California
Behavioral Health
Planning Council
ADVOCACY • EVALUATION • INCLUSION

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MS 2706

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The Honorable Akilah Weber Pierson, Chair

Senate Health Committee

1021 O Street, Suite 3310

Sacramento, CA 95814

RE: Support and Recommendations for AB 2161 – Medi-Cal: redeterminations and work or community engagement.

Dear Senator Weber Pierson:

On behalf of the California Behavioral Health Planning Council (CBHPC), I am writing to express our support for Assembly Bill (AB) 2161 (Bonta).

Public Law 102-321 requires the California Behavioral Health Planning Council to advocate for people with lived experience of serious mental illness. Under Welfare and Institutions Code §§ 5771 and 5772, we also advise the Department of Health Care Services and the Legislature on behavioral health policies and priorities. Our members include people with lived experience, family members, parents of children with serious emotional disturbances, service providers, professionals, and representatives from state departments. Their perspectives help shape our recommendations.

The CBHPC strongly supports AB 2161 and its intent to strengthen Medi-Cal eligibility processes and reduce preventable coverage loss amid forthcoming federal regulations. The bill would shift Medi-Cal redeterminations to a six-month cycle and establish a state process for implementing federal work and community engagement requirements for specified Medi-Cal populations; aligning the state's Medi-Cal statutes with federal Medicaid changes enacted under the House of Representatives (H.R.) 1 bill.

H.R. 1 establishes new eligibility and enrollment changes to the Medicaid program which significantly affects California's Medi-Cal program. Among key Medi-Cal eligibility changes under H.R. 1 are minimum six-month

eligibility renewals and work reporting requirements for adult expansion enrollees eligible for federally funded Medicaid under the Affordable Care Act (ACA), also called the "New Adult Group". The new work reporting requirements mandate those in the New Adult Group to work, study, or volunteer at least 80 hours per month unless they meet specified exemptions.

The ACA expansion significantly broadened access to care, leading to a substantial increase in substance use disorder treatment admission rates. By the fourth year of implementation, states that chose to expand Medicaid experienced 36 percent more individuals entering treatment compared to non-expansion states.[1] In addition, many counties relied on ACA expansion funding to implement the Drug Medi-Cal Organized Delivery System (DMC-ODS) waiver. Together, these factors underscore the critical importance of preserving access and coverage stability for individuals with behavioral health challenges.

Under the provisions of H.R. 1, the Department of Health Care Services (DHCS) anticipates an increase in administrative workload and heightened risk of Medi-Cal coverage loss due to counties not receiving complete information needed to accurately determine members' eligibility. DHCS estimates that approximately 1.8 million Medi-Cal members may lose coverage as a result of these updated federal provisions.

AB 2161 presents an opportunity to improve administrative efficiency and establish a framework that ensures individuals with behavioral health conditions can maintain coverage and access to Medi-Cal services essential to their health and recovery. We also believe targeted enhancements would further strengthen the bill's protections for beneficiaries and have submitted a letter to the author's office.

We recommend additional assistance and safety-net measures that support beneficiaries throughout the online recertification process and protect against administrative mistakes.

CBHPC also recommends that contingency provisions be established to provide temporary funding for counties and authorize them to utilize alternative funding sources to maintain enrollment for

[1] Brendan Saloner & J. Catherine Maclean, *Specialty Substance Use Disorder Treatment Admissions Steadily Increased in the Four Years After Medicaid Expansion*, Health Affairs, 39(3), 453–461 (2020). https://doi.org/10.1377/hlthaff.2019.01428

eligible beneficiaries affected by administrative errors during the renewal process. These measures will help ensure continuity of care while individuals work with their county offices to resolve such errors.

AB 2161 establishes a foundation for which California can build upon to protect the health and well-being of the state's most vulnerable populations amid the implementation of new federal requirements. With the recommended amendments, AB 2161 can more effectively safeguard beneficiaries from preventable loss of coverage and promote equitable access to essential behavioral health services.

For these reasons, the CBHPC proudly supports AB 2161. If you have any questions, please contact Jenny Bayardo, Executive Officer, at (916) 750-3778 or via e-mail at Jenny.Bayardo@cbhpc.dhcs.ca.gov.

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Chairperson

cc: The Honorable Assemblymember Mia Bonta
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