NOTICE OF A
REGULAR JOINT MEETING OF THE
CALOPTIMA HEALTH BOARD OF DIRECTORS'
MEMBER ADVISORY COMMITTEE AND
PROVIDER ADVISORY COMMITTEE

THURSDAY, JUNE 11, 2026

12:00 P.M.

CALOPTIMA HEALTH
505 CITY PARKWAY WEST, SUITE 109
ORANGE, CALIFORNIA 92868

AGENDA

This agenda contains a brief description of each item to be considered. Except as provided by law, no action shall be taken on any item not appearing on the agenda. To speak on an item, complete a Public Comment Request Form(s) identifying the item(s) and submit to the Clerk. To speak on a matter not appearing on the agenda, but within the subject matter jurisdiction of the Board of Directors' Member Advisory and Provider Advisory Committees, you may do so during Public Comments. Public Comment Request Forms must be submitted prior to the beginning of the Approval of the Minutes portion of the agenda and/or the beginning of Public Comments. When addressing the Committee, it is requested that you state your name for the record. Address the Committee as a whole through the Chair. Comments to individual Committee Members or staff are not permitted. Speakers are limited to three (3) minutes per item.

In compliance with the Americans with Disabilities Act, those requiring accommodations for this meeting should notify the Clerk of the Board's Office at (714) 347-5785 at least 72 hours prior to the meeting.

The Board of Directors' Regular Member Advisory and Provider Advisory Committees joint meeting agenda and supporting materials are available for review at CalOptima Health, 505 City Parkway West, Orange, CA 92868, 8 a.m. – 5:00 p.m., Monday-Friday, and online at www.caloptima.org.

Register to Participate via Zoom at:
https://us02web.zoom.us/webinar/register/WN_XSP1slGKSoG0nujVJocGWQ and Join the Meeting.

Webinar ID: 879 2028 8901

Passcode: **040602 – Webinar instructions are provided below.**

1. **CALL TO ORDER**
   Pledge of Allegiance

2. **ESTABLISH QUORUM**

3. **MINUTES**
   A. Approve Minutes from the April 9, 2026 Regular Joint Meeting of the Member and Provider Advisory Committees
   B. Approve Minutes from the May 19, 2026 Special Provider Advisory Committee Meeting

4. **PUBLIC COMMENT**
   At this time, members of the public may address the Member and Provider Advisory Committees on matters not appearing on the agenda, provided they fall within the subject matter jurisdiction of the Member or Provider Advisory Committees. Speakers will be limited to three (3) minutes.

5. **REPORT ITEMS**
   A. Consider Approval of Recommendation of the Member Advisory Committee's Slate of Candidates
   B. Consider Approval of Recommendation of the Provider Advisory Committee's Slate of Candidates

6. **INFORMATIONAL ITEMS**
   A. Covered California Marketing and Advertising
   B. Member and Population Health Needs Assessment
   C. Committee Member Updates

7. **MANAGEMENT REPORTS**
   A. Chief Operating Officer Update
   B. Chief Health Equity Officer Update
   C. Chief Medical Officer Update
   D. Chief Administrative Officer Update
   E. Chief Executive Officer Update

8. **COMMITTEE MEMBER COMMENTS**

9. **ADJOURNMENT**

Webinar Information

Please register for the Regular Member Advisory and Provider Advisory Committees Joint Meeting on Thursday, June 11, 2026, at 12:00 p.m. (PDT)

To **Register** in advance for this webinar:
https://us02web.zoom.us/webinar/register/WN_XSP1slGKSoG0nujVJocGWQ

Join from a PC, Mac, iPad, iPhone or Android device

On the day of the meeting, please click this URL to join:
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Passcode: **040602**

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Join via audio:
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Webinar ID: 879 2028 8901
Passcode: 040602

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MINUTES

REGULAR JOINT MEETING OF THE CALOPTIMA HEALTH BOARD OF DIRECTORS' MEMBER ADVISORY COMMITTEE, AND PROVIDER ADVISORY COMMITTEE

April 9, 2026

A Regular Joint Meeting of the CalOptima Health Board of Directors Member Advisory Committee (MAC) and Provider Advisory Committee took place on April 9, 2026, at CalOptima Health, located at 505 City Parkway West, Orange, California. The meeting occurred in person and via Zoom webinar, as permitted under the Brown Act, as amended by Senate Bill 707 (2025).

CALL TO ORDER

PAC Chair John Nishimoto, O.D., called the meeting to order at 12:01 p.m. and led the group in the Pledge of Allegiance.

ESTABLISH QUORUM

Member Advisory Committee

Members Present: Christine Tolbert, Chair; Linda Adair ; Tawny Crane; Keiko Gamez; Kim Goll; Peter Hersh; Paul Kaiser; Sara Lee; Lee Lombardo; Nicole Mastin (12:38 p.m.); Jila Nikkhah, DDS; Janis Price; Shirley Valencia

Members Absent: Meredith Chillemi, Vice-Chair; Hai Hoang; Dr. Junie Lazo-Pearson; Kristen Rogers

Others Present

Staff Present: Michael Hunn, Chief Executive Officer, Yunkyung Kim, Chief Operating Officer; Richard Pitts, D.O., Ph.D., Chief Medical Officer; Veronica Carpenter, Chief Administrative Officer; Michaell S. Rose, DrPH, LCSW, Chief Health Equity Officer; Carmen Katsarov, Executive Director, Behavioral Health; Linda Lee, Executive Director, Quality Improvement; Sharon Dwiers, Clerk of the Board; Ruby Nunez, Executive Assistant

MINUTES

Approve the Minutes of the February 11, Regular Joint Meeting of the CalOptima Health Board of Directors' Member Advisory and Provider Advisory Committees

MAC Action: ***On motion of MAC Member Peter Hersh, seconded and carried, the Committee approved the minutes of the February 11, 2026, Regular Joint Meeting (Motion carried 13-0-0; Members Meredith Chillemi, Vice-Chair; Hai Hoang; Dr. Junie Lazo-Pearson; Nicole Mastin; Kristen Rogers; absent)***

PAC did not achieve quorum until 12:30 p.m., and Chair Nishimoto rearranged the agenda to establish quorum after Information Item A.

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PUBLIC COMMENTS

There were no public comments.

INFORMATION ITEMS

Policy Updates to Medi-Cal and CalFresh Programs

Michael Hunn, Chief Executive Officer, introduced Director An Tran of the Orange County Social Services Agency (SSA) and thanked Mr. Tran for taking the time to be here today. He noted that SSA determines eligibility for individuals applying for Medi-Cal services in Orange County. Once individuals are deemed eligible, SSA forwards those applications to all Medi-Cal enrollment entities in the county, then to the state for approval, and returns approved information to CalOptima Health, where members are assigned a primary care provider and a medical home. Mr. Hunn highlighted the strong collaboration between the organizations, including joint community events, shared messaging and FAQs, and deep partnerships with community organizations and local governments, especially during COVID-19. He added that they are now working together on a countywide campaign with the Healthcare Agency, SSA, customer service teams, clinics, partners, schools, and city governments to prepare the community for upcoming changes. Mr. Hunn expressed sincere appreciation to Director Tran and the SSA team, noting that this level of coordination and partnership is rare across the state.

An Tran, Director of Orange County Social Services, presented major policy changes at SSA. He noted that SSA administered federal and state programs across three main areas: Child Protective Services, including the Orangewood Children and Family Center; Adult Services, including In-Home Supportive Services (IHSS) and Adult Protective Services; and Public Assistance, including CalWORKs, CalFresh, and Medi-Cal. He also noted that the current focus was on changes affecting Medi-Cal and CalFresh.

Before beginning his presentation, Director Tran explained a few key terms, including Full-scope Medi-Cal, which provided comprehensive health coverage, and restricted-scope Medi-Cal, which provided only emergency services to individuals without satisfactory immigration status. Asset limits referred to the value of countable resources used to determine eligibility. The Affordable Care Act (ACA) expansion population included low-income adults ages 19 to 64 who qualified for coverage, as well as Able-Bodied Adults Without Dependents (ABAWD) who were required to meet work requirements to continue receiving CalFresh benefits.

Director Tran summarized the significant Medi-Cal and CalFresh changes driven by HR1 and state budget pressures, noting declining enrollment and rising barriers that threatened access to basic health and food supports. He highlighted the return of the asset test in 2026, new restrictions for undocumented residents, reduced benefits for certain non-citizens, and upcoming work requirements, semiannual renewals, and shorter retroactive coverage, all of which created additional obstacles, especially for seniors, people with disabilities, and low-income families. Future premiums and copayments were expected to intensify financial strain. These shifts underscored the growing importance of CalFresh, as stable access to food remained essential to family health and overall

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well-being. Director Tran concluded his presentation by answering numerous questions from the MAC and PAC.

At this time, PAC Chair Dr. Nishimoto asked Ruby Nunez to establish a quorum for the PAC and then requested approval of the minutes.

ESTABLISH QUORUM

Provider Advisory Committee

Members Present: John Nishimoto, O.D., Chair; Gio Corzo, Vice Chair (12:30 p.m.); Alpesh Amin, M.D (12:15 p.m.); Lorry Belhumeur, Ph.D.; Tiffany Chou; Morgan Mandigo, M.D.; Patty Mouton; Jacob Sweidan, M.D.;

Members Absent: Andrew Inglis, M.D.; NP; Jena Jensen; Tom Megerian, M.D.; Mary Pham, Pharm.D.; Alex Rossel; Christy Ward

MINUTES

Approve the Minutes of the February 11, Regular Joint Meeting of the CalOptima Health Board of Directors' Member Advisory and Provider Advisory Committees

PAC Action: ***On motion of PAC Member Patty Mouton, seconded and carried, the Committee approved the minutes of the February 11, 2026, Regular Joint Meeting (Motion carried 8-0-0; Members Andrew Inglis, M.D.; Jena Jensen; Tom Megerian, M.D.; Mary Pham, Pharm.D.; Alex Rossel; Christy Ward absent).***

Home and Community-Based Alternatives

Nicole Farshan, LCSW, Program Manager at Libertana Home Health, presented on the Home and Community-Based Alternatives (HCBA) Waiver. She explained that Libertana, a home health agency contracted with the Department of Health Care Services, coordinated care and operated programs such as California Community Transitions, Enhanced Care Management, Assisted Living Waiver coordination, and the HCBA Waiver.

