



## **2025 YEAR IN REVIEW & 2026 LOOK AHEAD**

2025 was a year of significant operational and policy shifts for Urban Indian Organizations. Federal oversight increased, state reforms were delayed, and the federal shutdown disrupted funding and timelines. Behavioral health needs rose, Medi-Cal navigation demands grew, and UIOs continued supporting communities through MMIP-related needs and increasing youth behavioral health concerns. Workforce pressures and public health demands also persisted.

Looking ahead to 2026, UIOs will implement new privacy and data requirements and prepare for the return of major two-year bills early in the legislative session. Federal appropriations, grant timelines, and Medicaid policy proposals will continue to shape stability. UIOs enter this new year focused on continuity, preparation, and maintaining community-centered care amid ongoing system transition.

### **2025 YEAR IN REVIEW**

#### **MEDICAID & MEDI-CAL: Navigating a Shifting Landscape**

Medi-Cal and Medicaid were highly dynamic in 2025. UIOs supported patients through coverage interruptions, administrative updates, and benefit planning.

- The federal shutdown delayed some grants, payments, and agency communications; IHS clinical operations continued due to advance appropriations.
- Federal Medicaid proposals created additional monitoring needs to ensure AI/AN protections remained intact.
- [Medi-Cal redeterminations](#) increased UIO administrative work on reinstatements and continuity of care.
- Several [Medi-Cal bills](#) were carried into 2026.
- TH–NH services began early Medi-Cal implementation, with UIOs and DMC-ODS counties working through reimbursement and documentation steps under the waiver through December 31, 2026.

**Bottom Line:** Coverage and administrative changes increased navigation needs, and UIOs remained the main support for helping patients maintain Medi-Cal access.

#### **BEHAVIORAL HEALTH: Rising Needs in a Transition Year**

Behavioral health needs continued to increase for AI/AN communities, especially youth and families experiencing trauma and chronic stress.

- UIOs reported increased behavioral health demand, particularly for youth and families navigating trauma, stress, and crisis support needs.
- While new behavioral health funding was introduced statewide, no new funding streams were created specifically for UIOs or the I/T/U system.
- [CYBHI advanced statewide](#), yet its school-centered design left gaps for youth receiving care in community settings such as UIO clinics.
- Documentation modernization required workflow adjustments.



- The statewide behavioral health system transformation under BHSA shifts reforms from individual bills to a [broad system overhaul effective July 1, 2026](#); counties are preparing integrated plans under the new framework.
- Federal shutdown delays affected HRSA and SAMHSA grants.
- Federal proposals and litigation affecting Medicaid/CHIP gender-affirming care required monitoring.

**Bottom Line:** Behavioral health needs grew while system updates were delayed, requiring UIOs to meet rising demand within existing resources.

### **MMIP: Ongoing Impacts on Health and Safety**

MMIP continued to shape UIO work in crisis response, behavioral health, and family support.

- UIOs supported families through crisis navigation and follow-up care.
- Coordination challenges persisted across jurisdictions.
- MMIP bills stalled in 2025, with all major proposals continuing as two-year bills for action in 2026.
- Data access gaps remained across agencies.

**Bottom Line:** MMIP remains a major health and safety concern, and UIOs provide critical support without dedicated funding streams.

### **PUBLIC HEALTH & PREVENTION**

Demand increased for prevention, chronic disease care, STI response, and MCH services.

- Increased volumes in MCH, chronic disease, and prevention programs.
- Federal shutdown delayed prevention grant timelines.
- Uncertainty about Marketplace subsidies beyond 2025 may cause more people to cycle in and out of coverage.
- Several reproductive and oral health laws take effect January 1, 2026.

**Bottom Line:** Public health needs grew in 2025 while funding stayed flat.

### **WORKFORCE**

Workforce shortages remained a core challenge for UIOs in 2025.

- Shortages persisted across SUD, primary care, MCH, and prevention roles.
- Workforce bills moved to 2026.
- Specialty care wait times increased across systems.

