CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES
Michelle Baass | Director

September 11, 2026

THIS LETTER SENT VIA EMAIL

Ms. Courtney Miller, Director
Division of Program Operations
Medicaid and CHIP Operations Group
Centers for Medicare & Medicaid Services
601 East 12th Street, Room 355
Kansas City, MO 64106

STATE PLAN AMENDMENT 26-0041: CHILDREN'S HEALTH INSURANCE PROGRAM QUALIFIED NON-CITIZENS

Dear Ms. Miller:

The Department of Health Care Services (DHCS) is submitting State Plan Amendment (SPA) 26-0041 for your review and approval. This SPA proposes to demonstrate Children's Health Insurance Program (CHIP) compliance and implement the mandatory federal updates regarding federal financial participation (FFP) eligibility criteria for noncitizens. DHCS seeks an effective date of October 1, 2026, for this SPA.

Beginning October 1, 2026, Section 2107(e)(1)(R) of the Social Security Act incorporates the noncitizen eligibility updates enacted by section 71109 of Public Law 119-21, also known as the Working Families Tax Cut (WFTC) / H.R. 1 legislation. This federal update aligns federal financial participation (FFP) parameters for certain noncitizen groups.

This proposed CHIP SPA implements these required changes to noncitizen eligibility. Under this SPA, the state indicates that it provides CHIP to U.S. citizens, U.S. nationals, and certain noncitizens for whom FFP remains available (FFP-eligible noncitizens), consistent with federal requirements under Title XXI of the Act. This includes providing coverage during a reasonable opportunity period pending verification of an individual's status.

Consistent with these federal requirements, U.S. citizens, lawfully present children under the age of 21, and lawfully present pregnant individuals covered under the Children's Health Insurance Program Reauthorization Act (CHIPRA) 214 option will continue to qualify for federally-funded Medi-Cal.

On August 14, 2026, DHCS determined that no tribal notice was needed for CHIP SPA 26-0041. If CMS were to determine that tribal notice is necessary, DHCS would provide the appropriate notice, as directed.

Additionally, as outlined under 42 CFR § 457.65, this SPA triggers public notice requirements because restricting FFP to exclude noncitizens from CHIP constitutes a restriction or elimination of eligibility for a category of previously covered individuals. While this is a non-discretionary update to conform directly to mandatory federal statutory requirements under H.R. 1, federal regulations do not provide an exception to the notice requirement for federal conformity mandates. Accordingly, the State has issued a 1-day public notice prior to the effective date of this amendment to satisfy these federal regulatory requirements.

Included with this SPA submission are the CMS 179 form, 1-day public notice, and the amended CHIP SPA sections.

If you have any questions or need additional information, please contact Sarah Crow, Chief of Medi-Cal Eligibility Division, at (916) 345-8411 or by email at Sarah.Crow@dhcs.ca.gov.

Sincerely,

[redacted]

Tyler Sadwith
State Medicaid Director
Chief Deputy Director, Health Care Programs
California Department of Health Care Services

Enclosures

cc: See Next Page

cc: Saralyn M. Ang-Olson, JD, MPP
Chief Compliance Officer
Office of Compliance
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Sarah Crow, Chief
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California Department of Health Care Services
Sarah.Crow@dhcs.ca.gov

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

FORM APPROVED
OMB No. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES

1. TRANSMITTAL NUMBER: 26-0041

2. STATE: CA

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT: ○ XIX ◉ XXI

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
October 1, 2026

5. FEDERAL STATUTE/REGULATION CITATION
Section 2107(e)(1)(R) of the Act, which cross-references section 1903(v)(5) of the Act, as added by section 71109 of the Working Families Tax Cut legislation

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 2026 $ 0
b. FFY 2027 $ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
CHIP State Plan Page CS18

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*
CHIP State Plan Page CS18

9. SUBJECT OF AMENDMENT

Provide assurance that California provides CHIP to citizens and nationals of the United States and FFP-eligible noncitizens who meet all other eligibility requirements in the state plan, including the time period during a reasonable opportunity period pending verification of their U.S. citizenship, U.S. national or satisfactory immigration status.