She noted that the HCBA Waiver, formerly the In-Home Operations Waiver, allowed individuals who met nursing-facility, acute, or sub-acute criteria to receive care safely at home. Participants needed Medi-Cal eligibility, medical necessity, safe housing, and identified caregivers. The program supplemented existing care plans and offered services such as personal care, shift nursing, case management, and home modifications of up to $5,000. It also provided up to $2,500 annually in assistive technology for devices that support medical needs and daily living activities.

Ms. Farshan also noted that Waiver Personal Care Services, available to those with an open In-Home Supportive Services case, remained widely used. Although it added hours, providers still adhered to

IHSS weekly limits, and the service reimbursed parents and spouses for direct care. Shift care was available to adults 21 and older, while younger individuals were served through managed care plans or California Children's Services (CCS). Care could be provided by home health aides, LVNs, or RNs through agencies or as independent providers.

She also explained that institutional deeming and spousal impoverishment protections helped individuals qualify for Medi-Cal when household income would otherwise have made them ineligible. Institutional deeming allowed a child to be assessed independently of parental income, while spousal impoverishment rules allowed a married adult to retain eligibility even if their spouse had income. She concluded by noting that Congregate Living Health Facilities housed six to eighteen residents who required higher levels of care.

Health Equity Update

Michelle Silver-Rose, DrPH, LCSW, Chief Health Equity Officer at CalOptima Health, delivered a Health Equity Update covering the agency's 2025 health equity accomplishments and its upcoming 2026 priorities. She emphasized that health equity, defined as ensuring everyone has a fair and just opportunity to achieve their highest level of health, remained central to CalOptima Health's mission and vision and was essential to improving outcomes, experience, retention, and cost efficiency.

She reported that in 2025, the organization shifted from direct member-support activities to integrating a health-equity lens across operations. Key efforts included: establishing staff performance goals, expanding training for providers and staff, launching culture-and-health conversations, convening community stakeholder groups, and collaborating with community-based organizations to improve outreach. She also highlighted successful initiatives, including NCQA Health Equity Accreditation, population-needs assessments, community asset mapping, and data-driven campaigns such as the flu-prevention initiative, which used community input and culturally tailored strategies to address disparities.

Looking ahead to 2026, Dr. Rose noted that priorities included reducing health disparities, improving equitable access to care, addressing social and structural drivers of health, and embedding health equity throughout the organization. Major focus areas included care navigation and support to help members maintain insurance coverage and use benefits appropriately. She also announced ongoing community listening sessions and the development of CalOptima Health's first community resource center, for which committee members would receive a survey to provide input.

Dr. Rose then introduced Steven Chin, Senior Director of Provider Network Management, to lead the next segment of the health equity update on care navigation and access. Mr. Chin thanked the committees and outlined upcoming changes to CalOptima Health's member and primary care provider assignment process. He explained that under the previous system, it took 30 to 45 days for a new Medi-Cal member to be assigned to a medical group and a primary care provider, resulting in a fragmented and delayed experience.

Mr. Chin told the committees that, beginning July 1, 2026, members would receive both their medical group and primary care provider assignments on the first day of enrollment, rather than waiting 45 days. Members could still change their provider or health network at any time through Customer Service. He also emphasized that the change was intended to improve early access to care and enhance the member experience.

He also noted that updated ID cards would list not only the medical group but also the member's assigned primary care provider or clinic, along with the provider's phone number, enabling members to schedule initial appointments immediately. He concluded that he was confident the early assignment would improve health outcomes and that he looked forward to continued collaboration with providers and health networks throughout implementation.

Committee Member Updates

MAC Chair Christine Tolbert reminded the committee that MAC recruitment would close on April 15, 2026. The available seats include: Family/Caregiver Support; Medi-Cal Beneficiaries or Authorized Family Members (2 seats); OneCare Members or Authorized Family Members (2 seats); Persons with Disabilities; and Recipients of CalWORKs and Seniors. She also noted that Cheryl Simmons had sent reappointment applications to eligible members.

She also asked eligible committee members to complete their stipend forms and return them to Cheryl Simmons. She also reminded the MAC that if they had any agenda items to discuss, they should notify Cheryl Simmons or Ruby Nunez.

PAC Chair Dr. Nishimoto reminded PAC members that PAC recruitment also closes on April 15, 2026, and that the following seats are available: Allied Health Services, Community Health Centers, Hospitals, Physicians, and Safety Net Representatives. He noted that Cheryl Simmons had sent reappointment applications to eligible members and asked members to help recruit for the available seats.

CEO AND MANAGEMENT REPORTS

Government Affairs Update

Donovan Higbee, Director of Public Policy, provided a Federal and State Government Affairs update on behalf of Chief Administrative Officer Veronica Carpenter. He reported that President Trump had signed a full-year federal spending bill for fiscal year 2026, funding the government through September, though the Department of Homeland Security remained unfunded. Several health care programs were extended, including Community Health Centers, Medicaid Disproportionate Share Hospital payments, Medicare telehealth flexibilities, and the Hospital-at-Home program.

He explained that the Centers for Medicare & Medicaid Services (CMS) had issued a final rule affecting California's Managed Care Organization tax, which would no longer be allowed in its current form after this year. As a result, the state would need to adjust the tax structure and determine how to replace lost Medi-Cal revenue. He also noted heightened federal scrutiny of fraud, waste, and abuse across public programs and emphasized that CalOptima Health continued to highlight its strong safeguards and compliance efforts.

At the state level, Mr. Higbee noted that the Governor's proposed budget showed a modest deficit but avoided major new cuts, keeping Medi-Cal initiatives funded. He shared that the state had begun renewing the CalAIM waiver through 2031, proposing to continue core initiatives and to add combined post-hospitalization services, bridge care pilots for older adults, and employment supports to help members maintain Medi-Cal coverage under new federal work requirements.

He added that many state bills were now focused on implementing the requirements of the federal HR1 in the least burdensome way for Medi-Cal and CalFresh beneficiaries. Finally, he reported on a bill introduced by Assemblymember Avelino Valencia to improve CalOptima Health's governance by establishing staggered board terms and granting the board's alternate member access to closed-session materials.

Michael Hunn, Chief Executive Officer, noted the difficulty members faced in navigating frequent rule changes and the decline in automated "ex parte" Medi-Cal renewals. Because automatic renewals had dropped significantly, far more members were required to complete the full paperwork, increasing the risk of coverage loss.

He also explained that approximately 120,000 undocumented individuals remained enrolled, including about 14,500 children and young adults ages 0–21. Mr. Hunn added that dental benefits continued to be provided separately through the state's CalDental program rather than through CalOptima Health. To support members, CalOptima Health and its community partners distributed an outreach toolkit featuring FAQs, social media materials, and posters, encouraging committee members to share these resources widely.

Mr. Hunn noted that changes to CalFresh eligibility would place additional strain on local food banks and that CalOptima Health had invested several million dollars to meet rising demand. He emphasized that although CalOptima Health did not receive county funding, it maintained a balanced $4.7 billion budget and avoided layoffs by limiting infrastructure growth. However, membership losses could eventually reduce local health-care funding by up to a billion dollars, affecting providers and community clinics.

ADJOURNMENT

With no further business before the Committees, PAC Chair Dr. Nishimoto adjourned the meeting at 2:02 p.m. and reminded members that the next meeting is scheduled for Thursday, June 11, 2026.

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Cheryl Simmons
Staff to the Advisory Committees

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MINUTES

SPECIAL MEETING OF THE CALOPTIMA HEALTH BOARD OF DIRECTORS' PROVIDER ADVISORY COMMITTEE

May 19, 2026

A Special Meeting of the CalOptima Health Board of Directors Provider Advisory Committee took place on May 19, 2026, at CalOptima Health, located at 505 City Parkway West, Orange, California. The meeting occurred in person and via Zoom webinar, as permitted under the Brown Act, as amended by Senate Bill 707 (2025).

CALL TO ORDER

PAC Vice-Chair Gio Corzo called the meeting to order at 12:10 p.m. and led the group in the Pledge of Allegiance.

ESTABLISH QUORUM

Provider Advisory Committee

Members Present: Gio Corzo, Vice Chair; Alpesh Amin, M.D. (12:12 p.m.) (Remote); Lorry Belhumeur, Ph.D.; Tiffany Chou NP; Andrew Inglis, M.D.; Jena Jensen; Morgan Mandigo, M.D. (Remote); Tom Megerian, M.D.; Mary Pham, Pharm.D.; Jacob Sweidan, M.D. (Remote); Christy Ward

Members Absent: John Nishimoto, O.D., Chair; Patty Mouton; Alex Rossel;

PUBLIC COMMENTS

There were no public comments.

INFORMATION ITEMS

Provider Rate Changes

Michael Gomez, Executive Director, Network Operations, introduced Tory Vasquez, Director, Contracting, who presented on provider rate changes. She noted that CalOptima Health is proposing several provider rate enhancements, effective July 1, 2026, pending Board approval. She also noted that these changes were previewed at the May 7 Board meeting and would apply only to standard-rate contracts, excluding negotiated and transplant-related services.

Ms. Vasquez explained that the proposal would increase specialist physician payments for Modifier 26 (professional component) services from 156% to 200% of the Medi-Cal fee schedule, while Modifier TC (technical component) services would remain at 100%. Hospital outpatient rates would be set at 70% of Medicare rates across all outpatient services. Capitation rates for contracted health networks would also be recalibrated through actuarial analysis to ensure adequate funding, excluding transplant services, for which CalOptima Health retains financial responsibility.

Ms. Vasquez explained that CalOptima Health plans to fund these enhancements with $429.6 million from reserves over 2.5 years. The changes aim to improve member access, strengthen specialist coverage, support workforce recruitment and retention, reduce provider contract terminations, and ease the burden of uncompensated care. She noted that once approved, an FAQ

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will be issued to providers, and the Contracting and Provider Relations teams will be available to address provider questions.

Yunkyung Kim, Chief Operating Officer, thanked PAC members for attending a rare special PAC meeting to review provider rate proposals ahead of the June budget meeting. Ms. Kim acknowledged the compressed timeline, driven by challenges in forecasting Medi-Cal costs and determining what can be funded long term. In 2024, CalOptima Health used more than $500 million in reserves to raise rates for most providers, and those increases have now become the new Medi-Cal base rates.

