SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

ITEM: 3.49
(ID # 30157)
MEETING DATE:
Tuesday, March 24, 2026

FROM : EXECUTIVE OFFICE

SUBJECT: EXECUTIVE OFFICE: H.R.1 Impacts and State Advocacy Strategy, All Districts. [Total Cost Not to Exceed $300,000, 100% General Fund Contingency]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Direct the Executive Office to draft a letter for the Chair's signature to the State Legislature detailing local impacts as a result of H.R. 1 and in support of our associations' advocacy efforts.

2. Authorize the Executive Office to provide a financial contribution from General Fund contingency in an amount not to exceed $300,000 to support collective advocacy efforts related to mitigating the potential impacts of H.R. 1, and to include the necessary budget adjustment in the Fiscal Year 2025/26 Third Quarter Report.

ACTION:Policy

Carolina Salazar Herrera, Director of Legislative Advocacy 3/20/2026

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Gutierrez, seconded by Supervisor Washington and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes:	Medina, Spiegel, Washington, Perez, and Gutierrez
Nays:	None
Absent:	None
Date:	March 24, 2026
xc:	EO

Kimberly A. Rector
Clerk of the Board
By: _____
Deputy

SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	$300,000	$0	$300,000	$0
NET COUNTY COST	$300,000	$0	$300,000	$0
SOURCE OF FUNDS: 100% General Fund Contingency			**Budget Adjustment:** No	
			For Fiscal Year: 25/26	

C.E.O. Recommendation: Approve

Background

Summary

On July 4, 2025, House Resolution (H.R.) 1, the One Big Beautiful Bill Act (OBBBA), was signed into law as a broad budget reconciliation package. In addition to including tax and spending changes, the bill introduced new Medicaid, known in California as Medi-Cal, and Supplemental Nutrition Assistance Program (SNAP), known as CalFresh in California, eligibility requirements.

H.R. 1 fundamentally reshapes the framework for delivering safety-net services, creating fiscal and operational pressures counties cannot absorb without substantial mitigation. Rising uninsured rates, reduced federal funding, and new Medi-Cal and CalFresh eligibility mandates place counties at the center of implementation with limited capacity to manage the resulting impacts.

When chronic diseases go unmanaged, patients experience worsening symptoms and increasingly rely on the emergency department as their main access to care, leading to more avoidable hospital admissions. These higher acuity hospitalizations make post-acute placements more difficult, which in turn prolongs inpatient length of stay and drives up costs. After discharge, poor follow up care leaves patients unstable and without the support needed to manage their conditions, causing them to cycle back into crisis care. As this pattern continues, primary and specialty care utilization declines further, shrinking the system's capacity for prevention and reinforcing the cycle of unmanaged disease, impacting care for all county residents regardless of insurance coverage.

Riverside County residents face severe impacts. Under the new rules, approximately 300,000 residents could lose medical coverage. For the County Health System, that means that there could be as many as 870,000 to 1,500,000 fewer reimbursed medical visits, and between 18,000 and 31,000 lost bed days. The result is potentially devastating.

From a fiscal perspective, the loss of Medi-Cal revenue to the County's health safety net departments could be between $280 million to $456 million in annual revenue. At the same time, the County's Medically Indigent Services Program (MISP) is expected to see 23,000 to 62,000 additional unreimbursed patients annually, driving County general fund costs up $70 million to $187 million, even as MISP services shrink due to stricter income and immigration rules that limit many residents to emergency-only care.

To protect residents and ensure continuity of essential programs, the County has been working with the California State Association of Counties (CSAC), the Urban Counties of California (UCC), the California Welfare Directors Association (CWDA), the California Association of Public Hospitals (CAPH), and other statewide partners to advocate for state funding and implementation support.

