

LEGISLATIVE UPDATE



Week of March 24, 2025

State Issues

CalAIM Safe from Recent Federal Actions

This week, the California Health Care Foundation released a bulletin outlining recent federal action related to California's Medi-Cal reform effort, CalAIM. They note that earlier this month, the US Centers for Medicare & Medicaid Services (CMS) **rescinded guidance** on health-related social needs, but wanted to provide clarity that our CalAIM program is not directly impacted.

CHCF clarifies that while the new guidance rescinds the authority for future projects, they were clear that the current waivers – including those authorizing CalAIM's main programs – will continue without disruption. They do caution, however, that it is just another signal that we need to be prepared for changes in direction when it comes to using Medicaid funding to address health-related social needs under the new Trump Administration.

The waiver authority, when initially put forward under previous Administrations, create pathways for more states to incorporate housing, nutrition, and other social services into their Medicaid programs. In California, this meant programs like Enhanced Care Management and Community Support programs, including housing supports.

California's approach to health-related social needs crosses two different Medicaid waivers. You can get more information about how these waivers work and better understand the role of the federal government in Medi-Cal financing, by accessing CHCF's new set of **fact sheets**.

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