AB 2201 (Boerner)
Reducing Administrative Burden of Medi-Cal Renewal Processing

Problem

For low-income Californians and county welfare offices, a storm is looming on the horizon: HR 1 changes bring Medi-Cal work requirements and increased frequency of renewals from annual to every 6 months, in addition to sweeping changes to other programs like CalFresh. As a result, coverage terminations are likely to increase as county eligibility offices will be stretched thin by the sheer volume of cases, putting low-income Californians at greater risk of losing access to Medi-Cal.

Now more than ever, it is important that California use every tool at its disposal to support county workers and resolve administrative barriers facing low-income Californians who bear the immediate impacts of HR 1 work requirements and increased eligibility checks.

Background

During the Medi-Cal Unwinding process in 2023, millions of Californians were renewing their Medi-Cal for the first time since the COVID-19 public health emergency first began. The federal government approved different strategies that states could implement to reduce administrative burdens on people and counties. These strategies, referred to as 'unwinding flexibilities', included allowing auto-verification of income for people with stable income (like Social Security, pension, retirement, disability benefits, and child support) or with income below 100% FPL, meaning counties could automatically verify income without requiring enrollees to submit paperwork.

California implemented the strategies in December 2023, which significantly reduced procedural terminations (people losing Medi-Cal for paperwork reasons) and doubled California's automatic renewal rate, helping people keep their coverage and counties manage their workloads. The strategies remained in place until July 1, 2025.

Since then, recent Medi-Cal data show that the rate of successful automatic renewals has been *cut in half* since the strategies were turned off on June 30, 2025. Automatic renewals were ~84% in May and June of this year, but fell to ~42% in July and August for all Medi-Cal members, and less than 4% for members who are age 65+ or disabled. This translates to hundreds of thousands of renewals that county workers must manually process each month – renewals which could have been processed automatically had the strategies remained in place. This burden will be exacerbated starting January 1, 2027 since counties must conduct renewals twice a year instead of annually for certain enrollees under new federal requirements.

Solution

This bill would **reinstate three proven Medi-Cal eligibility strategies** to streamline the Medi-Cal renewal process and minimize coverage terminations for low-income Californians:

1) **Auto-verify zero income or income at or below 100% of FPL:** Would auto-verify income when at $0 or income that is at or below 100% of FPL when there is no conflicting electronic data available.
2) **Auto-verify stable income and assets:** Would auto-verify stable sources of income and stable assets.
3) **Streamline Asset Verification System (AVS) automatic renewals:** Would streamline the AVS workflow to assume there is no change in previously verified assets that are not likely to appreciate in value if an AVS request does not return any information or information is not returned within a reasonable timeframe.

Adopting these strategies would reduce county administrative burden, freeing up time and resources to address more complex cases and other pressing HR1 implementation challenges to ultimately protect our most vulnerable Californians from losing their coverage.