Collectively, we have developed several requests that we will be making to the California Senate Assembly, and Governor, to consider during state budget negotiations including, but not limited to funding:

1. Indigent care investments to ensure that the sickest, low-income adults who lose healthcare coverage still have a safety net.
2. Public hospital investments to ensure those remaining on Medi-Cal can access care at public hospitals and clinics.
3. Eligibility investments to help ensure there is trained and sufficient workforce to timely and accurately enroll people in Medi-Cal and CalFresh.
4. Behavioral health investments to address the loss of federal funds for those requiring behavioral health services who lose Medi-Cal coverage.

With the May Revision approaching, counties have a narrow but critical window to shape State budget decisions. As policymakers weigh complex trade-offs, large counties risk being overlooked without clear, county specific information on the fiscal and operational pressures we face.

Coordinated engagement through CSAC, UCC, and other affiliate associations is necessary to ensure county priorities are elevated during this decisive period before the June 15 budget deadline. Riverside County cannot carry this advocacy alone, partnering with statewide allies strengthens our collective influence and reinforces the urgency of protecting essential safety-net services.

A unified, strategically aligned advocacy effort amplifies our voice, safeguards core programs, and positions Riverside County to secure the resources needed to protect the residents who rely on them. The Executive Office recommends that the County of Riverside join the efforts being led by the urban counties and provide financial support for the supplemental advocacy efforts not to exceed $300,000.

Impacts on Residents and Businesses

Educating state policymakers ahead of the state budget deadlines ensures Riverside County can secure the resources needed to protect residents who rely on critical safety-net services

Attachments

UCC Advocacy Letter re: H.R. 1 Budget Investments

URBAN COUNTIES
OF CALIFORNIA

March 18, 2026

The Honorable Jesse Gabriel
Chair, Assembly Budget Committee
1021 O Street, Room 8230
Sacramento, CA 95814

The Honorable John Laird
Chair, Senate Budget & Fiscal Review Committee
1021 O Street, Room 8720
Sacramento, CA 95814

Re: H.R. 1 Budget Investments: Medi-Cal & CalFresh Eligibility; County Indigent Care; Public Hospitals; Behavioral Health

Dear Chairs Gabriel and Laird:

On behalf of the Urban Counties of California (UCC), a coalition of the state's 14 most populous counties, I write to respectfully urge the Legislature to provide funding to counties to assist with addressing H.R. 1-related impacts. The damage wrought by H.R. 1 is not only significant for vulnerable populations but has the potential to dramatically undermine the fiscal stability of California's urban counties.

This request was developed in collaboration with our sister county associations, including the California State Association of Counties (CSAC), the Rural County Representatives of California (RCRC), and the statewide associations representing county health and human services agency leaders. Together, we seek the state's assistance in addressing the devastating impacts to the vulnerable populations we collectively serve.

H.R. 1 represents a fundamental restructuring of the federal-state-county partnership for provision of safety-net services, with consequences that urban counties cannot absorb without significant policy and fiscal mitigation. Increased uninsured rates, reduced federal support, and major new eligibility requirements for Medi-Cal and CalFresh place counties at the epicenter of implementation with limited capacity to address impacts on our own.

Urban counties request state investment in four areas to mitigate the most devastating harms H.R. 1 will impose on low-income individuals and families accessing health care and food:

1) Indigent care investments to ensure that the sickest, low-income adults who lose health care coverage still have a safety net.
2) Public hospital investments to ensure those remaining on Medi-Cal can access care at public hospitals and clinics.

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3) Eligibility investments to help ensure there is trained and sufficient workforce to timely and accurately enroll people in Medi-Cal and CalFresh.
4) Behavioral health investments to address the loss of federal funds for those requiring behavioral health services who Medi-Cal lose coverage.

These investments form a foundation to support low-income Californians and bolster the safety net as we navigate this uncertain time.

Indigent Care Investments

California law requires counties to provide basic health services[1] to indigent adults. The Newsom Administration estimates that nearly 2 million Californians will lose health coverage, including 1.4 million Medi-Cal enrollees. Additionally, the H.R. 1 changes to state-based health marketplaces will drive an estimated 660,000 Californians out of the individual market. As the number of uninsured individuals rises, the demand for county indigent care is projected to increase significantly, with an estimated 417,000 to 1.3 million individuals expected to seek services as they lose Medi-Cal coverage under H.R. 1. Unlike Medi-Cal coverage, county indigent programs are not uniform – covered services and eligibility vary from county to county.

