



Amendment Bills to the Fiscal Year 2026–27 Enacted State Budget

Impact Analysis

September 2026

AB 113: Budget Bill Jr.

- Clarifies that the \$31 million previously allocated to DHCS for care coordination services to support the transition of Unsatisfactory Immigration Status (UIS) beneficiaries from Medi-Cal managed care plans (MCPs) to the statewide Medi-Cal fee-for-service (FFS) system is for enhancements to Medi-Cal Connect and the nurse advice line.
- Allocates \$9 million to support gender-affirming care services for children and youth. As these dollars are going through the California Department of Health Care Access and Information (HCAI) rather than DHCS, this will be grant-based funding.

AB 173: Health Trailer Bill Jr.

- Exempts pregnant and postpartum individuals from the upcoming elimination of Medi-Cal dental coverage for UIS individuals ages 19 years or older, effective July 1, 2027.
- Beginning October 1, 2026, requires medically necessary dialysis, including related transportation services, to be covered for individuals with restricted-scope Medi-Cal, even when the treatment does not meet the definition of an emergency medical condition.
- Beginning October 1, 2026, Qualified Non-Citizens (QNC) no longer eligible for federal match funding due to H.R. 1 can continue to receive full-scope Medi-Cal through June 30, 2027, but they will be included in the UIS transition from Medi-Cal MCPs to Medi-Cal FFS on January 1, 2027. Subsequently, on July 1, 2027, QNC individuals will only be eligible for restricted-scope Medi-Cal. QNC populations include asylees, refugees, battered noncitizens (and their parents and children), human trafficking victims, humanitarian parolees, Amerasian immigrants, conditional entrants granted before April 1980, individuals paroled into the United States for one year or more, and individuals granted withholding of deportation or removal.
- Requires DHCS and the California Department of Aging to examine Community-Based Adult Services (CBAS) center closures and their impact by March 1, 2029.
- Expands DHCS authority to take the following actions to improve Medi-Cal provider oversight and program integrity:
 - Deny or terminate Medi-Cal provider enrollment when a provider has certain affiliations with entities that have experienced a disclosable event and DHCS determines there is an undue risk of fraud, waste and abuse (FWA).
 - Temporarily suspend providers under investigation for FWA and make suspensions effective more quickly.
 - Impose provider enrollment moratoria, including removing existing exemptions for certain clinics and health professionals.
- Directs the state to develop recommendations for sustainable funding of mobile crisis teams and behavioral health crisis services, including maximizing Medi-Cal rates and federal funding.
- Appropriates \$112.8 million in federal funds to DHCS for State Opioid Response Grant and Substance Abuse Prevention and Treatment Block Grant activities through June 30, 2027.