Ms. Kim also noted that, given current pressures in the Medi-Cal environment, CalOptima Health identified outpatient hospital and specialty physician services as the areas where member access is most at risk. She explained that, because operational funds cannot support further increases, CalOptima Health plans to request reserve funding to support these enhancements for 30 months, with the expectation that state rate-setting will later incorporate the higher costs. She emphasized that PAC's feedback is being sought to help shape the proposal before it goes to the Board.

Andrew Inglis, M.D., the Orange County Health Care Agency Representative on PAC, thanked Ms. Kim for clarifying funding beyond 2028 and was reassured that the goal is for state rate-setting to raise the reimbursement floor by then. Dr. Inglis noted that behavioral health providers face increasing state requirements and struggle to keep up. He wondered whether enhanced rates could be tied to providers meeting those obligations, helping CalOptima Health demonstrate compliance with the state and ensuring providers remain strong partners when receiving higher payments. He acknowledged he was unsure how this would work, but suggested the concepts may be connected.

Jena Jensen of Rady's Children, the PAC Hospital Representative, thanked the CalOptima Health team for recognizing the significant pressures hospitals face and for proposing actions to address emerging challenges. She appreciated the explanation of actuarial rebasing and the way adjusting rates now can help ensure those changes are recognized and carried forward by the state in future years. She also noted that, while there is concern about relying on reserves, she understood that the goal was for these adjustments to become part of the ongoing rate structure. She added that, given the difficult years ahead for hospitals, the proposed changes offer a rare piece of good news, providing reassurance to those working to sustain operations.

Tom Megerian, M.D., Physician Representative, asked for clarification on how the current 240% of the Medi-Cal fee schedule compares to the proposed 70% of the Medicare rate for outpatient services. In response, Ms. Vasquez explained that the finance team is analyzing the current 240% Medi-Cal rates and the proposed 70% Medicare rate side by side to determine the true cost impact for hospitals. She noted that the existing 240% rate applies only to limited services, such as ER and surgical procedures, while the new 70% Medicare rate would apply to all outpatient services, likely resulting in a higher overall benefit. Although specific numbers weren't available yet, she said she could provide detailed calculations once they were complete. Ms. Kim also explained that most hospital outpatient services are currently paid at only 140% of the Medi-Cal fee schedule, with just a few codes reaching 240%. Because Medi-Cal's outpatient fee schedule has been severely underfunded for years, often equating to roughly 30% of Medicare, even percentages like 240% do

not translate into adequate payment levels. Ms. Kim noted that this is why the proposed shift to 70% of Medicare is meaningful. She noted that while 240% may look high, the underlying Medi-Cal base is so low that the real impact is limited, and many stakeholders have asked to see numerical examples to better visualize the difference.

Christy Ward, Community Health Centers Representative, expressed her deep appreciation from a primary-care perspective, noting concerns that hospital systems might scale back services and limit access to specialty care. She hoped the described efforts would help prevent that outcome. She emphasized her gratitude for the significant work involved, recognizing it as meaningful and high-quality.

Ms. Kim explained to the PAC that primary care is not being addressed in this round of work, not because the need isn't recognized, but because the landscape of primary care rates and state budget changes remains unsettled. The CalOptima Health team wants to better understand where policies and rates are headed before determining how to align these efforts, and remains committed to revisiting and evaluating primary care once the situation stabilizes.

Gio Corzo, PAC Vice-Chair and Allied Health Representative, thanked the CalOptima Health team for leading the initiative and asked whether non-provider organizations not included in the current phase could still engage with CalOptima Health to discuss the difficult operational and financial challenges many face and the resulting impact on the community. Ms. Kim welcomed that engagement and invited Mr. Corzo and others to reach out directly to her or to Ms. Vasquez, noting that areas like Community-Based Adult Services (CBAS) are of particular interest and that recent developments, such as the state's decision to carve out CBAS into its own waiver, made it especially important to understand how such changes would affect the provider community.

Whole-Child Model Age Transition Primary Care Provider Incentive Model

Kelly Giardiana, Executive Director, Medical Management and Clinical Operations, and Michael Gomez, Executive Director, Network Operations, presented on a proposed Whole-Child Model Age Transition Primary Care Provider Incentive Model. She noted that at the April 2, 2026 Board meeting, CalOptima Health informed the Board of Directors of the significant challenges Whole Child Model (WCM) California Children's Services (CCS) members face when they age out of pediatric care and enter the adult provider system, and committed to returning with formal recommendations, which it has now developed as a three-year, performance-based incentive pilot. She also noted that the goal of this pilot was to strengthen continuity of care, reduce disruptions, and improve provider engagement for transitioning members.

The transition process for CCS members begins early, typically at age 14, through CalOptima Health's care management model, but several systemic barriers continue to hinder smooth transitions at age 21, when CCS eligibility ends. These challenges include fragmentation within the adult care system, limited provider readiness to accept and manage complex needs, and gaps created when long-standing pediatric providers and vendors are not part of adult networks. Members' biopsychosocial complexities further intensify these difficulties, and pediatric providers develop transition plans within a system that is not fully aligned to support them.

Ms. Giardina noted that data from CalOptima Health highlight the scale of the issue. Of the 8,914 WCM-eligible members, 1,105 are within the critical transition ages of 19 to 21. Rady's (formerly CHOC Health Alliance) manages the largest cohort, with 605 members, while other networks maintain smaller but important groups. She noted that these patterns underscore the difficulty of moving youth from a highly coordinated pediatric system into a less structured adult care environment.

Michael Gomez explained that the proposed transition pilot focuses on strengthening the specialty network by launching targeted incentive activities six months before a member turns 21. The model would emphasize structured, proactive transitions that include warm handoffs, coordinated care, and family engagement. It would be supported by standardized provider materials and member transition playbooks. He noted that, rather than changing base payment rates, the pilot would introduce performance-based enhancements to reward high-touch coordination and communication essential for youth with complex needs.

Mr. Gomez also noted that the incentive structure centered on three well-known care-coordination codes, including payment for adult PCP engagement, multidisciplinary team planning, and specialty transition support, with specialty transition support often involving 10 to 20 specialties per member. High-performing providers could receive up to 243% of Medicare payment for these activities. Estimated enhancements range from $781 to $1,491 per member, and approximately $3 million would be allocated for the three-year pilot.

Mr. Gomez emphasized that the goal is to reduce emergency department use, avoid unnecessary hospitalizations, improve access, increase member satisfaction, and strengthen primary care capacity. This strategy would expand the provider support infrastructure, identify additional experienced PCPs, and align incentives to improve care coordination and outcomes. The proposal is scheduled to be presented to the Board in August, and stakeholder input is strongly encouraged.

Dr. Inglis expressed strong support for the transition pilot, noting that youth in Whole Child Model programs receive excellent pediatric care but often struggle when transitioning to the adult care system. The lack of readiness among adult providers and the complexity of these patients' needs make transitions difficult, so the committee welcomed CalOptima Health's direct focus on this longstanding issue.

Jena Jensen echoed this enthusiasm, emphasizing how urgently needed transition improvements are, especially for conditions such as sickle cell disease and hemophilia, where specialists often witness severe health decline when patients age out of pediatric care. Ms. Jensen highlighted the importance of sustainability, the need for measurable outcomes, and the value of partnering with DHCS by sharing member stories to help establish a long-term funding model. She also volunteered to support this effort.

Jacob Sweidan, M.D., Health Network Representative, expressed his appreciation and described his clinic's work transitioning youth, beginning at age 18, within the same provider group, emphasizing

the importance of continuity for patients with chronic, multisystem conditions. He welcomed collaboration with CalOptima Health to strengthen community capacity and reduce morbidity and mortality.

Alpesh Amin, M.D., Physician Representative, also expressed gratitude and asked whether the pilot's rollout might need to shift if major policy changes, such as large legislative proposals, take effect. In response, Ms. Kim clarified that the pilot serves a relatively small but important population of about 1,000 young adults. Given its size and structure, CalOptima Health does not expect significant impacts from state-level policy changes and does not foresee HR 1 or similar proposals meaningfully altering the pilot's implementation.

Lorry Leigh Belhumeur, Ph.D., Behavioral Health Representative, thanked CalOptima Health for undertaking this major effort and suggested partnering with Enhanced Care Management (ECM) providers, who could serve as an effective bridge by supporting coordination and enabling outcome measurement across both programs. Dr. Megerian expressed appreciation and raised two concerns: supporting medically complex youth who are not in the Whole Child Model and preparing adult providers, who often lack experience with developmental disabilities, to work effectively with these members and their families. He emphasized the need to train both clinicians and office staff and offered his center's training resources.

Christy Ward noted that her organization was already working with Rady's and that Dr. Michael Weiss had invested heavily in upskilling providers. She strongly supports establishing a learning collaborative as part of the pilot to strengthen provider capabilities. In response, Kelly Giardina explained that the pilot will help build broader capacity for children with special health care needs beyond the initial WCM cohort and that structured training, clear expectations, and a detailed transition playbook for members and providers are already built into the pilot's design.

T.T Nguyen, M.D., Medical Director for the Whole-Child Model at CalOptima Health, closed by expressing deep gratitude and highlighting how dramatically advances in pediatric care have improved longevity for medically fragile children. Dr. Nguyen emphasized the central role of care coordination, including equipment, supplies, transportation, pharmacy benefits, and condition-specific adult specialists, and noted that the playbook captures these complexities in detail. She affirmed CalOptima Health's commitment to collaborating with all providers, agencies, families, and patients to ensure a comprehensive and effective transition system.

CEO AND MANAGEMENT REPORTS

Chief Operating Officer Update

Yunkyung Kim, Chief Operating Officer, asked the Chief Administrative Officer, Veronica Carpenter, to provide a state budget update in lieu of her Chief Operating Officer report. Ms. Carpenter reported that the Governor released the May Revise on May 14, 2026, with the trailer bill language emerging the night before. She noted that the Legislature must adopt the budget by June 15, though revisions often continue through the summer via cleanup bills. Ms. Carpenter highlighted several major proposals: reinstating the Medi-Cal asset test to pre-expansion limits of $2,000 for

individuals and $3,000 for couples; shifting all undocumented members from managed care into the state's fee-for-service system, which would affect approximately 129,000 CalOptima Health members; applying new utilization-management controls in behavioral health, transportation, ECM, and community supports; imposing PACE rate reductions by requiring all PACE organizations to be paid at the lower rate; and restructuring the MCO tax, initially pulling residual revenues into the general fund, then offering two new tax-structure options for CMS approval, neither of which is guaranteed to pass. She noted that Government Affairs would distribute a memo summarizing these issues.

