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FOR IMMEDIATE RELEASE

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San Joaquin County Releases Fiscal Impacts Related to H.R.1

Stockton, CA, On March 3, 2026, the San Joaquin County Board of Supervisors received an oral report from County Administration and Health and Human Services leadership outlining the estimated local impacts of H.R.1, known as the “One Big Beautiful Bill Act,” signed into law on July 4, 2025.

H.R.1 is a federal budget measure addressing taxation, healthcare, and social services safety net programs. Based on preliminary review, San Joaquin County estimates an annual revenue drop ranging from \$50.9 million to \$76.9 million.

“Counties across our region are already seeing the effects of H.R.1, and San Joaquin County is not waiting to react,” said Supervisor Rickman. “I asked our departments to immediately assess the financial impact and identify exactly where we stand. Fiscal responsibility and transparency aren’t talking points — they are the standard. We are laying out the numbers so the public clearly understands what’s changing, where funding originates, and what it means for the services people depend on.”

The County presented the following fiscal impact checklist to clarify revenue changes, funding sources, and associated mandates.

COUNTY FISCAL IMPACTS

1. Medi-Cal Revenue Reductions

Estimated Annual Income Loss: \$30.4 million to \$34.4 million

Funding Source: Federal Medicaid, Medi-Cal

Mandate: Counties must administer eligibility and ensure access to indigent health services

- Work requirements and more frequent eligibility reviews
- 35% estimate for increased coverage loss plus additional enrollment churn
- Increased administrative workload without full federal funding

Relief Requested:

Federal or State restoration of administrative funding; flexibility in eligibility implementation; or mandate adjustments aligned with available funding.

2. San Joaquin General Hospital

Estimated Annual Income Loss: \$11 million to \$30.8 million

Funding Source: Federal Medicaid matching funds, State directed payments

- Reduction in federal match for certain emergency services populations
- State directed payments capped and reduced annually until aligned with Medicare rates
- Limitation on health care related tax thresholds

Mandate: Maintain public hospital operations and emergency services access

Relief Requested:

Federal reconsideration of matching rate reductions; State backfill of capped or reduced directed payments; or statutory flexibility to align services with available funding.

3. SJ Health Clinics, Federally Qualified Health Center Look Alikes

Estimated Annual Income Loss: \$5 million to \$9 million

Funding Source: Medi-Cal Prospective Payment System

- 85 percent of patients enrolled in Medi-Cal
- Projected 10 to 15 percent disenrollment driven by work requirement and eligibility changes
- Loss of reimbursable visits and increased uncompensated care

Mandate: Continue provision of primary care services to uninsured populations

Relief Requested:

Stabilization funding; State bridge support for uncompensated care; or flexibility in clinic reimbursement structures.

4. Behavioral Health Services

Estimated Income Loss: \$22.5 million (included in Health Care Services Number)

Funding Source: Medi-Cal and Behavioral Health Services Act funding

- Significant projected Medi-Cal revenue reduction
- Increase in uninsured population by an estimated 35 percent
- Housing investments not reimbursable through Medi-Cal

Mandate: Provide crisis services, specialty mental health, and substance use disorder treatment

Relief Requested:

Restoration of eligible reimbursement categories; State support for non-reimbursable housing services; or adjustment to service mandates.

5. Public Health Services

CalFresh SNAP Ed Program

Income Loss: \$1.2 million

Funding Source: Federal nutrition education funding

Mandate: Nutrition education and community outreach

California Children's Services

Increased Costs: Unknown at this time

Funding Source: Residents previously covered by Medi-Cal coverage, estimated uninsured population to rise by 35%

- Coverage for 4,000 children with complex medical conditions
- County assumes responsibility for coverage if federal funding is reduced

Mandate: Provide medical care to children with complex medical needs for children 0-21 whose families cannot afford to pay for their care.

Relief Requested:

State assumption of cost increases for mandated pediatric specialty care; restoration of nutrition education funding; or program flexibility.

6. Human Services Agency

Medi-Cal Administration

Estimated Income Loss: \$4.6 million

CalFresh Administration

Estimated Income Loss: \$2.0 million

Estimated Increased Costs: \$2.7 million

Mandate: Counties must determine eligibility and implement new federal work and documentation requirements

Current Enrollment

- 314,058 County residents enrolled in Medi-Cal
- 131,891 residents enrolled in CalFresh

Local Residents Impacted:

- 18,000 recipients subject to expanded work requirements and additional documentation

Relief Requested:

Full federal funding for administrative mandates; workload-based State funding adjustments; or phased implementation timelines.

7. In-Home Supportive Services

- 60.4 percent caseload growth over five years
- Decreased administration funding per case (down 19.7% in 5 years)
- Potential penalties tied to reassessment timelines and hours per case

Estimated Resources Needed/Cost Increase: \$110,000 to \$2.4 million annually, depending on state baseline determinations

Mandate: Provide in-home care services to eligible individuals

Relief Requested:

State assumption of penalty risk; revised baseline calculations reflective of county performance; and protection of enhanced federal match funding.

Community Impact

The County's review indicates that H.R.1 does not eliminate service demand. Instead, it shifts fiscal and operational responsibility to local government. Counties are required to continue administering eligibility, public health, hospital, behavioral health, and safety net services even as federal revenue sources decline or change.

The Board of Supervisors has directed staff to continue refining impact estimates and to engage State and federal partners regarding fiscal relief options, including revenue restoration, cost sharing adjustments, mandate flexibility, or implementation modifications.

"As we head into the next budget cycle, the Board and our County team are focused on practical solutions," Supervisor Rickman continued. "We are tightening spending where necessary, protecting essential services, and demanding greater efficiency across county

government. Tough economic conditions require discipline and clear leadership – and we are meeting that challenge head-on.”

There is no direct fiscal impact associated with acceptance of the report. Further budget actions will be presented as additional information becomes available.

For more information, please contact the San Joaquin County Administrator’s Office.