

MARCH 11, 2026

Overview of Individuals Impacted by H.R. 1 Work Requirement Policies in Medi-Cal and CalFresh

PRESENTED TO:

Assembly Budget Subcommittee No. 7 on
Accountability and Oversight
Hon. Gregg Hart, Chair



LEGISLATIVE ANALYST'S OFFICE

Medi-Cal and CalFresh Among California's Largest Health and Human Services Programs

- Medi-Cal is California's Medicaid program. It provides health care for more than 14 million low-income people (around one-third of all Californians). The Governor's budget estimates total Medi-Cal spending will be nearly \$197 billion in 2025-26, including over \$46 billion from the General Fund.
- CalFresh is California's version of the Supplemental Nutrition Assistance Program (SNAP). It provides federally funded food assistance to about 5.4 million low-income Californians. Most CalFresh enrollees (about 90 percent) are also enrolled in Medi-Cal. The Governor's budget estimates total CalFresh food assistance spending to be \$13.3 billion (\$122 million General Fund) in 2025-26, with an additional \$2.6 billion (\$959 million General Fund) for program administration.
- At the state level, Medi-Cal is overseen by the Department of Health Care Services (DHCS) and CalFresh is overseen by the Department of Social Services. Locally, Medi-Cal and CalFresh are administered by county health and human services departments.



H.R. 1 Establishes and Expands Work Requirements With Certain Exemptions

- Medi-Cal currently has no work requirement as a condition of enrollment. H.R. 1 establishes one for some enrollees, effective January 2027.
- CalFresh currently has a three-month time limit tied to a work requirement for certain enrollees, but until recently had a statewide waiver from the requirement. H.R. 1 expands this requirement and effectively ends the statewide waiver. Work requirement changes in CalFresh are expected to be implemented beginning June 2026.
- At a high level, H.R. 1 increases work requirements for able-bodied, working-age adults. Certain adults are exempt, like those with certain challenges to working the required number of hours, such as disabilities or those with responsibilities to care for younger children. The table on the next page identifies the groups of individuals that H.R. 1 exempts from the requirements.
- Among individuals who do not receive an exemption, some will have a harder time complying with the requirements than others. For example, nonexempt individuals who were previously incarcerated may have barriers to employment, making them more likely to lose Medi-Cal and CalFresh due to the H.R. 1 changes.



Comparing Medi-Cal and CalFresh Work Requirements and Affected Populations

	Medi-Cal	CalFresh ^a
What Is the Work Requirement?	At least 80 hours monthly of work, education, or community service.	At least 20 hours weekly of work, certain work programs (which may include education), or community service.
Who Is Affected?		
Affected population before exemptions ^b	Adults age 19-64 in the ACA expansion eligibility group.	Adults age 18-64.
Exemptions		
Substance use disorder	✓	✓ ^{c,d}
Disabling mental health disorder	✓	✓ ^c
Significant physical, intellectual, or developmental disability	✓	✓ ^c
Serious or complex medical condition	✓	✓ ^c
Pregnancy	✓ ^e	✓
Caring for dependent children under age 14	✓	✓
Caring for a dependent with disabilities	✓	✓
High unemployment county ^f	✓	✓
Certain American Indians	✓	✓
Recently released from incarceration within the past 90 days	✓	
Current and former foster youth under age 26	✓	
Receiving unemployment insurance benefits		✓
Estimated affected individuals after exemptions ^b	About 3.5 million.	About 845,000.
Individuals estimated to be disenrolled	Between 1 million and 2 million.	About 665,500.
^a CalFresh work requirement refers to the ABAWD work requirement, not the general work requirement (which is unaffected by H.R. 1). ^b An estimated 90 percent of CalFresh enrollees are also enrolled in Medi-Cal. The share of individuals affected by the CalFresh work requirement that is also affected by the Medi-Cal work requirement is unknown, but likely significant. ^c CalFresh does not have separate exemptions for these specific conditions. However, these conditions may fall under an exemption for those medically certified as physically or mentally unfit for employment. ^d Separate exemption for receiving substance abuse treatment. ^e Includes those receiving postpartum care. ^f For an exemption in Medi-Cal, a county's unemployment rate must be at least 8 percent or 1.5 times the national unemployment rate. In CalFresh, a county's unemployment rate must be above 10 percent. ACA = Patient Protection Affordable Care Act and ABAWD = able-bodied adult without dependents.		



Potential for Disenrollment Due to Administrative Burden

- Research prior to H.R. 1 on the SNAP work requirement policy suggests two key effects:
 - First, the policies generally did not increase employment, resulting in disenrollment among those not meeting the requirement.
 - Second, many of those who were already working or participating in qualifying activities failed to adequately prove compliance and were disenrolled. This is likely due to the administrative burden of verifying compliance with the requirement.
- Reviews of Medicaid work requirement pilots in a few states similarly found disenrollment due to administrative burden.
- The extent of disenrollment due to administrative burden is uncertain and will depend on (1) additional federal guidance and (2) counties' ability to accurately provide exemptions, including steps taken by state and county administrators to use existing information to automatically identify individuals who either qualify for an exemption or who are meeting the requirement.
- For example, as of January 2026, DHCS estimates that it could use automated processes to either exempt or verify compliance for about 40 percent of able-bodied, working-age adults enrolled in Medi-Cal. The remaining 60 percent could not be determined exempt or income compliant via an automated data source. This estimate is subject to change as the administration continues to refine its processes.