Jena Jensen noted that the proposals have serious implications for children in the Whole Child Model who lack satisfactory immigration status. About 300 such medically complex youth could be shifted to fee-for-service and lose essential case management, raising concerns about access barriers, worsening health outcomes, and higher downstream costs. Ms. Jensen acknowledged that the state is acting under federal pressure but stressed the need to create a backup system so these children are not left without coordinated care.

Ms. Kim affirmed these concerns and advised committee members to expect outreach from CalOptima Health regarding joint advocacy efforts to educate legislators about local impacts and identify solutions to protect vulnerable populations.

ADJOURNMENT

With no further business before the Committee, Jena Jensen adjourned the meeting at 1:08 p.m. and reminded members that the next meeting is scheduled for Thursday, June 11, 2026.

_____

Cheryl Simmons
Staff to the Advisory Committees

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CalOptima Health Covered Marketing Update

MAC/PAC Meeting

June 11, 2026

Deanne Thompson, Executive Director, Marketing and Communications

Our Mission

To serve member health with excellence and dignity, respecting the value and needs of each person.

Our Vision

Provide all members with access to care and supports to achieve optimal health and well-being through an equitable and high-quality health care system.

Back to Agenda

Focus Group Research

- Purpose
  - Identify the marketing concepts or certain elements of concepts that resonate best with consumers
  - Determine whether any of the marketing concepts evoke negative reactions or unintended messages
- Structure
  - 10 groups with 75 individuals: six with English speakers, two with Vietnamese speakers and two with Spanish speakers
  - All participants were either enrolled with Covered California or had insurance through their employer with a history of Medi-Cal coverage
    - More than two-thirds were former CalOptima Health Medi-Cal members
  - All participants were between the ages of 26 and 64

Back to Agenda

Litmus Test for Marketing Concepts

- **Supportive and reassuring**, connecting with the mindset of churners in today's landscape
- Focused on making an **emotional connection** over a rational one, since members in the midst of change need trusted support
- **Easy to understand**, connecting the dots in a way that's instant and reassuring
- **Complementary** to the CalOptima Health brand, supporting a strong sync with the parent brand message
- Unmistakably **Orange County,** whether in the headline, subhead and/or visuals

Back to Agenda

Litmus Test for Marketing Concepts (Cont.)

- **Culturally relevant and cohesive** across both general market and multicultural audience campaigns
- **Action-oriented**, providing clarity and confidence to take the next step
- **Universal** for all audiences, including brokers and other stakeholders

Back to Agenda

Focus Group Feedback

- **Affordability is a top priority**
  - When asked what they look for in a plan, participants most frequently cited cost, including premiums, co-pays and prescription costs
- **Provider and provider networks are strong drivers of plan selection**
  - After cost, the provider network and the ability to stay with a preferred doctor were the most frequently cited reasons for selecting or staying with a particular plan
  - Older participants, those with chronic conditions and parents of young children were more likely than others to place a premium on providers

Back to Agenda

Focus Group Feedback (Cont.)

- **Consumers are selecting plans in an environment of anxiety and distrust**
  - Cuts to Covered California health care subsidies, tighter administrative barriers and immigration restrictions on public plans, combined with rising household costs, are likely fueling this environment of uncertainty and mistrust
- **Consumers strongly associate CalOptima Health with Medi-Cal and may not recognize CalOptima Health Covered as a distinct product**
  - Participants routinely asked who would qualify for the plan, and some assumed they would not qualify since they no longer qualified for Medi-Cal

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Member and Population Health Needs Assessment (MPHNA) – Preliminary Findings

MAC/PAC ~ June 11, 2026

Michell Nielsen, Director of Strategic Development

Our Mission

To serve member health with excellence and dignity, respecting the value and needs of each person.

Our Vision

Provide all members with access to care and supports to achieve optimal health and well-being through an equitable and high-quality health care system.

Back to Agenda

CalOptima Health MPHNA Background

- Board-approved strategic initiative started in March 2025 with selected vendor National Opinion Research Center (NORC)
- **MPHNA Objectives:**
  - Gain a comprehensive understanding of the health needs and preferences of CalOptima Health members
  - Inform the development of effective programs and strategic initiatives that address the health needs and preferences of CalOptima Health members
- MPHNA Report detailing findings and recommendations will be released in August 2026

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MPHNA Methodology and Scope

- The MPHNA included a member survey, provider survey, focus groups, key informant interviews, and secondary data analysis
- To help identify key health priorities, the following domains were assessed:
  - Health status
  - Health conditions
  - Health-related social needs (HRSN)
  - Health behaviors
  - Health care use
  - Health care access, coverage, and navigation
  - Care experience and quality
- Member Survey:
  - A total of 36,664 members across Medi-Cal, OneCare, and dual-eligible membership received notification of the survey through mail and community outreach.
  - Postcards with unique survey links were distributed to unhoused members served by the Street Medicine Team, PACE members, and attendees of the Thanksgiving and holiday member events.
  - 1,858 were collected between November 2025 – January 2026.

Back to Agenda

MPHNA Methodology & Scope (cont.)

- Provider Survey:
  - A total of 2,252 contracted providers received notification of the survey.
    - Providers were outreached via email provided on their provider profile
    - Notification was also sent through Provider and Health Network announcements, newsletters and forums.
  - 301 providers responded to the survey between July 2025-August 2025.
- Focus Groups and Key Stakeholder Interviews:
  - NORC and Community Action Partnership Orange County (CAP OC) conducted 11 focus groups and 22 interviews with members or their caregivers from a variety of demographic backgrounds, areas of residence in Orange County, and health statuses.
    - Members were outreached by CAP OC to participate by phone.

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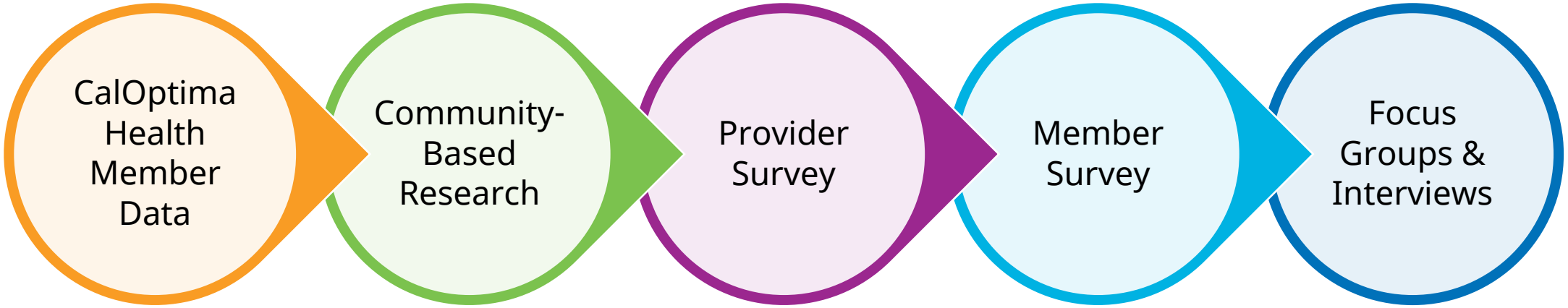
MPHNA Process



April – September 2025

- Administrative datasets

April – September 2025

- County, state, and national-level health outcomes

July 21 - August 29, 2025

- Provider views on members' access to care and health outcomes

November 4, 2025 - January 26, 2026

- Web-based member survey distributed through postcards with unique survey links via mail, community events, Street Medicine, and PACE location.

October – December 2025

- In-person and virtual focus groups and interviews across areas of residence in Orange County

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Member Survey

- Total sample size of 36,664 members
- Total of 1,858 surveys collected
  - 87% of surveys were completed from mailings
  - 13% of surveys completed from postcard handed out in person
- The web-based survey was offered in all eight threshold languages
- $10/$25 gift cards were distributed for completion of the member survey and participation in focus groups and interviews, respectively

Member Survey Response Profile

Race/Ethnicity	Number of Completed Surveys	Percent of Completed Surveys
Hispanic/Latino	611	33%
White, Non-Hispanic/Latino	362	19%
Vietnamese	308	17%
Other	577	31%
Total	1,858	100%
Enrollment Status	**Number of Completed Surveys**	**Percent of Completed Surveys**
Medi-Cal only	1370	74%
OneCare	288	16%
Dually eligible for Medi-Cal and Medicare	173	9%
Other	27	1%
Total	1,858	100%

Source: 2025-2026 CalOptima Health Member and Population Health Needs Assessment

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Provider Survey

- 2,252 contracted providers and provider office staff received the Provider Survey with 301 responding
- Survey was conducted online
- Outreach was completed through the Provider Newsletter, email, and the Health Network Forum and Community Clinic forum

Provider Survey Response Profile

Respondent Type	Number (%) of Completed Surveys
Physician	102 (34%)
Behavioral health professional	92 (31%)
Other clinical staff*	44 (15%)
Office or clinic manager	19 (6%)
Other administrative staff*	18 (6%)
Case manager	15 (5%)

- Respondents were primarily physicians and behavioral health professionals with most serving Medi-Cal members
- Respondents worked in various settings, including outpatient and inpatient facilities
- Mostly reported speaking languages that align with the threshold languages in Orange County, including Russian

Source: 2025-2026 CalOptima Health Member and Population Health Needs Assessment

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Focus Groups & Key Informant Interviews

- NORC partnered with Community Action Partnership of Orange County (CAP OC) to recruit for and conduct focus groups
- Conducted 11 focus groups and 22 interviews, totaling 80 members. Focus groups included:
  - English-speaking members residing in North or South County
  - Spanish-speaking members residing in North or South County
  - Pregnant or postpartum women and parents of children under 5 years of age
  - Parents of children participating in the Whole Child Model (children enrolled in the California Children's Services [CCS] program)
  - Members who are unhoused
  - Older adult members and PACE members or their caregivers
  - Adults with disabilities or their caregivers
  - Black/African American members
  - Vietnamese-speaking members
  - Members with behavioral health needs
- Discussed experiences on several topics including access to care, member experience, and health-related social needs
- In one-on-one interviews, members were asked about mental health or substance use when relevant

Accessing health care

CalOptima Health's member experience

Social or environmental factors that affect their ability to stay healthy

Source: 2025-2026 CalOptima Health Member and Population Health Needs Assessment

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Community Partner Engagement

- NORC facilitated a focus group with the Population Health Collaborative, comprised of community-based organizations and county partners, to validate the assessment framework.
- In addition, the CalOptima Health Member and Provider Advisory Committee was consulted on member survey, provider survey, and focus group questions and discussion guides.

