

2025 STATE AND FEDERAL POLICY CHANGES

IMPACTING IMMIGRANT ACCESS TO BEHAVIORAL HEALTH SERVICES



BACKGROUND

Mental health and substance use disorder services are required to be provided to individuals enrolled in Medi-Cal, California's Medicaid program, Covered California, and employer-sponsored health insurance. Under law, health plans must provide all medically necessary mental health and substance use disorder services to their members. This includes, but is not limited to, counseling, medication, and hospitalization. Medicare provides a similar scope of behavioral health services. Major policy changes enacted this year by both the federal government and the California state government will severely limit immigrant access to behavioral health services by restricting immigrant access to health coverage in Medi-Cal, Covered California, and Medicare.

STATE MEDI-CAL CHANGES

On June 30th, 2025, Governor Newsom signed the 2025-26 State Budget into law, which rolls back important Medi-Cal coverage expansions to all regardless of immigration status.

JAN 1, 2026

UNDOCUMENTED ENROLLMENT FREEZE

California will no longer allow undocumented Californians ages 19 and older to enroll in Full-Scope Medi-Cal. People already enrolled will remain enrolled. If an individual's coverage lapses, there is a three-month grace period to re-enroll before they are no longer eligible. Children under 19, former foster youth under 26, and pregnant people up to one year after pregnancy are exempt from these changes.

JUL 1, 2026

ELIMINATION OF DENTAL BENEFITS FOR UIS ADULTS

Medi-Cal will no longer cover full adult dental services for undocumented individuals and immigrants with unsatisfactory immigration status (UIS).ⁱ Emergency dental care plus all other Medi-Cal benefits will still be covered. See [this table](#) for more information on immigrant eligibility categories.

JUL 1, 2027

\$30/MONTH MEDI-CAL PREMIUMS FOR UIS ADULTS

Undocumented immigrants ages 19-59 who are not pregnant and those with unsatisfactory immigration status will be required to pay a premium of \$30 per month to remain covered by Medi-Cal. If an individual does not pay the premium within the 3-month grace period, they will no longer be able to re-enroll.

FEDERAL MEDI-CAL CHANGES

On July 4th, 2025, President Trump signed H.R. 1 into law, which makes significant cuts to the Medicaid program. An estimated 3.4 million Californians will lose access to Medi-Cal because of H.R. 1, and immigrants will be overrepresented among the newly uninsured.ⁱⁱ

OCT 1, 2026

FEDERAL FUNDING ENDS FOR SOME FEDERALLY QUALIFIED IMMIGRANTS

Federally funded Medicaid will no longer cover individuals with the following immigration statuses: refugees, asylees, people granted withholding of removal (based on fear of persecution), trafficking survivors, survivors of domestic violence who have filed a self-petition under the Violence Against Women Act (or who have an approved family based immigration petition filed by a spouse/parent), and persons granted humanitarian parole for a period of at least one year. California may still act to include these populations in state-funded Medi-Cal; however, new state provisions outlined above would likely apply.

JAN 1, 2027

WORK REQUIREMENTS, MORE FREQUENT RENEWALS, AND OTHER ELIGIBILITY CHANGES

Individuals ages 19-64 who are enrolled in Medi-Cal through the ACA expansion (largely single adults), must demonstrate that they are working or participating in other qualifying activities (attending school or volunteering) at least 80 hours each month, or that they qualify for a listed exemption from the requirement.ⁱⁱⁱ Those who cannot demonstrate their work hours, such as those who do not receive documentation for their work, will be ineligible for Medi-Cal. Eligibility must also be redetermined every six months and retroactive coverage for unpaid medical bills is reduced from three months to one month.

FEDERAL MEDICARE CHANGES

H.R. 1 makes significant changes to Medicare, which will hurt older adults and people with disabilities. It eliminates access to Medicare for all immigrants except green card holders, immigrants from Cuba, and people residing under the Compacts of Free Association, effective immediately. This means that refugees, asylees, and other lawful residents will no longer be eligible for Medicare. People who are currently enrolled but in newly restricted immigration categories under H.R. 1 will see their coverage terminated no later than December 31, 2026.

FEDERAL AFFORDABLE CARE ACT CHANGES

H.R. 1 also makes significant changes to the Affordable Care Act, which will impact eligibility and affordability in Covered California.

- ▶ **Beginning August 25, 2025,** DACA recipients will no longer be eligible for marketplace coverage.^{iv}
- ▶ **Beginning January 1, 2026,** many lawfully present immigrants, including refugees, asylees, and holders of Temporary Protected Status, will no longer be eligible for subsidized health coverage through Covered California.^v Lawfully present immigrants earning at least 100% of the federal poverty level may still enroll in unsubsidized coverage in Covered California.^{vi}

COUNTY SERVICES

California's counties receive state funding, in addition to substantial Medicaid funding, to provide behavioral health services to those who meet medical necessity and other criteria. Counties may use Behavioral Health Services Act, realignment, and other dollars to serve individuals regardless of immigration status, insurance type (or lack of insurance), and ability to pay. These services include case management, counseling, medication, hospitalization, and more. Counties may face practical and financial limitations on the number of individuals they can serve with these funds; however, they are not permitted to discriminate on the basis of immigration status.

On July 10, 2025, the federal Department of Health and Human Services issued a notice that adds several behavioral health programs to a list of what are considered a "federal public benefit" and therefore inaccessible to certain immigrants, including but not limited to those with Temporary Protected Status, a nonimmigrant visa, or Deferred Action for Childhood Arrivals (DACA), and those who are undocumented.^{vii}

The behavioral health programs that are newly restricted would include Certified Community Behavioral Health Clinics, Community Mental Health Services Block Grant, Health Center Program, Substance Use Prevention, Treatment, and Recovery Block Grant, and Mental Health and Substance Use Disorder Treatment, Prevention, and Recovery Support Services Programs administered by the Substance Abuse and Mental Health Services Administration. These federal programs provide hundreds of millions of dollars to California counties to implement important community-based programs for behavioral health.

On September 10th, a district court issued a preliminary injunction which prevents the Trump administration from moving forward with the unlawful restriction of these programs for certain immigrants. The lawsuit is still ongoing.^{viii}

SOURCES

- ⁱ Individuals are considered to have Unsatisfactory Immigration Status (UIS) by the Department of Health Care Services (DHCS) if they do not claim or cannot verify one of the recognized immigration statuses that qualify for federally funded full coverage Medi-Cal. Examples include lawfully permanent residents here less than five years and individuals Permanently Residing Under Color of Law (PRUCOL).
- ⁱⁱ "Navigating Federal Cuts: A Presentation with CalHHS," California Health and Human Services Agency, video presentation, July 21, 2025. <https://www.chhs.ca.gov/blog/2025/07/21/navigating-federal-cuts-a-presentation-with-calhhs/>
- ⁱⁱⁱ Seasonal workers may demonstrate a specified average monthly income rather than hours. <https://www.chhs.ca.gov/wp-content/uploads/2025/10/CALHHS-CONNECT-Webinar-2.pdf>
- ^{iv} "Deferred Action for Childhood Arrivals," Covered California. <https://www.coveredca.com/learning-center/information-for-immigrants/deferred-action-for-childhood-arrival/>
- ^v "The Anti-Immigrant Policies in Trump's Final 'Big Beautiful Bill,' Explained," National Immigration Law Center, July 2025. <https://www.nilc.org/wp-content/uploads/2025/07/The-Anti-Immigrant-Policies-in-Trumps-Final-Big-Beautiful-Bill-Explained.pdf>
- ^{vi} Ibid
- ^{vii} "What New Federal Notices Mean for Immigrants' Program Eligibility," Tanya Broder and Ben D'Avanzo, National Immigration Law Center, July 23, 2025. <https://www.nilc.org/articles/what-new-federal-notices-mean-for-immigrants-program-eligibility/>
- ^{viii} "Attorney General Bonta Secures Temporary Court Order Blocking New Restrictions on Public Benefit Programs," Press Release, Sept. 10, 2025. <https://oag.ca.gov/news/press-releases/attorney-general-bonta-secures-temporary-court-order-blocking-new-restrictions>

