



April 14, 2026

The Honorable Sabrina Cervantes
Chair, Senate Appropriations Committee
1021 O Street, Room 412
Sacramento, CA 95814

SUBJECT: SB 1202 (Weber Pierson) — SUPPORT

Dear Senator Cervantes:

The sweeping changes enacted under the One Big Beautiful Bill Act (OBBBA) mark the largest reduction of federal Medicaid spending in the program's history. Given the size of Medi-Cal and its reliance on the very financing mechanisms restricted under OBBBA, California will be particularly hard hit, with an estimated tens of billions of dollars stripped from the health care system through reduced federal reimbursement and hospital payments, alongside significant contractions in Medi-Cal enrollment.

The primary driver for OBBBA coverage losses is eligibility changes that make it more difficult for patients to qualify for or maintain their Medi-Cal coverage. This includes mandatory work or community engagement requirements and more frequent eligibility renewals for adult expansion members eligible through the Affordable Care Act, which is the largest segment of the enrolled population today. These changes are expected to result in more than 2 million Californians losing Medi-Cal coverage and an estimated increase of more than \$2 billion annually in uncompensated care costs that will be borne by hospitals.

To best mitigate these devastating impacts to patient access and providers' financial stability, it is imperative the state adopt a proactive and data-driven approach to maximize coverage retention and care continuity.

That's why the California Hospital Association, on behalf of nearly 400 hospitals and health systems, supports Senate Bill (SB) 1202, which would ensure coordinated efforts to educate Medi-Cal members about OBBBA requirements and equip them with support to maintain uninterrupted access.

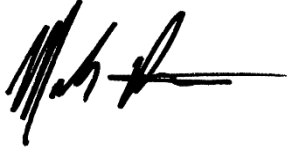
SB 1202 would mobilize the Department of Health Care Services (DHCS), managed care plans, counties, and other key stakeholders to prevent avoidable disenrollments due to factors such as lack of awareness or increased paperwork requirements. SB 1202 would also require DHCS to maintain a public-facing dashboard to comprehensively track the impact of OBBBA eligibility restrictions and identify trends to inform ongoing implementation and future policymaking.

California must act with urgency to support Medi-Cal patients and the providers who care for them. That cannot be accomplished without prioritizing transparency, coordination, and informed outreach and education

to minimize avoidable care disruptions. To the extent the costs of SB 1202 cannot be absorbed through existing DHCS resources for outreach and public reporting, any additional outlay is a sound investment to maximize coverage retention and mitigate the exponentially harmful financial effects that would result in the absence of these efforts.

For these reasons, **CHA respectfully requests your “AYE” vote on SB 1202.**

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark Farouk', with a long horizontal flourish extending to the right.

Mark Farouk
Vice President, State Advocacy

cc: The Honorable Akilah Weber Pierson, MD
The Honorable Members of the Senate Appropriations Committee
Agnes Lee, Consultant, Senate Appropriations Committee
Joe Parra, Health Policy Consultant, Senate Republican Caucus