Urban counties have historically delivered indigent care services in two ways: (1) through an affiliated county hospital and clinic system or (2) through contracted providers or a hybrid model that included contracts and county-owned clinics. UCC member counties that own and operate a county hospital and health system include: Alameda[2], Contra Costa, Los Angeles, Riverside, San Bernardino, San Francisco, San Joaquin, San Mateo, Santa Clara, Ventura. The UCC member counties that delivered indigent services through contracted or other arrangements include Fresno, Orange, Sacramento, and San Diego; these counties have significantly reduced their service delivery infrastructure since ACA implementation.

For decades, the state provided funding to counties via 1991 Realignment for indigent care because of state mandate concerns. In 2013, as part of the ACA implementation, 1991 Health Realignment revenues were redirected from local health programs and the growth associated with those funds was significantly slowed to pay for other state services. Consequently, counties do not have the resources to serve individuals who will be seeking health services from indigent programs post-H.R. 1 implementation. Counties anticipate indigent care impacts as early as spring of 2027 as the H.R. 1 Medi-Cal work requirements and semi-annual eligibility redeterminations begin impacting people's coverage.

Counties estimate the statewide cost to provide services to indigent adult population at between $2 billion and $5.5 billion, depending on how many individuals seek services. Additionally, counties must rebuild or expand indigent care programs that were scaled back after the ACA, which requires new investments in staffing, provider capacity, and infrastructure.

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[1] Welfare and Institutions Code 17000, enacted in 1965, established the legal obligation for counties to provide basic, medically necessary care to medically indigent, lawful residents. County indigent programs are not comprehensive insurance or health coverage programs, like Medi-Cal or commercial health insurance.
[2] The Alameda Health System (AHS) Hospital Authority is an independent public agency established by the Alameda County Board of Supervisors to manage, administer, and control the county's public health care system.

> **To ensure that individuals who lose their coverage and fall into the health care safety net are able to access basic health care services, UCC requests at least $700 million in 2026-27, roughly $2.3 billion in 2027-28, and additional – likely increased – support in future years as indigent health care service demands adjust.**

In addition to the indigent care impacts, as more Californians lose Medi-Cal coverage, local health departments increasingly will become the default provider for essential services – such as vaccinations, sexually transmitted infection screening, testing, and treatment – while also absorbing greater demands for communicable disease prevention, response activities, and other core public health functions. To protect community health and ensure continued access to these critical services, we request $92.2 million to support California's local health departments so they can meet rising demand and preserve the public health workforce and infrastructure.

Public Hospital Investments

Urban counties play a key role in the delivery of health care services in their communities – owning and operating hospitals and clinics.

Public hospital systems – which include county hospitals – estimate $3.4 billion in total annual losses from H.R. 1 when fully implemented. Of particular concern, H.R. 1 caps and reduces State Directed Payments (SDPs) that currently compensate for inadequate Medi-Cal base rates, resulting in $2.3 billion in cumulative losses. Additionally, H.R. 1 requires a number of eligibility and enrollment changes that will have devastating impacts to coverage. The new work and community engagement requirements on their own will cause an estimated 1.4 million Californians to lose Medi-Cal coverage, resulting in an $800 million annual loss in Medi-Cal revenue for public hospital systems.

Loss of coverage will increase utilization of uncompensated care and increase the reliance on emergency departments for routine care. It will also increase the number of sicker patients who were unable to get care earlier in their illness. Due to the uncertainty of sustained funding, emergency departments, labor and delivery units, burn and other critical service lines are at risk of closure and/or decreased access. As accessibility to these services declines, there will be a ripple effect on neighboring hospitals/services as patients seek care where it is available. UCC members with county hospitals have direct experience with increased utilization at county hospitals when other hospitals in the region close or reduce services.

