



ASSEMBLYMEMBER JOAQUIN ARAMBULA, M.D. 31ST ASSEMBLY DISTRICT

AB 1995 – Eliminating Medi-Cal Premiums

Summary

AB 1995 will ensure pregnant individuals, children, and people with disabilities can access the health care services that they need to stay healthy and thrive by eliminating their monthly Medi-Cal premiums.

Background

Medi-Cal is California’s Medicaid health care program. It provides free or low-cost health insurance to low-income and other vulnerable populations in California. Medi-Cal coverage provides children, families, and adults a solid foundation to meet all their health care needs. Research shows that Medi-Cal coverage improves health, reduces disability, increases educational attainment, and increases economic stability in later life for children. For people with disabilities, Medi-Cal allows them to live independently in the community and avoid costly institutionalization.

California currently requires over 535,000 children, pregnant individuals, and people with disabilities to pay monthly fees or “premiums” to keep their Medi-Cal coverage. For many families, monthly premium payments compete with other household expenses and necessities, like rent, food, and diapers. These premium requirements place an undue economic burden on families that are already living on very limited incomes, and create barriers in access to care and unnecessary breaks in coverage for eligible children, families, and people with disabilities.

Ongoing Medi-Cal premiums undermine California’s efforts to provide affordable and low-cost coverage. Medi-Cal premiums additionally hinder economic mobility in communities of color because they exacerbate longstanding and structural economic disparities that only worsened during the COVID-19 public health emergency. These financial hardships can have lasting impacts on the health and well-being of children, families, and people with disabilities.

Eliminating premiums for Medi-Cal families puts money directly back into the pockets of California’s lowest income families and families of color during a critical time. It also

promotes continuity of care and puts children, families, and people with disabilities on a stronger path in the long-term.

Current Law

California is one of only four states to require premiums in their Medicaid program for children as of 2020¹. At least ten states charge no premiums for people with disabilities.² Currently, Medi-Cal premiums put a significant strain on family budgets while yielding relatively little cost savings for the State. Medi-Cal premium programs to be eliminated are the Optional Targeted Low Income Children Program (OTLICP), Medi-Cal Access Infant Program (MCAIP), County Children’s Health Initiative Program (CCHIP), Medi-Cal Access Program (MCAP), and 250% Working Disabled Program. Premiums are charged to people at or above 160% of the poverty line (FPL) for children and families, and above 138% FPL for people with disabilities.

This Bill

AB 1995:

- 1) Strikes Sections 14005.26(d), 14007.9(d) and (f), and 15826(a)(4) of the Welfare and Institutions Code, which currently authorizes premium contributions for children, pregnant individuals/linked infants, and people with disabilities;
- 2) Urges Administrative Action to reflect these changes in the Medicaid/CHIP State Plan and in guidance to counties and to the administrative vendor with proper notification to affected individuals.

AB 1995 has a companion 2022-23 Budget proposal.

Support

Children Now (Co-sponsor)
Western Center on Law & Poverty (Co-sponsor)

For More Information

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¹ [Kaiser Family Foundation \(2020\) – State Health Facts](#)

² [Kaiser Family Foundation \(2018\) – Medicaid Eligibility through Buy-In Programs for Working People with Disabilities](#)