California: Trump's "Big Beautiful Bill" and state Democrats' policies threaten destruction of Medi-Cal

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Two years ago, California's political establishment declared victory when the state's insured rate reached 95 percent, claiming "universal access to healthcare coverage" was becoming a reality. Eligibility for Medi-Cal, the state's Medicaid program, had been expanded to undocumented adults, ultimately covering 1.4 million adults and 217,000 children regardless of immigration status.

Now even that inadequate coverage is being systematically dismantled by both big-business parties, at both levels of government, in a coordinated bipartisan assault. At the federal level, the instrument is the One Big Beautiful Bill Act (OBBBA), signed into law by Trump on July 4, 2025, which cuts $911 billion from Medicaid over a decade, mainly through imposing onerous work requirements on recipients.

California never introduced universal healthcare. It was a patchwork of means-tested, market-based insurance programs administered through private insurers, riddled with barriers to care and dependent on the fiscal priorities of a government that simultaneously lavished billions in corporate subsidies.

Research by the UC Berkeley Labor Center and the UCLA Center for Health Policy Research estimates that California's uninsured population could climb to nearly 15 percent by 2030, almost double its current level. Over the next four years, an estimated 2.2 million residents are expected to lose health coverage as the combined impact of state and federal spending reductions takes effect. Undocumented immigrants and low-income households bear the greatest burden; the share of uninsured black and Asian Californians is expected to more than double.

The OBBBA's work requirements, which took legal effect July 31 and must be implemented by the states by year's end, force adults aged 19–64 to document 80 hours monthly of work, community service, education or job training, or lose Medicaid benefits. California stands to lose more than $30 billion annually in federal Medicaid funding beginning in 2027.

Even cancer patients, those with HIV, Parkinson's disease or disabling mental illness must prove their condition "significantly impairs" their ability to work. California estimates 1.3 million residents will lose insurance because of the law. "All it takes is one piece of lost mail and all of a sudden you lose coverage," noted UC Irvine researcher Dylan Roby.

At the state level, the Democratic Party's role is equally devastating. In 2022, the so-called "Guaranteed Health Care for All Act" was killed without a vote by its own Democratic author, Ash Kalra, despite Democrats holding three-quarters of legislative seats. Governor Gavin Newsom, who campaigned in 2018 promising single-payer healthcare, did nothing to save it.

The California legislation functioned as a safety valve, diverting popular anger while protecting the insurance companies, hospital chains and pharmaceutical corporations that finance the Democratic Party. The Democrats are not resisting the Republican assault with inadequate tools; they are carrying out their own independent offensive through the institutional levers they control.

California's Democratic-controlled government began dismantling Medi-Cal before Trump's legislation took effect. Newsom's 2025–26 budget slashed Medi-Cal by over $5 billion, freezing enrollment for undocumented adults and leaving an estimated 86,000 people without full-scope coverage. The state also eliminated routine dental care and long-term coverage for undocumented enrollees, while introducing monthly premiums and lower asset thresholds. Alongside expiring ACA subsidies, these cuts are expected to strip insurance from 800,000 residents.

The 2026–27 budget, signed June 29, accelerates safety-net rollbacks. It shifts 2 million undocumented immigrants from managed care to fee-for-service, lays the groundwork to strip refugees and asylees of non-emergency care by 2027, and reinstates asset limits for low-income seniors. Yet,

in the same budget, lawmakers expanded the state's film and TV tax credit from $330 million to $750 million a year to subsidize Hollywood conglomerates.

The $326 billion being stripped from Medicaid over a decade amounts to barely one-fifth of a single year's Pentagon budget. While Medi-Cal recipients are told to document 80 hours of labor each month to prove they deserve care, the administration's Fiscal Year 2027 budget demands $1.5 trillion for the military, the largest single-year increase since World War II, adjusted for inflation. Billions more are earmarked for the war against Iran.

The gutting of healthcare and the drive to war are the domestic and foreign faces of the same process: a ruling class that is simultaneously immiserating the population at home and preparing for catastrophic military conflict abroad.

The trade union apparatus and the pseudo-left perpetuate the fatal illusion that universal healthcare can be achieved within capitalism. The California Nurses Association bureaucracy, which has donated millions to the Democratic Party, backs Bernie Sanders and his promises of universal care, promises that leave the pharmaceutical monopolies, insurance conglomerates and hospital chains intact, and therefore guarantee that any reform will be reversed the moment budgetary pressures intensify.

The nurses themselves, who confront the brutality of the profit-driven system daily, are genuinely fighting for a rational healthcare system. But their struggle is betrayed by a union leadership that subordinates their demands to the electoral calculations of the very party implementing the cuts.

The cuts will have devastating human consequences on working class families. Among those affected are immigrant families in which parents who have worked and paid taxes for years face losing healthcare while coping with serious illnesses. Immigration raids have already spread fear throughout these communities, forcing families to prepare children for the possibility of detention and separation. Now many undocumented residents risk losing the medical coverage on which they depend for lifesaving treatment.

The consequences of inadequate access to healthcare are equally severe for low-income workers. Delayed diagnoses and the inability to obtain timely medical care continue to result in preventable deaths from diseases that are highly treatable when detected early. Many surviving family members have been left to raise children alone while working multiple jobs, yet still remain dependent on Medi-Cal because employers increasingly rely on part-time positions that do not provide health insurance.

For many workers, earning too much to qualify for public coverage but too little to afford private insurance leaves them trapped in an impossible position, pointing to the broader social toll of a healthcare system that denies millions access to essential care.

Claims that California nearly achieved universal healthcare are preposterous. A 95 percent insured rate is not universal healthcare when access to treatment remains constrained by costs, provider networks, deductibles, copays and employment status. The remaining uninsured were overwhelmingly undocumented immigrants, the very people now being removed from Medi-Cal first.

Nor can a single state establish genuine universal healthcare while healthcare remains organized on capitalist lines. California cannot abolish pharmaceutical monopolies, eliminate private insurance or expropriate hospital chains. Reforms leave the profit system intact and remain vulnerable to reversal whenever budgetary pressures intensify, as the current cuts demonstrate.

This is not an American phenomenon alone. Across Europe, governments are dismantling public healthcare systems to fund rearmament. Germany is slashing hospital funding and health insurance benefits while pushing through a constitutional amendment to pour hundreds of billions into a war machine directed against Russia. Britain's National Health Service, starved of resources for over a decade, is being further gutted as the ruling class demands increased military spending.

France, Italy, Spain and every major EU economy is following the same trajectory: cut beds, cut staff, cut coverage and channel the savings into tanks and missiles. The ruling classes of every capitalist country are making working people pay for a crisis they did not create, and they are doing it through the same mechanism: the systematic transfer of social wealth from healthcare to war.

Healthcare is a social right, not a negotiable commodity earned through 80 hours of documented labor. Defending that right requires the independent political mobilization of the working class, fighting for a socialist program: free, universal, high-quality healthcare for all, financed through the expropriation of the pharmaceutical companies, insurance conglomerates and hospital chains, and by redirecting the vast resources squandered on war toward human need.