Without investment from the State, California's public hospital systems will be unable to sustain current care levels. The consequences will include reduced access to services, increased wait times, staff layoffs, and possibly even facility closures.

> **In line with the request outlined by the California Association of Hospital and Health Systems (CAPH), UCC supports $500 million General Fund in 2026-27 and $850 million in 2027-28 for public hospitals to help stabilize their funding.**

Public hospitals are the only hospitals in the state that receive no State General Fund support for inpatient fee-for-service Medi-Cal. In 2005, the State withdrew its funding for the Medi-Cal match, or Non-Federal Share (NFS) for inpatient fee-for-service patients – a direct and ongoing savings to

the General Fund that now totals more than $500 million annually. Every year since then, public hospital systems have had to assume those costs, resulting in a significant loss for each service.

This challenge has been further compounded by low Medi-Cal base rates, which resulted in public hospital systems needing to secure billions of federal dollars in "supplemental" payments to help cover their costs. As with the Medi-Cal fee-for-service payments, public hospital systems provided the federal match for their supplemental payments – no General Fund was involved.

Unfortunately, H.R. 1 capped those supplemental payments – the SDPs – and reduced the Medicaid matching rate. Combined with other state budget decisions, other likely federal cuts, and already existing deficits, these losses could reach nearly $6 billion annually when H.R. 1 is fully implemented.

Consequently, public hospital systems have exhausted their federal options that might be available to cover their costs. Public hospitals need a reinvestment from the state of $500 million annually to ensure they can continue providing critical care to those most marginalized across our state.

Eligibility Investments

First, counties need resources to train and staff the eligibility workforce so that eligible Californians receive the CalFresh and Medi-Cal services they need.

- **Medi-Cal.** H.R. 1 creates two primary barriers for existing Affordable Care Act (ACA) expansion adults that threaten Medi-Cal access and ongoing coverage for millions of otherwise eligible Californians, while creating significant workload for county eligibility staff. These barriers are: (1) the introduction of community engagement and work requirements, and (2) shifting from 12-month to 6-month recertification periods. For new Medi-Cal applications, an additional procedural hurdle has been established for applicants and workers alike: applicants must demonstrate compliance with work and community engagement rules a month prior to enrollment.

  The Department of Health Care Services (DHCS) estimates that 4.6 million ACA expansion adults are currently enrolled in Medi-Cal, 2.8 million of whom cannot be automatically renewed nor exempted and for whom intensive county eligibility workforce engagement and support will be required in order to retain coverage. Within this population, DHCS projects a 50% disenrollment rate due to challenges with compliance or paperwork barriers. Under that scenario, 1.4 million enrollees – 3.5% of the state's population – would lose Medi-Cal coverage. DHCS has reported that disenrollment could be as high as 77% based on the experience of other states.

  Reducing the disenrollment rate among this vulnerable population hinges on adequate funding and training of the county eligibility workforce. Eligibility workers can properly screen, identify, and certify key exemptions not discoverable through any other means than direct interviews with enrollees to determine who may be exempt from new requirements. Further, eligibility workers support existing enrollees through compliance for individuals who do not qualify for exemptions. Additionally, workers help new applicants navigate the additional hurdle of demonstrating compliance one month before enrollment.

> **Consistent with the request made by the County Welfare Directors Association (CWDA), UCC supports $230 million General Fund in 2026-27 and $305 million General Fund in 2027-28, to provide counties with the necessary funding for the eligibility workforce to support Medi-Cal beneficiaries and mitigate the harm of these H.R. 1 policies.**

- **CalFresh.** H.R. 1 expands work requirements, eliminates eligibility for many immigrant groups, amends the Thrifty Food Plan, eliminates CalFresh Healthy Living (SNAP-Ed), and shifts substantial new administrative and benefit costs to the state and counties. Nearly 954,800 Californians could lose CalFresh, and county administrative costs are estimated to rise by more than $160 million annually in urban counties alone. Higher food insecurity will have cascading effects on family stability, health outcomes, homelessness risk, and child welfare involvement.