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MPHNA Respondents and Participants

Provider Survey

July – August

- Web-based survey
- Outreach via email, provider newsletters and forums
- n = 2,252
- Respondents=301 (13% response rate)

Member Survey

November – January

- Web-based survey
- Distributed through postcards with unique survey links via mail, community events, Street Medicine, and PACE location
- n = 36,664
- Respondents = 1,858 (5% response rate)

Focus Groups/Interviews

October – December

- In-person and virtual
- 11 focus groups and 22 interviews
- n = 2,432
- Participants = 80 (3% response rate)

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MPHNA Preliminary Findings Highlights

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MPHNA Key Findings Domains

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CalOptima Health

Behavioral Health

- **High Behavioral Health Needs**
  - Members report anxiety and depression symptoms nearly twice the national average, highlighting urgent mental health needs.
- **Barriers to Service Engagement**
  - Challenges include stigma, language spoken, long wait times, unclear follow-up, and lack of awareness on availability of behavioral health services.
- **Health-Related Issues**
  - Providers recognize substance use as a top health concern followed by domestic violence and self harm/suicide attempts emphasizing the need for coordinated care efforts.
- **Primary Care Role**
  - Members reported high engagement with primary care, presenting an opportunity to enhance access to behavioral health services.

Sources: 2025-2026 CalOptima Health MPHNA Member Survey, 2025-2026 CalOptima Health MPHNA Provider Survey

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CalOptima Health

Health-Related Social Needs

Prevalence of Social Needs

- Members report stress and disruptions to care due to navigating housing supports, food insecurity, social isolation, and financial strain.

Impact on Health Outcomes

- Food insecurity, safety at home, housing instability and financial strain shape members' decisions about when to seek/access care, causing delayed care, missed appointments, and reliance on emergency services.

Socioeconomic Barriers

- Difficulty paying household bills, along with housing instability, limits members from prioritizing health needs. There is also limited access to safe spaces for physical activity, a lack of nutrition knowledge for maintaining a healthy diet, and access to community services/resources.

Health-Related Social Needs Services Coordination

- There is a strong need for collaboration between community-based organizations, including housing-focused organizations and local resources, to improve coordination and enhance referral pathways.

Source: 2025-2026 CalOptima Health MPHNA Member Survey

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Access to Care and Care Navigation

- **Challenges in Care Navigation**
  - Members report difficulty navigating a complex health system and understanding benefits and available services.

- **Barriers to Health Care Access**
  - Long wait times, inability to get an appointment, and lack of a clear understanding of how to utilize benefits especially with complex health needs.

- **Social Determinants Impact**
  - Lack of clear understanding of benefits and services, including language-related barriers, contributes to delays in care and unmet healthcare needs and increased reliance on emergency and urgent care settings.

- **Access to Care Needs and Care Navigation Concerns**
  - Access to health care is an urgent challenge, particularly specialty care and mental health services. Key areas for improvement include poor coordination among providers, fragmented referral processes, long appointment wait times, and limited awareness of available supports and resources.

Sources: 2025-2026 CalOptima Health MPHNA Member Survey

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CalOptima Health

Cultural, Linguistic and Identity-Responsive Care

- **Language Access Challenges**
  - Lack of awareness of language services may contribute to incomplete follow-through on care and lower satisfaction with care.

- **Barriers to Cultural, Linguistic and Identity-Responsive Care**
  - Hesitancy in sharing identity-sensitive information due to a lack of communications support and preferences for doctors who share members' racial or ethnic identity.

- **Identity-Responsive Care Need**
  - Support for provider training on cultural competence, including multilingual staffing, could provide more effective care, such as culturally tailored cancer screening programs and culturally appropriate care coordination across health, dental, vision, and primary care services.

- **Perceptions of Care Environment**
  - Members overall reported that their cultural and individual needs were met during treatment and care.

Sources: 2025-2026 CalOptima Health MPHNA Member Survey, 2025-2026 CalOptima Health MPHNA Provider Survey

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MPHNA Next Steps

MPHNA Report Review

- **June 2026**
- Continue draft report development and CalOptima Health review.

MPHNA Report Production

- **June – July 2026**
- Communications' review, formatting, and preparation of the final report.

Presentation to the Board of Directors

- **August 6, 2026**
- Presentation of MPHNA project, findings, and recommendations.

MPHNA Report Release

- **August 2026**
- Release of the MPHNA report on the website, press release, and social media.
- Printed copies of the Executive Summary for distribution to key stakeholders.

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APPENDIX

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MPHNA Member Survey, Focus Groups/Interviews – Preliminary Findings

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Health Status and Health Conditions

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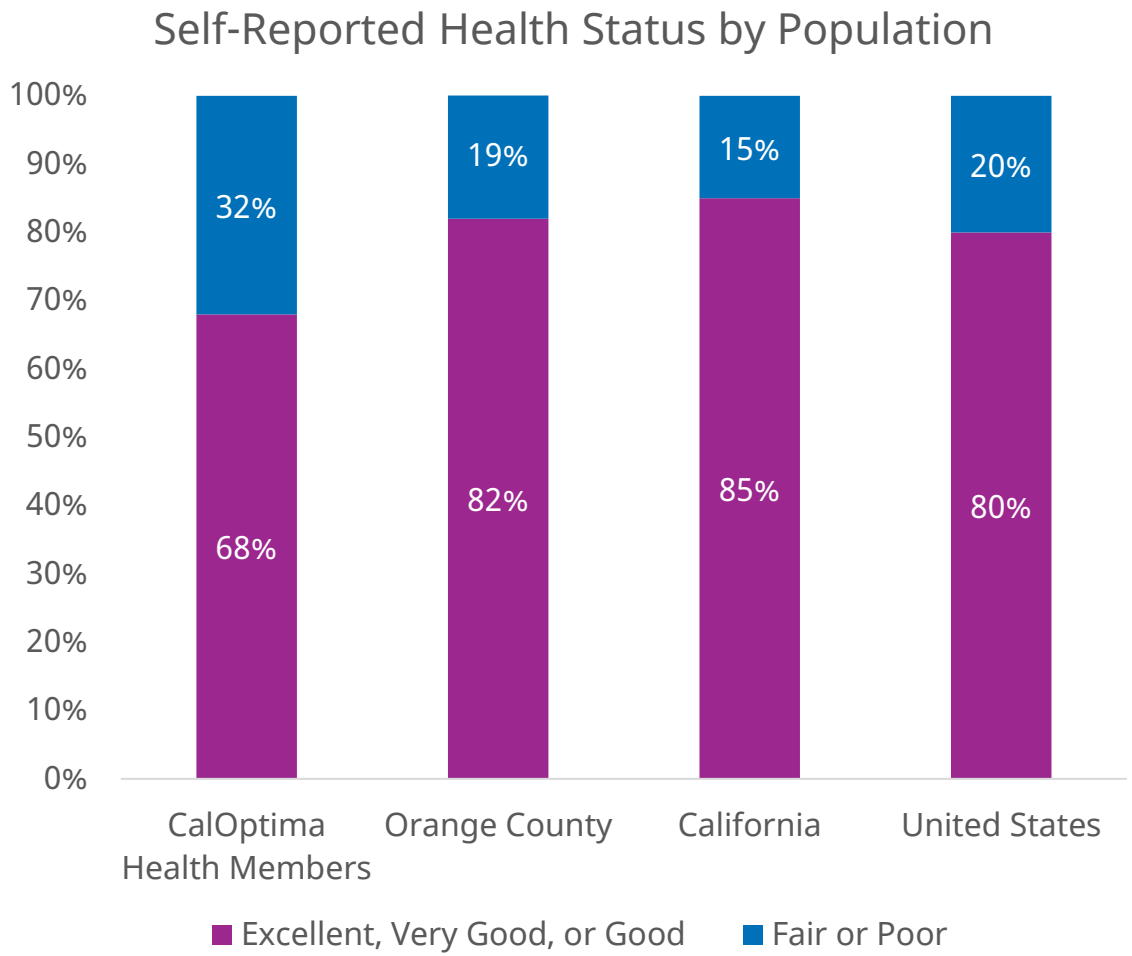
Key Findings: Health Status and Health Conditions

- CalOptima Health members **self-reported poorer health** than the overall population of Orange County, state of California, and the U.S.



Sources: 2025-2026 CalOptima Health MPHNA Member Survey , 2023 California Health Interview Survey, 2023 Behavioral Risk Factor Surveillance System (BRFSS), and 2023 National Health Interview Survey.

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Chronic Conditions

- The member survey collected self-reported data on chronic conditions
- The MPHNA report provides a breakdown among race/ethnicity, gender, and age for several chronic conditions

Member Characteristics	Hyperlipidemia	Hypertension	Obesity	Diabetes	Anemia	Rheumatoid Arthritis Osteoarthritis	Fibromyalgia and Chronic Pain and Fatigue
All Members	19%	15%	11%	10%	6%	6%	6%
Race / Ethnicity							
Alaskan Native or American Indian	17%	16%	13%	10%	8%	9%	11%
Asian or Pacific Islander	31%	26%	8%	17%	9%	11%	8%
Black	12%	15%	13%	8%	8%	6%	8%
Hawaiian	14%	15%	15%	10%	6%	3%	5%
Hispanic	14%	11%	14%	9%	6%	4%	5%
White	19%	17%	11%	9%	7%	9%	10%
Declined/Other/Unknown	27%	20%	6%	12%	7%	8%	6%
Gender							
Female	21%	16%	13%	11%	8%	8%	8%
Male	17%	14%	9%	9%	5%	4%	4%
Age							
0 to 5	0%	0%	1%	0%	4%	0%	0%
6 to 17	3%	0%	6%	0%	2%	0%	1%
19 to 64	21%	14%	14%	10%	6%	5%	7%
65+	50%	51%	11%	30%	14%	23%	15%

Sources: 2025-2026 CalOptima Health MPHNA Member Survey , 2023 California Health Interview Survey, 2023 Behavioral Risk Factor Surveillance System (BRFSS), and 2023 National Health Interview Survey.

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CalOptima Health

Key Findings: Behavioral Health Conditions

- Approximately 10% of members have combined severe and persistent mental illness (SPMI), 10% experience anxiety and mood disorders, and 9% have depressive disorders.
- Schizophrenia and other psychotic disorders affect 3% of the population, while personality disorders affect less than 1%.

