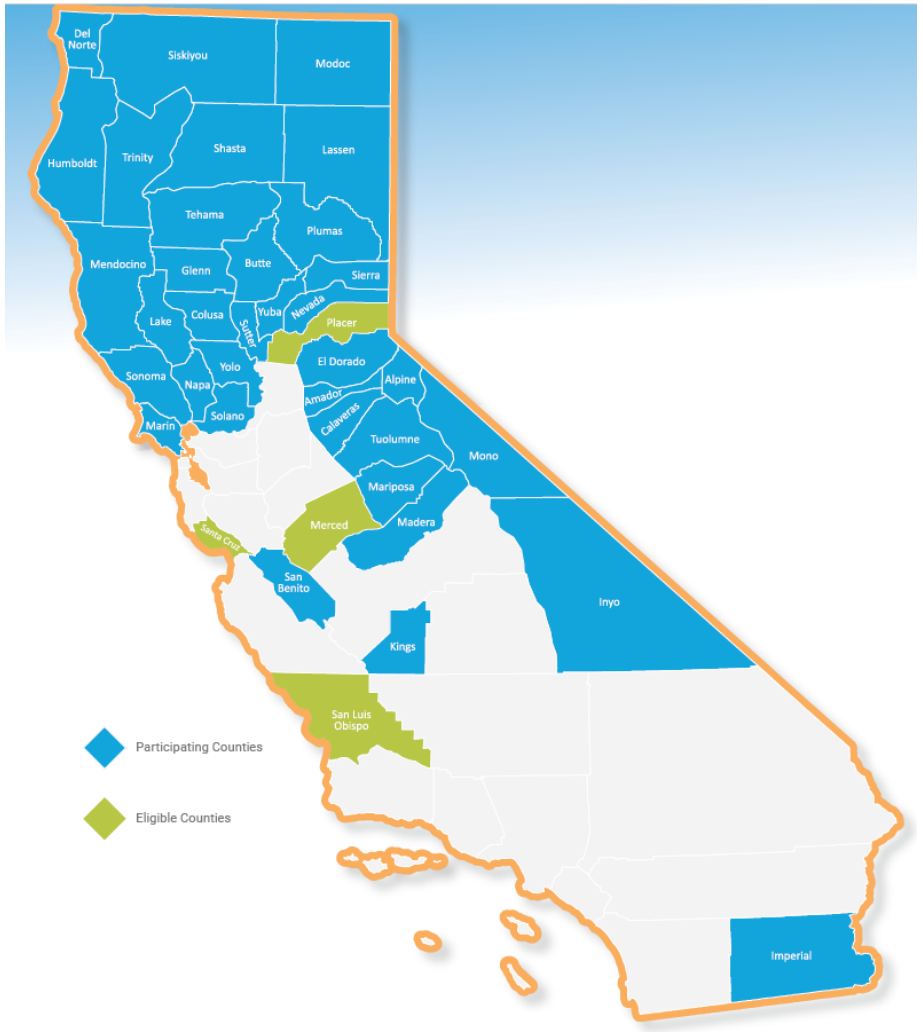
CMSP GOVERNING BOARD

December 4, 2025

CMSP BACKGROUND

1982:	California law eliminated Medi-Cal eligibility for medically indigent adults, who became a county responsibility under WIC Section 17000
1983:	CMSP established as a state program administered by the California Department of Health Services • A "pooled risk" health benefit program • 39 eligible counties with populations of 300,000 or less • 35 participating counties
1991:	Health Realignment establishes funding allocations for CMSP Counties and CMSP Program
1995:	CMSP Governing Board established as a local public agency with overall program and fiscal responsibility for CMSP
2014:	Affordable Care Act (ACA) takes effect • Health Realignment allocations to CMSP Counties and CMSP Program significantly reduced (AB 85) • Significant decrease to CMSP membership • Path to Health, Connect to Care and Additional Grant Programs launched
2019:	Health Realignment allocation to CMSP Program redirected entirely to the State (Senate Bill 1371)

CMSP - SERVING 35 COUNTIES IN CALIFORNIA



Alpine
Amador
Butte
Calaveras
Colusa
Del Norte
El Dorado
Glenn
Humboldt
Imperial
Inyo
Kings
Lake
Lassen
Madera
Marin
Mariposa
Mendocino
Modoc
Mono
Napa
Nevada
Plumas
San Benito
Shasta
Sierra
Siskiyou
Solano
Sonoma
Sutter
Tehama
Trinity
Tuolumne
Yolo
Yuba