  Beginning June 1, 2026, at least 1 in 5 CalFresh recipients are at risk of losing life-saving food assistance due to onerous new work requirements imposed by H.R. 1, which requires proof of 20 hours per week of work, job training, education, or community service. When combined with the Able-Bodied Adult without Dependents (ABAWD) time limit policy, these rules will restrict at least 954,800 CalFresh recipients to only three months of food assistance within a 36-month period unless they are able to comply or qualify for an exemption. The Department of Social Services (CDSS) estimates that 70% of CalFresh recipients who meet the definition of an ABAWD and who are not automatically exempt or verified compliant run the greatest risk of losing benefits. However, this estimate does not include the potential impact of county eligibility workers in reducing discontinuances.

  One-on-one conversations that facilitate trust and rapport between workers and clients will help surface critical information about life circumstances and conditions that limit an individual's ability to work, ensuring a greater number of individuals who qualify for an exemption such as "unfit for work" are not inappropriately subject to work requirements and can retain access to food assistance. However, the Administration's proposed 2026-27 budget currently provides no new resources for workers to partake in retention-focused client-by-client conversations.

> **Along with our colleagues at CWDA, UCC supports augmenting CalFresh funding by $9.3 million General Fund in 2025-26; $102.8 million General Fund in 2026-27; and $57.9 million General Fund in 2027-28 and annually thereafter to address the workload impacts outlined above.**

Behavioral Health Investments

The eligibility, enrollment and financing changes in H.R. 1 will affect county behavioral health plans and delivery systems. As fewer individuals can qualify for and maintain Medi-Cal coverage, counties will see an increase in demand for uncompensated safety net services. First, as individuals with less severe behavioral health conditions lose Medi-Cal eligibility and coverage, this loss of coverage will result in diminished access to upstream behavioral health care for those who may have mild to moderate conditions. The loss of coverage also may lead to exacerbation of mental health and substance use disorder conditions, eventually resulting in the need for specialty services for some of these individuals.

County behavioral health systems are the safety net for uninsured or underinsured Californians with behavioral health needs to the extent resources are available under 1991 Realignment. Despite exemptions for work requirements, thousands of existing clients of county behavioral health will lose coverage and, along with that, counties' ability to draw down federal funds through Medi-Cal will diminish, further straining the resources available to counties to maintain existing entitlement responsibilities and to sustain the system expansions recently put into place by the Legislature and the Governor, including the CARE Act, the Behavioral Health Services Act (BHSA)/Proposition 1, and other programs and services focused on the homeless population.

> **As a result, UCC also supports the County Behavioral Health Directors Association's (CBHDA) request for $224 million in 2026-27 and $828 million in 2027-28 based on modeling that suggests that approximately 89,300 individuals are likely to be impacted by H.R. 1.**

The estimate of behavioral health system impacts is based on the following assessments:

- **Work Requirements**. CBHDA estimates that approximately 67,620 individuals in the ACA population will be affected by new H.R. 1 work requirements by 2027-28. Although the work requirements exempt those with serious mental illness (SMI) and substance use disorders (SUD), counties anticipate that some of the individuals who lose their coverage may be receiving behavioral health services through their Managed Care Plan and/or may need it in the future (i.e., the mild to moderate individuals who will decompensate without care). This analysis assumes that these individuals will not obtain insurance through other means and county behavioral health departments will need to serve them "to the extent resources are available" under 1991 Realignment.

- **Biannual Medicaid Eligibility Redeterminations**. An additional impact to the ACA population will result from the biannual Medicaid eligibility redeterminations in H.R. 1. An estimated 8,583 individuals who are served by county behavioral health will fall off of Medi-Cal in 2026-27 and 11,880 individuals will be impacted in 2027-28.