10. GOVERNOR'S REVIEW *(Check One)*

○ GOVERNOR'S OFFICE REPORTED NO COMMENT
○ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
○ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL
◉ OTHER, AS SPECIFIED:

Please note: The Governor's Office does not wish to review the State Plan Amendment.

11. SIGNATURE OF STATE AGENCY OFFICIAL
[redacted]

12. TYPED NAME
Tyler Sadwith

13. TITLE
State Medicaid Director and Chief Deputy Director

14. DATE SUBMITTED
September 11, 2026

15. RETURN TO
Department of Health Care Services
Attn: Director's Office
P.O. Box 997413, MS 0000
Sacramento, CA 95899-7413

FOR CMS USE ONLY

16. DATE RECEIVED

17. DATE APPROVED

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL

21. TITLE OF APPROVING OFFICIAL

22. REMARKS

Instructions on Back

Section 1. General Description and Purpose of the Children's Health Insurance Plans and the Requirements

1.4 Provide the effective (date costs begin to be incurred) and implementation (date services begin to be provided) dates for this SPA (42 CFR 457.65). A SPA may only have one effective date, but provisions within the SPA may have different implementation dates that must be after the effective date.

CA RESPONSE:

SPA #26-0041 Purpose of SPA: Provide assurance that California provides CHIP to citizens and nationals of the United States and FFP-eligible noncitizens who meet all other eligibility requirements in the state plan, including the time period during a reasonable opportunity period pending verification of their U.S. citizenship, U.S. national or satisfactory immigration status.

Proposed effective date: 10/01/2026

Proposed implementation date: 10/01/2026

1.4- TC **Tribal Consultation** (Section 2107(e)(1)(C)) Describe the consultation process that occurred specifically for the development and submission of this State Plan Amendment, when it occurred and who was involved.

CA RESPONSE:

SPA #26-0041 Section 71109 of the Working Families Tax Cut legislation does not limit who can enroll in CHIP. It only changes the level of federal benefits for some Qualified Non-Citizens. On August,4, 2026, Office of Tribal Affairs determined that Tribal consultation was not necessary for SPA 26-0041.

CHIP Eligibility

State Name: California

OMB Control Number: 0938-1148

Transmittal Number: CA - 26 - 0041 -

Separate Child Health Insurance Program
Non-Financial Eligibility - Citizenship

CS18

Statute: Sections 1137(d), 1902(ee), 1903(v)(4) and (5), 1903(x), 2105(c)(9), and 2107(e)(1)(Q) and (R) of the Social Security Act (the Act); 8 U.S.C. sections 1611, 1613 and 1641
Regulations: 42 CFR 435.406, 407, 956, 457.320(b)(6), (c) and (d), and 457.380(b)

Citizenship

☑ The state provides CHIP to citizens and nationals of the United States and certain noncitizens who meet all other CHIP eligibility requirements under the state plan, including coverage for individuals for whom federal financial participation (FFP) is available consistent with sections 2107(e)(1)(R) and 1903(v)(5) of the Act ("FFP-eligible noncitizens"), and during a reasonable opportunity period pending verification of their U.S. citizenship, U.S. national or satisfactory immigration status.

■ The CHIP Agency provides eligibility for child and/or pregnancy related health assistance under the Plan to individuals who meet all eligibility requirements, including who are residents of 1 of the 50 states, the District of Columbia, or a territory of the United States:

Who are citizens or nationals of the United States; or

Who are FFP-eligible noncitizens in an immigration status or category listed in section 1903(v)(5) of the Act and cross-referenced at section 2107(e)(1)(R) of the Act and are not prohibited by section 403 of PRWORA (8 U.S.C. §1613); or
1) Lawful Permanent Residents (LPRs) - section 1903(v)(5)(B)(ii) of the Act; or
2) Cuban/Haitian entrants - section 1903(v)(5)(B)(iii) of the Act; or
3) Compact of Free Association (COFA) migrants - section 1903(v)(5)(B)(iv) of the Act; and

Who have declared themselves to be citizens or nationals of the United States, or noncitizens having satisfactory immigration status, during a reasonable opportunity period, pending verification of their U.S. citizenship, U.S. national, or satisfactory immigration status consistent with requirements of sections 1903(x), 1137(d), 1902(ee), and 2105(c)(9) of the Act, and 42 CFR 435.406, 407, 911, 956, 457.320(d) and 457.380(b).