	Personality Disorders	Schizophrenia and other Psychotic Disorders	Depressive Disorders	Severe and Persistent Mental Illness	Anxiety and Mood Disorders
All Members	<1%	2%	9%	10%	10%
Race / Ethnicity					
Alaskan Native or American Indian	1%	6%	14%	17%	19%
Asian or Pacific Islander	1%	5%	10%	13%	9%
Black	1%	5%	11%	14%	13%
Hispanic	<1%	1%	7%	8%	9%
Hawaiian	0%	4%	8%	8%	9%
White	1%	4%	15%	18%	19%
Declined/Other/Unknown	0%	2%	8%	9%	8%
Gender					
Woman	1%	2%	11%	11%	12%
Men	<1%	3%	7%	8%	8%
Age					
19-64	1%	2%	8%	10%	11%
65+	<1%	3%	11%	12%	9%

Source: 2024 CalOptima Health Member Data

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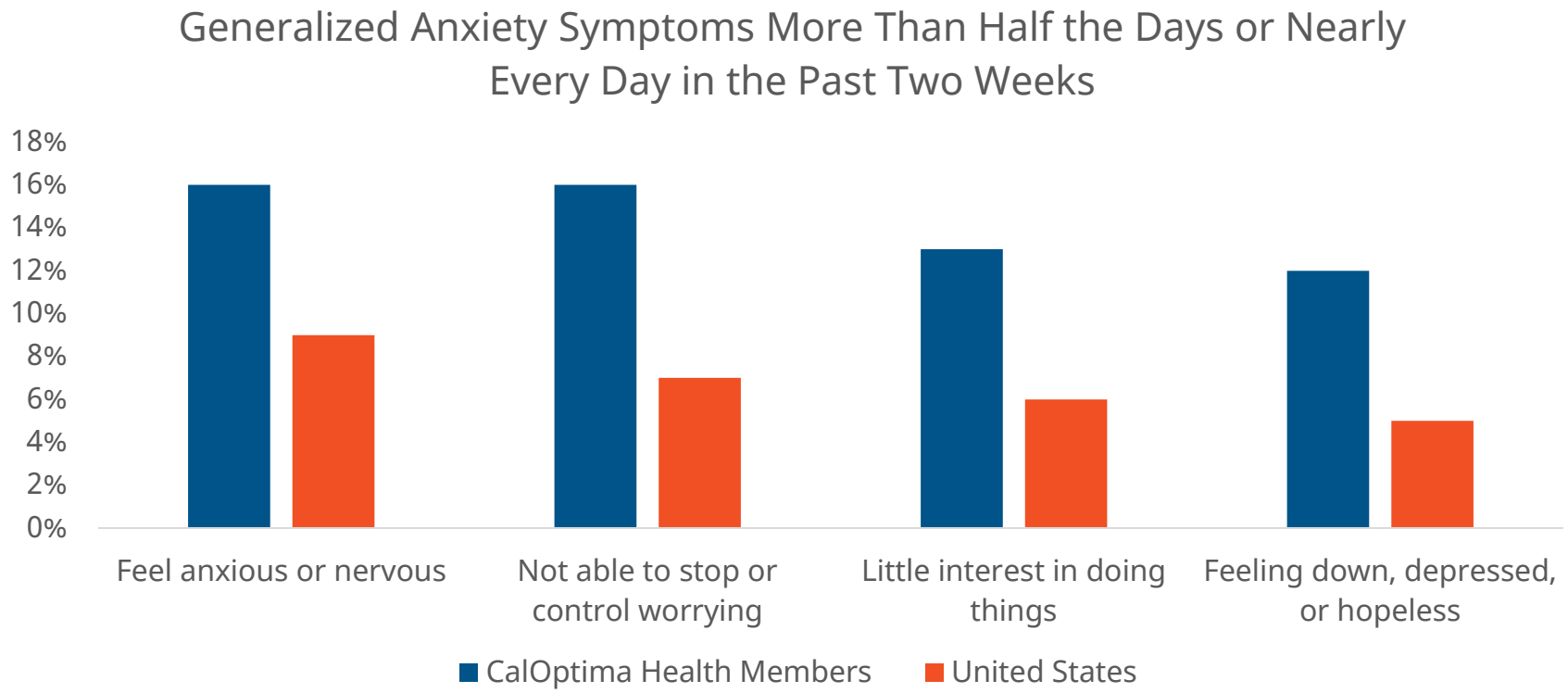
Key Findings: Health Status and Health Conditions

- CalOptima Health members were **about twice as likely** as the U.S. population to report general anxiety symptoms



Sources: 2025-2026 CalOptima Health Member Survey , 2023 California Health Interview Survey, 2023 Behavioral Risk Factor Surveillance System (BRFSS), and 2023 National Health Interview Survey.

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Health-Related Social Needs

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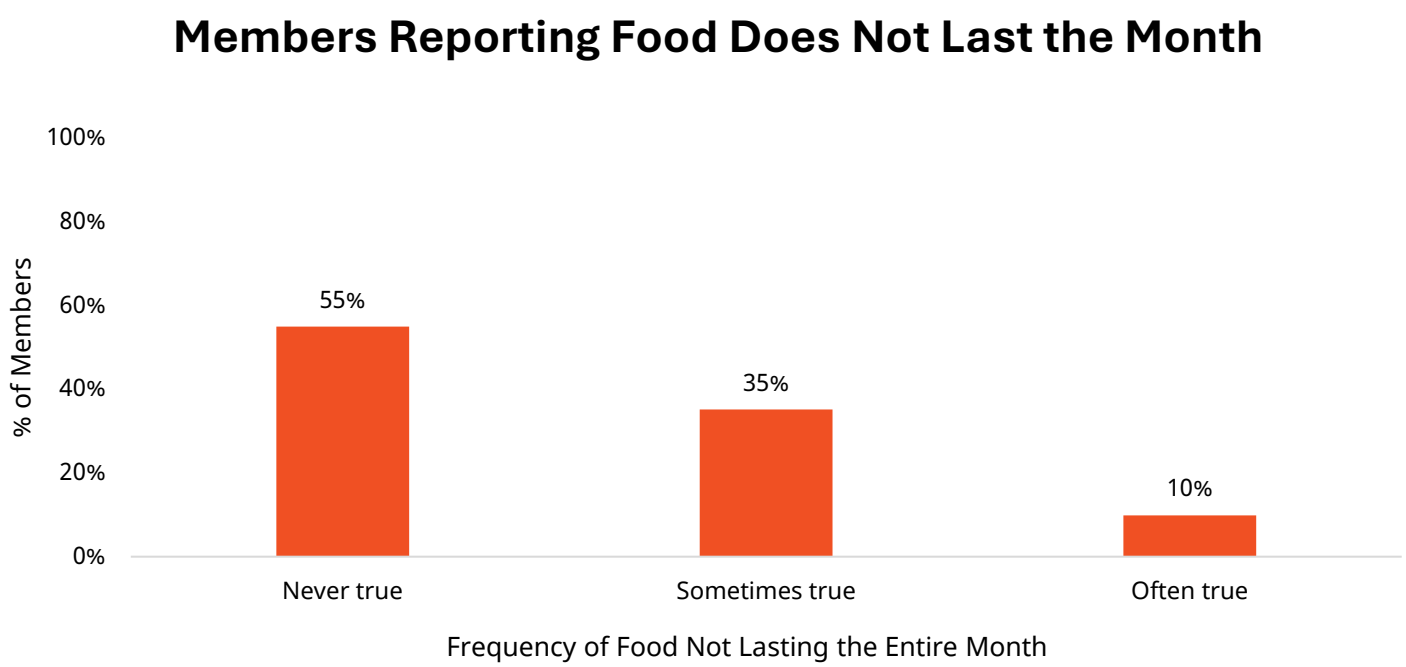
Key Findings: Food Insecurity

- Just over half of members report having enough food to last them the entire month (55%).
- The remaining 45% experience food insecurity at least some of the time.
- Adult members with fair or poor health were more likely to be food-insecure compared to those who report good or excellent health (57% vs. 40%, respectively).



Source: 2025-2026 CalOptima Health MPHNA Member Survey

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Key Findings: Housing Insecurity

- Most members report having stable housing (85%), though 15% experience housing insecurity.
- NORC's analysis of 2-1-1 OC data reveals that across the broader Orange County community, the most common reason for seeking assistance from this community resource was help with housing and utilities, indicating strong countywide demand for basic needs support.
- Of the over 55,000 2-1-1 Orange County calls made between July 2024 and June 2025, almost half (48%) were to request assistance related to housing or utilities.

Type of Assistance Requested	Count of 2-1-1 OC Calls	Percent of all 2-1-1 OC Calls
Transitional housing/shelters	6,475	11%
Rental payment assistance	6,160	11%
Utility payment assistance	3,102	6%
Other housing- or utility-related calls	11,404	20%
Total: Any housing/utility assistance	27,141	48%

