

**COUNTY** OF **SAN MATEO**



**SAN MATEO  
COUNTY HEALTH**  
All together better.

# State and Federal Budget Impacts Study Session

January 27, 2026

# OUR GOALS TODAY



- Shared understanding of recent federal and state policy changes and anticipated impacts
- Review of county indigent care obligations and the San Mateo County ACE Program
- Update on our current efforts and next steps

**OUR MISSION IS**  
**to help everyone in San Mateo**  
**County live longer and better lives.**



**SAN MATEO**  
**COUNTY HEALTH**

All together better.

# OUR MISSION IN ACTION

## PROTECTING PUBLIC HEALTH



PREVENTING  
HEALTH PROBLEMS



MONITORING THE  
ENVIRONMENT AND  
PROMOTING  
COMMUNITY HEALTH

## SERVING AS A ROBUST SAFETY NET



PROVIDING A  
CONTINUUM OF  
CARE



SERVING OUR  
MOST VULNERABLE  
RESIDENTS

---

# STATE & FEDERAL CHANGES

---

# A SHIFTING SAFETY NET

- San Mateo County has a **long history of investing in services for our most vulnerable residents.**
- The FY 25-26 state budget and federal H.R. 1 enacted **significant shifts in how the healthcare safety net is structured, financed, and safeguarded** – weakening protections for those who rely on it most.
- These changes – combined with broader community uncertainty, including immigration-related actions – **compound risks for individuals, families, the County, and its safety net partners.**

# THE IMPACT OF THESE CHANGES

While many of the implementation **details are still unclear**, we know that, if/when implemented, these policy changes will:

- Reduce the number of people covered by **Medi-Cal**
- Increase the number of people who are **uninsured**
- Decrease funding for the **healthcare safety net**
- Disproportionately impact people with **unsatisfactory immigration status (UIS)**

# THE UIS POPULATION

- **By design**, County Health does not know who of our clients and patients are in the UIS population.  
**40,000** *(corrected 3/27/26)*
- Enrollment data indicates **approximately 20,000 UIS Medi-Cal enrollees countywide**.
- Beyond H.R. 1, **several federal policies affecting immigrants** have been released and subsequently challenged in court.
  - **Expansion of programs barred from serving UIS**, including FQHCs such as SMMC.
  - **Sharing of Medicaid data with federal immigration enforcement.**
- State and federal changes – whether they have a direct impact or not – **may impact how and whether people access services** for which they are eligible.

# PROJECTED IMPACTS ON SAN MATEO COUNTY RESIDENTS

- Over the next few years, approximately **36,200 to 53,700** (21-31% of San Mateo County residents currently on Medi-Cal) **could lose their Medi-Cal coverage.**
- As resources are reduced over the next several years, the impacts will be felt by individuals and families through **delayed care, reduced access to preventive services, greater reliance on emergency services, and increased health risks.**
- At the community level, these changes can lead to **worsening health outcomes, increased disparities, and higher long-term costs.**

# ADDITIONAL PROVISIONS THAT REDUCE FUNDING FOR THE SAFETY NET

Elimination of FQHC rate for UIS  
*(state)*

Reduction of state directed payments  
by 10% annually *(federal)*

Jul 2026

Oct 2026

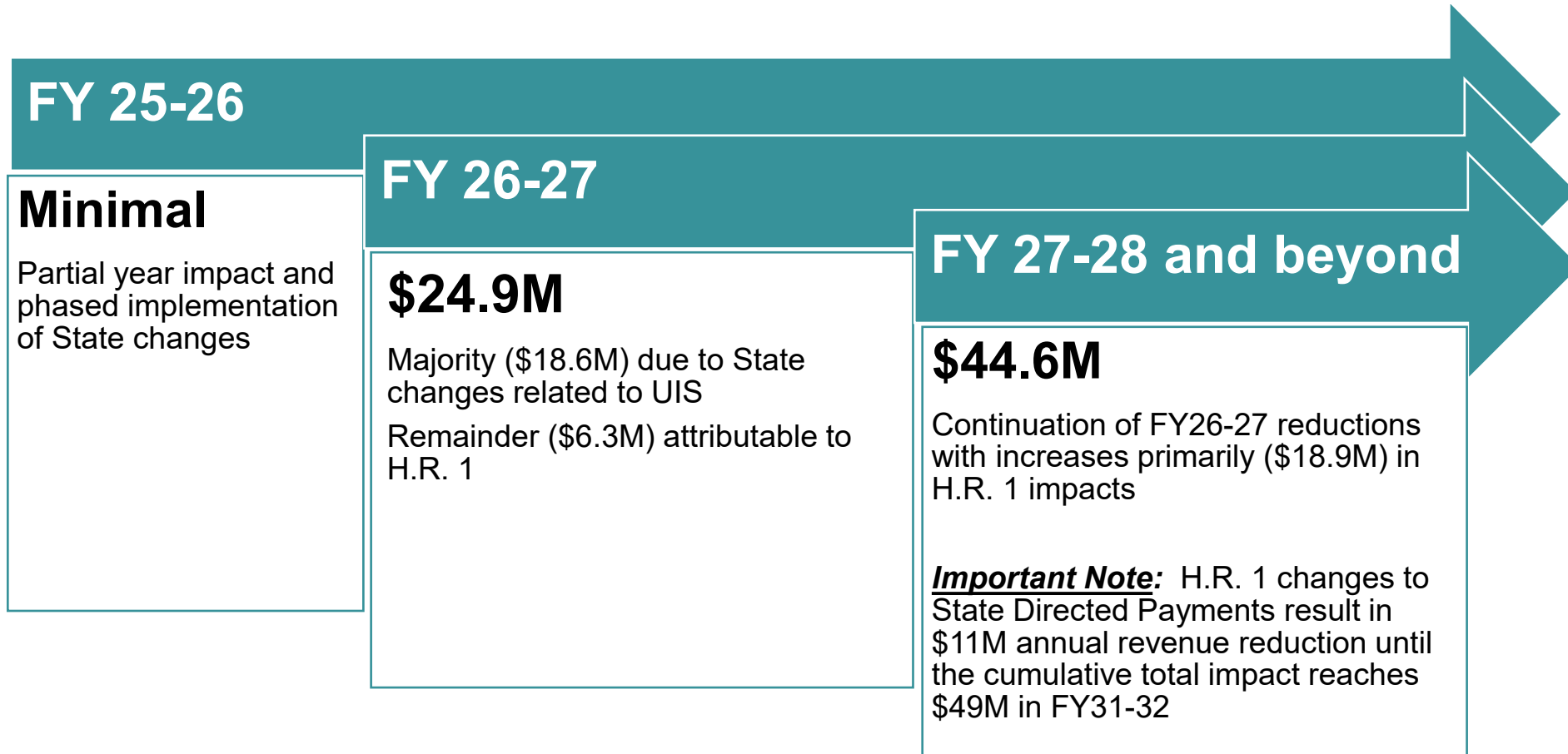
Jan 2028

Reduction of federal Medicaid match  
from 90% to 50% for emergency  
services for UIS adults  
ages 19-59 *(federal)*

# PROJECTED IMPACTS ON SAN MATEO COUNTY HEALTH

- Assuming continued care for our existing patient population, San Mateo County Health could experience **ongoing financial losses** estimated at **\$24.9M for FY 26-27** and an additional \$19.7M the following year for a total of **\$44.6M for FY 27-28**.
- These figures represent estimated losses within **San Mateo Medical Center**, which is where San Mateo County Health would experience the majority of impact.

# POTENTIAL IMPACTS ON COUNTY HEALTH



---

# INDIGENT CARE REQUIREMENTS & SAN MATEO COUNTY ACE

---

# STATE INDIGENT CARE REQUIREMENTS

- Loss of health insurance **shifts care to county indigent programs.**
- Under California law, **counties are the provider of last resort.**
- **Counties have discretion** in how they meet this obligation, which varies by:
  - Eligibility
  - Benefits
  - Operations

*“Every county and every city and county shall relieve and support all incompetent, poor, indigent persons, and those incapacitated by age, disease, or accident, lawfully resident therein, when such persons are not supported and relieved by their relatives or friends, by their own means, or by state hospitals or other state or private institutions.”*

*Cal. W&I Code §17000*

# SAN MATEO COUNTY ACCESS TO CARE FOR EVERYONE (ACE)

- ACE is **San Mateo County's locally-funded indigent care program.**
- While **not insurance**, ACE **services exceed minimum statutory requirements** for indigent care.
- ACE covers:
  - SMC residents **age 19 and older**;
  - With **incomes below 200% of the federal poverty level**;
  - Who **do not qualify for other state and federal insurance programs**; and
  - **Regardless of documentation status.**
- ACE services are primarily provided by **San Mateo Medical Center** and the program is administered by **Health Plan of San Mateo.**

# POTENTIAL IMPACTS OF STATE & FEDERAL POLICY CHANGES ON ACE

- ACE enrollment peaked at ~27,000 in 2022; **current enrollment is <1,000.**
- Many participants moved from ACE to Medi-Cal due to Medi-Cal eligibility expansions.
- As Medi-Cal coverage declines, **demand for ACE is expected to rise.**
- However, **expansion of ACE is not sustainable** under current funding.
- **We are committed to continuing to care for our patients** – but shifting patients from Medi-Cal to ACE increases costs by **~\$4M for every 1,000 new enrollees.**

---

# CURRENT EFFORTS & NEXT STEPS

---

# OUR GOALS

- **Ensure access** to care for ALL our patients and clients
- **Support staff and those we serve** through these challenges
- **Explore options** now to reduce the impact of future changes
- **Maintain momentum** on long-term strategies

# OUR APPROACHES TO ADDRESS THE GAP

- **Improve operations**

- **Accelerate improvement efforts** focused on efficiency, effectiveness, and reducing staff burden (including how we use Epic and other tools).
- **Analyze trends and impacts** and evaluate revenue streams to inform system design/redesign.

- **Increase and diversify funding**

- **Capture all eligible reimbursements.**
- **Explore opportunities to build on existing partnerships**, including with Health Plan of San Mateo.
- **Continue advocacy** at the state and federal levels.

- **Monitor and assess ACE program stability**

- **Coordinate with HSA** to help clients stay enrolled in Medi-Cal and minimize coverage losses.
- **Monitor program data** on enrollment and utilization.
- **Consider adjustments** to eligibility and/or benefits.



# NEXT STEPS

- **Closely monitor state and federal developments** and local impacts on patients, clients, and programs.
- **Continue to update and refine projected impacts** on patients, clients, programming, and finances.
- **Provide regular updates and recommendations** to CEO and Board of Supervisors.
- **Advocate for resources and policy change** through the CEO's office and Statewide associations.



# SAN MATEO COUNTY HEALTH

All together better.

---

## QUESTIONS?