- **Undocumented Immigration Status shift to Restricted Scope**. Counties estimate that approximately 7,365 individuals in 2026-27 and 9,820 individuals in 2027-28 who are currently serviced by county behavioral health will shift from full-scope Medi-Cal to restricted scope Medi-Cal. For specialty mental health services and SUD services specifically, the only services covered under restricted scope Medi-Cal are for those individuals who are pregnant.

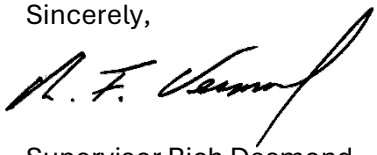
Conclusion

Even prior to the passage of H.R. 1, many urban counties faced growing fiscal strain driven by slowing revenues, inflationary cost pressures, unfunded state mandates, and the impending cost of legal liabilities. Roughly half of UCC counties report 2025–26 deficits, and most expect program reductions in 2026–27. Early county analyses estimate H.R. 1 will reduce urban county budgets by $1.1 billion to $2.2 billion in 2026–27 alone, growing to over $6 billion statewide by 2030. While some counties are exploring local revenue measures, such actions would only partially offset projected federal losses and require local voter approval.

We urgently ask that the Administration and the Legislature invest resources to shore up the foundation of safety net services – eligibility, indigent care, public hospitals, and county behavioral health agencies – as outlined above to support low-income Californians. UCC's member counties stand ready to work collaboratively with state partners to develop realistic mitigation strategies that sustain essential health and human services for low-income Californians.

Thank you for your time and consideration of our request. Please do not hesitate to reach out to Kelly Brooks, UCC's health and human services advocate, with any questions; she is available at (916) 272-0011 or kbl@hbeadvocacy.com.

Sincerely,



Supervisor Rich Desmond
Chair, Urban Counties of California

cc: Honorable Members, Assembly Budget Committee
Honorable Members, Senate Budget and Fiscal Review Committee

Flores, Kate

From:	Brad Anderson <ba4612442@gmail.com>
Sent:	Monday, March 23, 2026 11:15 AM
To:	Clerk of the Board; District 4 Supervisor V. Manuel Perez
Subject:	Public Comment - Riverside County Board of Supervisors meeting of March 24, 2026 (9:30AM) - AGENDA ITEM: 3.49 (ID# 30157)

March 23, 2026

Riverside County Board of Supervisors (BoS)
County Administrative Center - First Floor Board Chambers
4080 Lemon St.
Riverside, CA. 92501
Attention: Clerk of the Board of Supervisors

Re: Written testimony in regards to Agenda Item: 3.49. (Advocacy strategy to combat (resist) much-needed reforms of (H.R.) 1 [One Big Beautiful Bill])

Dear current BoS's,

Please review my written statement listed, prior to the consideration of agenda Item: 3.49

Position: In Opposition

It's highly recommended to abandon the motivation to expel local resources (THREE HUNDRED THOUSAND DOLLARS - $300,000.00) in a potential "shell-game scheme" to defraud Riverside County residents and businesses (Agenda Item: 3.49).

It's been repeatedly demonstrated that Riverside County officials (Treasurer Tax Collector) have unfairly de-housing county citizens while bankrolling billions of dollars in stated Investment with taken properties and absorbent taxes collected from Riverside County residents.

It's reasonable to consider that this attempt from Riverside County officials and other governmental agencies to complain about much needed restrictions (H.R. 1) over State funded progressive elements is nonsensical and poor governance. Riverside County's released Form 11 clearly was constructed to mislead the reader and appears to be opinionated.

It's clear that Riverside County resources have been used to strategize with other progressives elements (Governmental agencies) to attempt to lobby against good governance (H.R. 1). Spending $300,000.00 on undisclosed expenses (probably air travel/parking and luncheons/meeting stipends?) Is unconscionable.

Consider ethical standards and moral values while serving country residents.

3.49

Please don't take any futher reprisal actions against my private property or person for reporting this true and accurate summary of concerns and opinions expressed.

Sincerely,

Brad Anderson | 37043 Ferber Dr. Rancho Mirage, CA. 92270
Ba4612442@gmail.com

Cc: