CA Coverage Snapshots: Transition to Medi-Cal Fee-For-Service for Certain Immigrants

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Two of California's main health care programs, Medi-Cal and Covered California, are facing significant changes over the next several years that will impact eligibility and access to benefits. These changes are a result of federal actions, including H.R. 1 (known as the so-called "One Big Beautiful Bill Act"), and changes under the state budget. This fact sheet breaks down the changes related to Medi-Cal for members with Unsatisfactory Immigration Status (UIS) who are ineligible for federally-funded Medicaid.

H.R. 1 Cuts to Federally-Funded Medicaid

H.R. 1 restricts the types of immigration statuses eligible for federally-funded Medicaid beginning on October 1, 2026. Nationwide, millions of immigrants who currently qualify for federally-funded Medicaid will be considered UIS and, therefore, no longer qualify for Medicaid coverage. In California, this population will maintain full scope Medi-Cal coverage as their coverage will be entirely funded by the state. Around **200,000 immigrants in California** will transition to state-funded coverage in October. Including the preexisting state-funded Medi-Cal population, the total number of UIS Medi-Cal members in California will be approximately 2 million.

UIS Medi-Cal Members Transition to Medi-Cal FFS

Beginning January 1, 2027, California will transition all 2 million Medi-Cal members with UIS from Medi-Cal managed care to Medi-Cal Fee-For-Service (FFS), also called "Regular" or "Straight" Medi-Cal. Medi-Cal FFS means that these members will no longer access care through a health plan, but rather, will receive care from providers who accept Medi-Cal FFS. The FFS transition does not affect UIS members' eligibility for full scope Medi-Cal. Affected members will keep their full-scope Medi-Cal, however, the way they receive certain services will change. Importantly, Medi-Cal FFS still pays for members' care — **members do not have to pay.** The transition to Medi-Cal FFS is not a termination of coverage, but rather a change in where they get their care.

Managed Care vs. Fee-For-Service: What is the Difference?

Under **Medi-Cal managed care**, members are enrolled in a managed care plan (MCP). MCPs have a network of doctors, hospitals, and other providers where members receive their care. MCPs help coordinate covered services and connect eligible members to services such as

Enhanced Care Management (ECM) and Community Supports (CS). Most, but not all, services these members currently can obtain will be available in Medi-Cal FFS.

In **Medi-Cal FFS**, members are not enrolled in a MCP. Instead, they receive covered services from doctors, clinics, and other providers that accept Medi-Cal FFS, and those providers bill Medi-Cal directly. This chart covers what is changing:

	Managed Care	Medi-Cal FFS
Provider network	MCPs must maintain a network of providers sufficient to provide covered services.	Members seek care from individual providers who participate in Medi-Cal FFS. There are no network standards in the FFS delivery system.
Choosing providers	Members receive care from providers in the MCP's network.	Members receive covered services from any provider who accepts Medi-Cal FFS. The **state maintains a database** of approved FFS providers. Members will still get mental health and substance use services (specialty behavioral health services provided through County Behavioral Health Plans) for behavioral health conditions, but non-specialty mental health services will now be provided by Medi-Cal FFS providers.
Payments to providers	The MCP pays providers for covered services. MCPs receive funding from the state for each member.	Providers bill Medi-Cal directly for payment by the state for covered services provided.
Service authorization	Providers submit authorization requests to the MCP or its assigned entity when required.	Providers submit Treatment Authorization Requests (TARs) to DHCS when prior authorization is required.

Care coordination	The MCP coordinates the members' care.	There is no entity responsible for care coordination. Certain FFS providers may provide some care coordination services.
ECM and Community Supports	Eligible members may receive all Medi-Cal covered services, including ECM and Community Supports through their MCP.	ECM and Community Supports are not available through FFS Medi-Cal. UIS members will lose access to both benefits after the FFS transition.
Dispute resolution process	Members have a right to the MCP grievance or appeal process; the State Fair Hearing process through the California Department of Social Services (CDSS); and the Department of Managed Health Care (DMHC) complaint process.	FFS members can request an **appeal** with CDSS State Hearing Office or file a **complaint** with the Department of Health Care Services (DHCS).

What do UIS Members Need to Know?

The transition from managed care to FFS means Medi-Cal members with UIS may lose access to certain providers. UIS Medi-Cal members should ask their current PCP, doctors, specialists, clinics, and other providers if they accept Medi-Cal FFS. For more information, review the State's FFS transition **Policy Guide**, member **FAQ**, and **resource page**.