**Bottom Line:** Workforce limitations continued to affect service access and program growth.

### **DATA, REPORTING & PRIVACY**

UIOs experienced a growing set of state and federal data requirements.

- [SB 1016](#) Indigenous category planning began.
- New state privacy and health-data laws (including [AB 45](#) and [SB 278](#)) taking effect January 1, 2026 will require new workflows and consent processes.
- Federal oversight increased under new directives.
- IHS/HHS modernization created uncertainty about Urban data pathways.



**Bottom Line:** New state and federal data requirements require planning and system updates in early 2026.

## 340B & PHARMACY

Major changes to 340B will affect UIO pharmacy operations in 2026.

- A federal [340B rebate model pilot](#) begins January 1, 2026 for selected drugs and participating entities.
- Certain drugs must be purchased at [WAC](#) up front.
- Rebates will come later, requiring new tracking processes.
- Contract pharmacy arrangements may need adjustments.

**Bottom Line:** The 340B rebate model will require operational and cash flow adjustments.

## FEDERAL LANDSCAPE

Federal policy shifts in 2025 shaped funding, timelines, and oversight.

- [Executive Orders](#) increased oversight and documentation requirements.
- [HHS restructuring](#) created uncertainty around modernization timelines and Urban Confer. This is paused due to pending legal action.
- Shutdown delayed grants, payments, and technical assistance.
- [SDPI](#) remained on temporary authorization.
- [PRWORA](#)-related discussions required ongoing monitoring.
- Federal Medicaid proposals — including eligibility tightening, gender-affirming care restrictions, and work-requirement discussions — required monitoring to ensure AI/AN protections remained intact.

**Bottom Line:** Federal activity introduced delays, oversight requirements, and shifting priorities that UIOs had to plan around.

## 2026 LOOK AHEAD

### Key Dates

- January 1, 2026: Most 2025 [chaptered laws](#) take effect
- January 1, 2026: 340B rebate model begins
- January 31, 2026: [Two-year bill deadline](#)
- Federal appropriations remain [unresolved entering 2026](#)

### Operational Priorities

- TH–NH documentation and reimbursement workflows
- Implementation of 2026 privacy and data laws
- Adjustments for 340B rebate model
- Ongoing Medi-Cal redeterminations
- Rising Behavioral health needs linked to CARE Court and FSP updates



## POLICY AREAS TO WATCH

- **Medicaid & Medi-Cal Regulatory Changes**

Ongoing federal and state regulatory proposals may affect eligibility, coverage stability, cost-sharing protections, and the interpretation of AI/AN exemptions. Differences between state and federal definitions of *American Indian/Alaska Native* will need close monitoring.

- **Major Two-Year Bills Returning in 2026**

Several significant bills will reappear early in the session, including those related to:

- Mission Spend requirements (FQHC/clinic financial rules)
- Behavioral health implementation and BHSA clean-up
- Health workforce expansion and certification
- Telehealth standards and reimbursement
- Trauma prevention and screening

- **Federal Appropriations & Grant Cycles**

Unresolved federal appropriations, continuing resolutions, and shutdown risk will shape funding for Medicaid, public health, and UIO programs.

- **SDPI Reauthorization**

Diabetes funding remains on short-term extensions and will require ongoing advocacy to secure long-term stability.

- **IHS Modernization & Urban Confer**

HHS/IHS restructuring, ongoing modernization plans, and Urban Confer implementation require close review to ensure Urban Indian needs are represented.

- **CDPH Tribal Consultation & Urban Confer Updates**

New consultation requirements and updates to confer practices will shape how public health programs incorporate Urban Indian perspectives.

- **Potential PRWORA-Related Activity**

Any reinterpretation of PRWORA or immigrant-eligibility rules may affect coverage protections, program access, or the state–federal alignment of AI/AN exemptions.

- **Executive Orders**

New federal Executive Orders affecting health policy, Medicaid oversight, AI/AN data, or public health operations may require rapid response.

### **Bottom Line:**

2026 will bring major operational changes, new reporting requirements, and continued monitoring of federal and state timelines. UIOs should expect another year of adaptation as reforms roll out.