Source: FY2024-2025 Needs Referrals from 2-1-1 Orange County

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Health Behaviors

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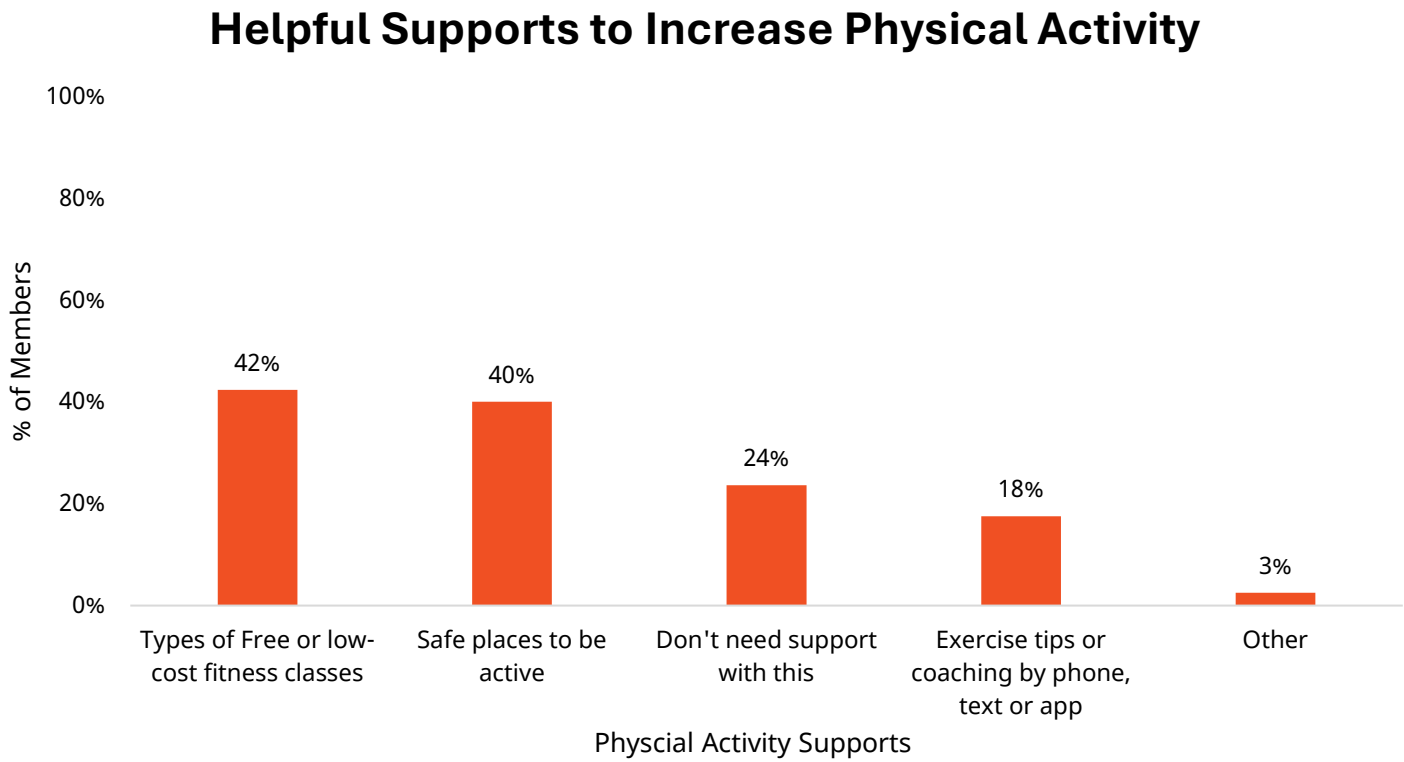
Key Findings: Supports for Physical Activity

- Many members say that having **safe places to be active** would help them (40%).
- LGBTQ+ members were significantly more likely to want safe places to be active (61% vs. 37%, respectively).



Source: 2025-2026 CalOptima Health MPHNA Member Survey

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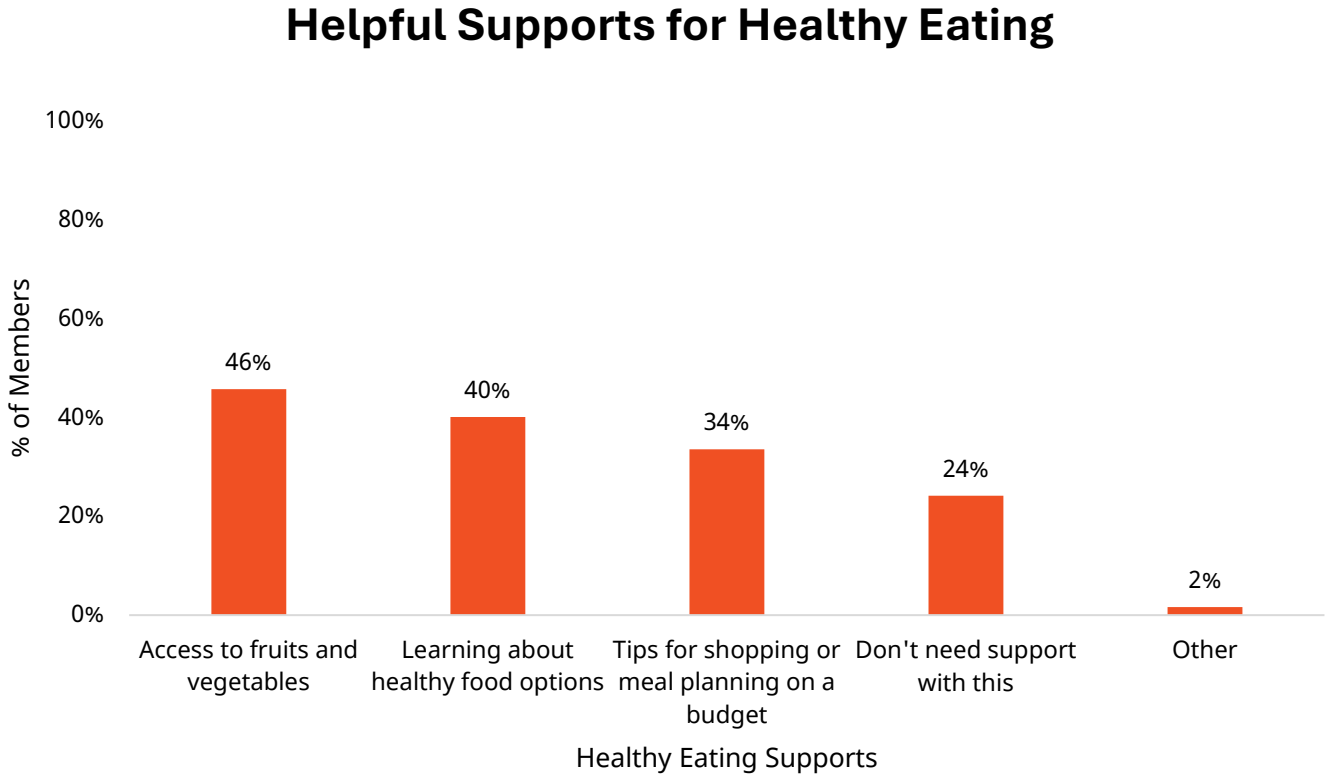
Key Findings: Supports for Healthy Eating

- Many members say that **learning about healthy food options** would help them eat healthier (40%).
- Members with fair or poor health were more interested in learning about healthy food options than those in good or excellent health (47% vs. 37%, respectively).
- Black or African American members were most likely to desire this support (56%), followed by Hispanic (43%) and Asian or Pacific Islander members (42%).



Source: 2025-2026 CalOptima Health MPHNA Member Survey

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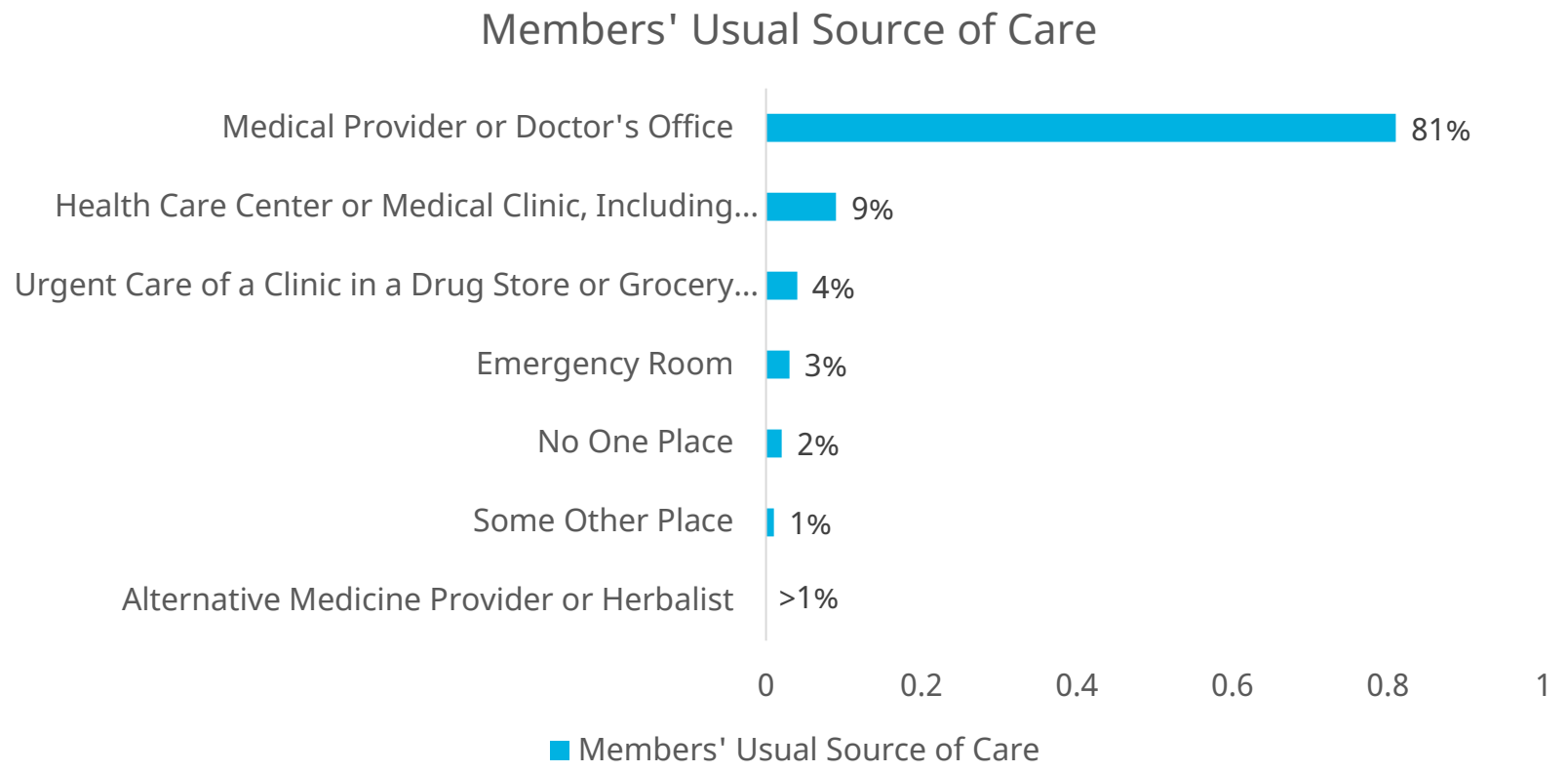
Health Care Use

Back to Agenda

Key Findings: Health Care Use

- Members reported **using a doctor's office or medical clinic as their primary source of care**