The reasonable opportunity period begins on and extends 90 days from the date the notice of reasonable opportunity is received by the individual.

The agency provides for an extension of the reasonable opportunity period if the individual is making a good faith effort to resolve any inconsistencies or obtain any necessary documentation, or the agency needs more time to complete the verification process.	No
The agency begins to furnish benefits to otherwise eligible individuals during the reasonable opportunity period on a date earlier than the date the notice is received by the individual.	Yes

CHIP Eligibility

The date benefits are furnished is:

- ○ The date of application containing the declaration of U.S. citizenship, U.S. national, or satisfactory immigration status.
- ◉ The first day of the month of application.
- ○ Other date, as described:

The CHIP Agency elects the option to provide CHIP coverage to children up to age 19, lawfully residing in the United States, as provided in Section 2107(e)(1)(Q) of the Act (cross-reference to section 1903(v)(4) of the Act) who meet all other eligibility requirements in the state plan.

Yes

☑ The CHIP Agency provides assurance that lawfully residing children are also covered under the state's Medicaid program.

The CHIP Agency elects the option to provide CHIP coverage to pregnant women lawfully residing in the United States, as provided in section 2107(e)(1)(Q) of the Act (cross-reference to section 1903(v)(4) of the Act), who meet all other eligibility requirements in the state plan. The state may not select this option unless the state also elects to cover lawfully residing children. A state may not select this option unless the state also covers Targeted Low-Income Pregnant Women.

No

■ An individual is considered to be lawfully residing in the United States if he or she is lawfully present and meets state residency requirements and all other eligibility requirements in the state plan.

■ An individual is considered to be lawfully present in the United States if they are:

1. A qualified noncitizen as defined in 8 U.S.C. § 1641(b) and (c);

2. A noncitizen in a valid nonimmigrant status, as defined in 8 U.S.C. § 1101(a)(15) or otherwise under the immigration laws (as defined in 8 U.S.C. § 1101(a)(17));

3. A noncitizen who has been paroled into the United States in accordance with 8 U.S.C. § 1182(d)(5) for less than 1 year, except for an individual paroled for prosecution, for deferred inspection or pending removal proceedings;

4. A noncitizen who belongs to one of the following classes:

   (i) Granted temporary resident status in accordance with 8 U.S.C. §§ 1160 or 1255a, respectively;

   (ii) Granted Temporary Protected Status (TPS) in accordance with 8 U.S.C. §1254a, and individuals with pending applications for TPS who have been granted employment authorization;

   (iii) Granted employment authorization under 8 CFR 274a.12(c);

   (iv) Family Unity beneficiaries in accordance with section 301 of Pub. L. 101-649, as amended;

   (v) Under Deferred Enforced Departure (DED) in accordance with a decision made by the President;

   (vi) Granted Deferred Action status;

   (vii) Granted an administrative stay of removal under 8 CFR 241;

   (viii) Beneficiary of approved visa petition who has a pending application for adjustment of status;

5. Is an individual with a pending application for asylum under 8 U.S.C. § 1158, or for withholding of removal under 8 U.S.C. § 1231,or under the Convention Against Torture, who:

(i) Has been granted employment authorization; or

(ii) Is under the age of 14 and has had an application pending for at least 180 days;

6. Has been granted withholding of removal under the Convention Against Torture;

7. Is a child who has a pending application for Special Immigrant Juvenile status as described in 8 U.S.C. § 1101(a)(27)(J);

8. Is lawfully present in American Samoa under the immigration laws of American Samoa; or

9. Is a victim of severe trafficking in persons, in accordance with the Victims of Trafficking and Violence Protection Act of 2000, Pub. L. 106-386, as amended (22 U.S.C. § 7105(b)).

Exception: An individual with deferred action under the Department of Homeland Security's deferred action for the childhood arrivals process, as described in the Secretary of Homeland Security's June 15, 2012 memorandum, shall not be considered to be lawfully present with respect to any of the above categories in paragraphs (1) through (9) of this definition.

PRA Disclosure Statement

V.20260707