CMSP BENEFIT PROGRAMS PRE-ACA

Eligibility & Benefits	CMSP COUNTY MEDICAL SERVICES PROGRAM FULL-SCOPE	CMSP COUNTY MEDICAL SERVICES PROGRAM RESTRICTED-SCOPE
Age Limit	21 - 64	21 - 64
Income Limit	200% FPL or less	200% FPL or less
Asset Limit	$2,000 individual, $3,000 couple	$2,000 individual, $3,000 couple
Citizenship Requirement	Verified citizen and resident of a CMSP county	Undocumented and resident of a CMSP county
How to Enroll	County Social Services Dept	County Social Services Dept
Enrollment Term	Up to 3 months with a 10-day retroactive period	Up to 2 months with a 10-day retroactive period
Share of Cost (SOC)	Under 67% FPL, no SOC Above 67% -200% FPL, monthly SOC	Under 67% FPL, no SOC Above 67% -200% FPL, monthly SOC
Benefit Summary *Certain limitations apply*	Must meet monthly SOC (if applicable) before services are covered. Full-scope medical, dental, vision & pharmacy services. Chiropractic and outpatient behavioral health *excluded*.	Must meet monthly SOC (if applicable) before services are covered. Restricted-scope, emergency services only.

CURRENT CMSP BENEFIT PROGRAMS

Eligibility & Benefits	CMSP COUNTY MEDICAL SERVICES PROGRAM	CONNECT TO CARE BY CMSP
Age Limit	21 - 64	21 - 64
Income Limit	138% - 300% FPL <138% FPL with certain deductions	138% - 300% FPL
Asset Limit	$20,000 individual, $30,000 couple	$20,000 individual, $30,000 couple
Citizenship Requirement	No citizen requirement, must be a CMSP county resident	No citizen requirement, must be a CMSP county resident
How to Enroll	County Social Services Dept & Participating Health Centers	Participating Health Centers
Enrollment Term	Up to 6 months with a one-month retroactive period	Up to 6 months with no retroactive period
Share of Cost (SOC)	Yes, for incomes above 138% - 300% FPL (75% reduction in SOC amount)	No
Benefit Summary *certain limitations apply*	No-cost primary health care Basic prescriptions with $5 copay ER, urgent care, hospital, chiropractic, dental, & behavioral health services with monthly SOC (if applicable)	No-cost primary health care Basic prescriptions with $5 copay Application needed for CMSP for additional health care services

CMSP REVENUES

Revenue	FY 2010-11 Program Budget	FY 2023-24 Program Budget
County Realignment	$89,068,961	$0
CMSP Realignment	$131,197,567	$0
County Participation Fees	$5,243,731	$0
Other	$3,745,789	$10,029,954
Total Revenue	**$229,256,048**	**$10,029,954**

	FY 2010-11	FY 2023-24
Total Enrollment	61,913	6,760

CMSP EXPENDITURES

Expenditure	FY 2010-11 Program Budget	FY 2023-24 Program Budget
Medical & Pharmacy	$294,203,939	$5,438,992
County Eligibility Administration	$14,788,908	$120,215
Grant Programs	$616,847	$12,579,730
Other	$3,100,965	$3,440,538
Total Expenditures	**$312,710,659**	**$21,579,475**

	FY 2010-11	FY 2023-24
Total Enrollment	61,913	6,760

FEDERAL MEDI-CAL & COVERED CA REDUCTIONS

COVERED CALIFORNIA SUBSIDY LOSSES

Effective: 2025-26
Potential Impact: **20,854 Persons** [1]

MEDI-CAL WORK REQUIREMENTS

Effective: 2026-27
Potential Impact: **75,013 Persons** [2,3]

MEDI-CAL RESTRICTIONSON LAWFULLY PRESENT IMMIGRANTS

Effective: 2026-27
Potential Impact: **18,840 Persons** [4]

COVERED CALIFORNIA - RESTRICTIONS ON LAWFULLY PRESENT IMMIGRANTS

Effective: 2026-27
Potential Impact: **10,362 Persons** [4]

$800-$850 MILLION [5]
ESTIMATED ANNUAL HEALTHCARE EXPENDITURES

[1] *Assumes a 15% drop rate for subsidized enrollees with incomes under 400% of the FPL*
[2] *Estimate based on 30% of Medi-Cal members affected by the work requirement seeking healthcare*
[3] *Estimate does not include possible federal exemption for counties with a high unemployment rate*
[4] *Estimate assumes 9.42% of statewide estimate (CMSP counties percentage of total California population)*
[5] *Does not include projected cost for benefit and eligibility administration*

RESOURCES

cmspcounties.org

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