Source: 2025-2026 CalOptima Health MPHNA Member Survey

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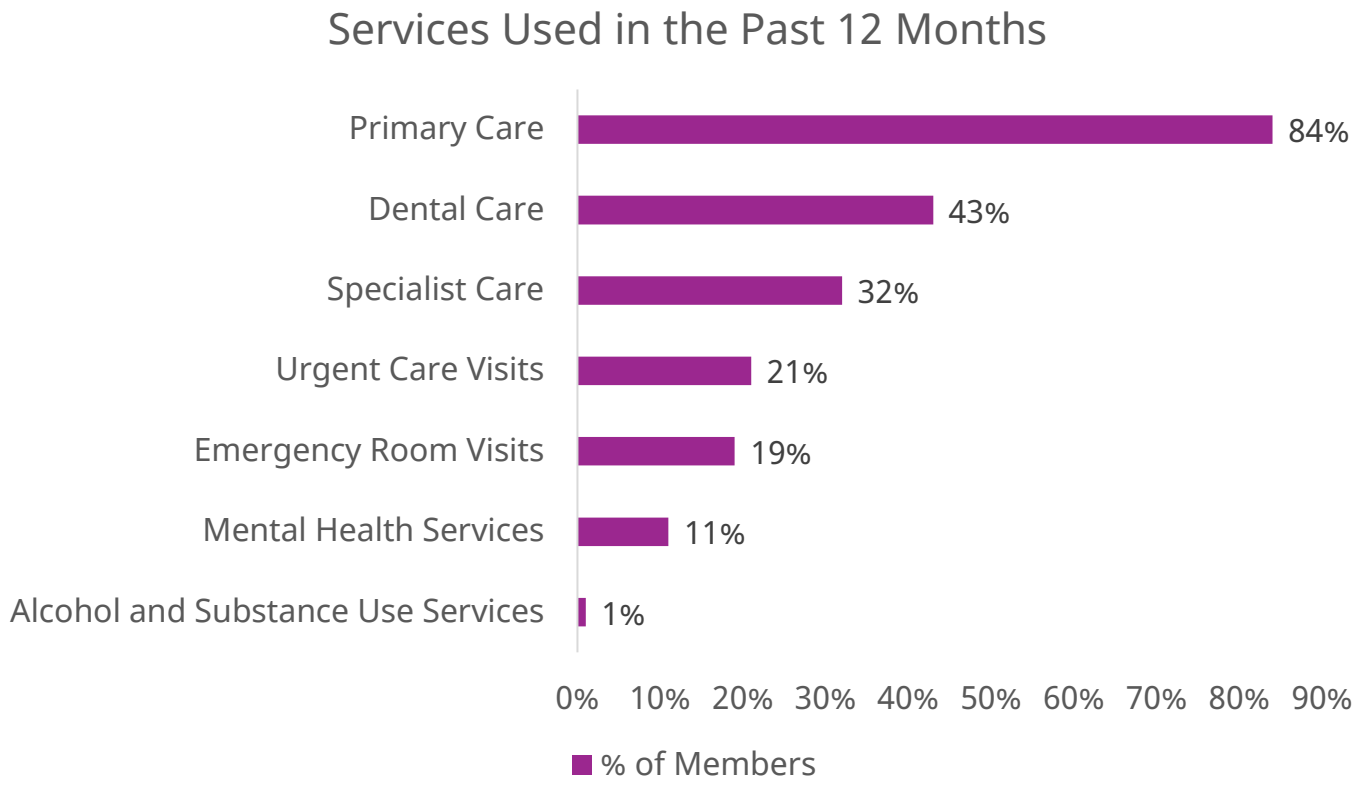
Key Findings: Health Care Use

- Primary care utilization was **reported by members as the predominant service used at least once over the past year**



Source: 2025-2026 CalOptima Health MPHNA Member Survey

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Access, Coverage & Navigation

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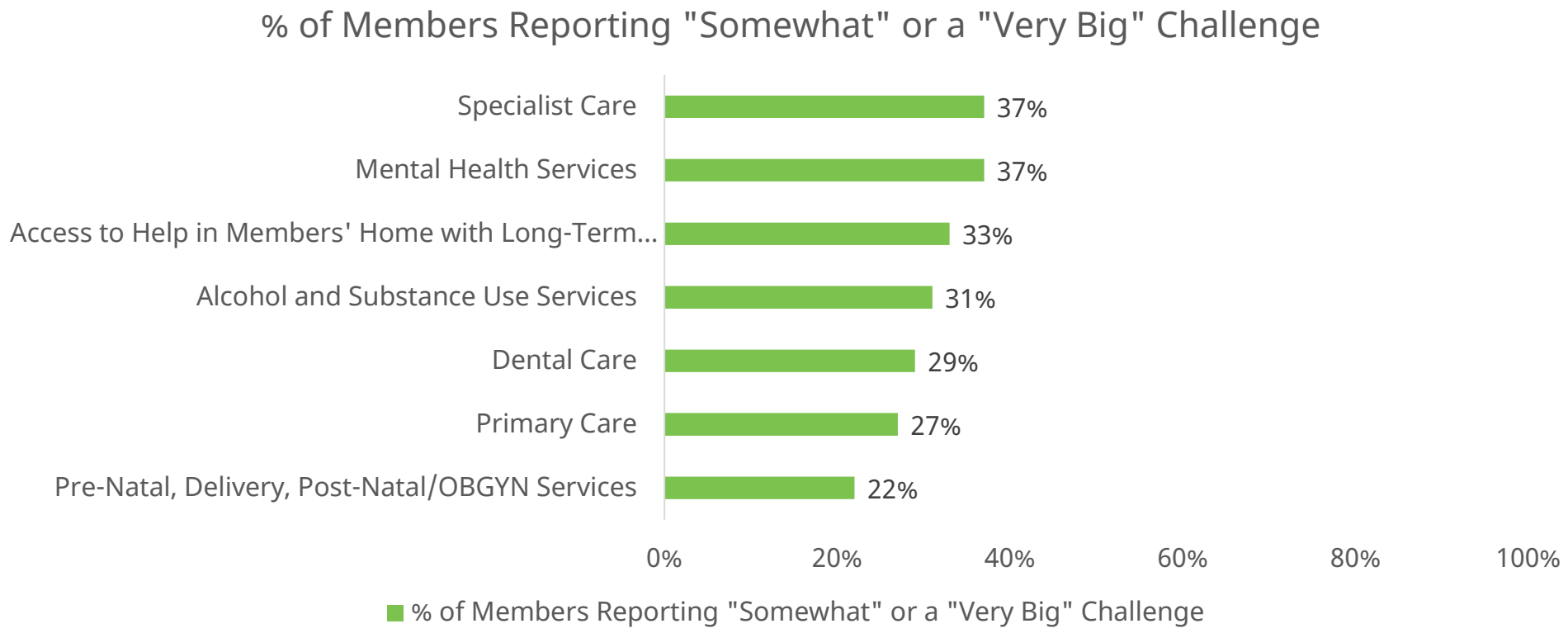
Key Findings: Health Care Access, Coverage, and Navigation

- Members reported the most challenges with accessing **specialist care and mental health services.**



Source: 2025-2026 CalOptima Health MPHNA Member Survey

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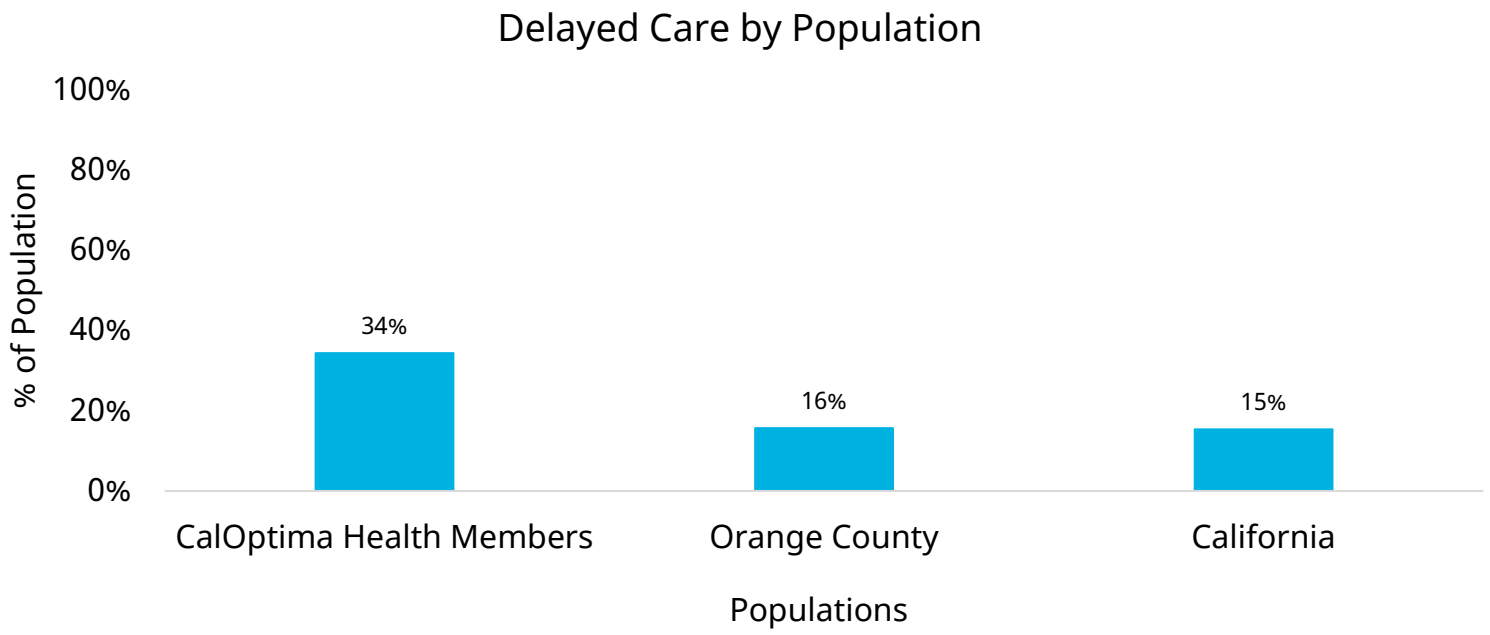
Key Findings: Health Care Access, Coverage, and Navigation

- **More than one-third of members reported having delayed needed care**, compared to one in six residents at the county and state levels.



Sources: 2025-2026 CalOptima Health MPHNA Member Survey, 2023 California Health Interview Survey, 2023 Behavioral Risk Factor Surveillance System (BRFSS), and 2023 National Health Interview Survey

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Care Experience & Quality

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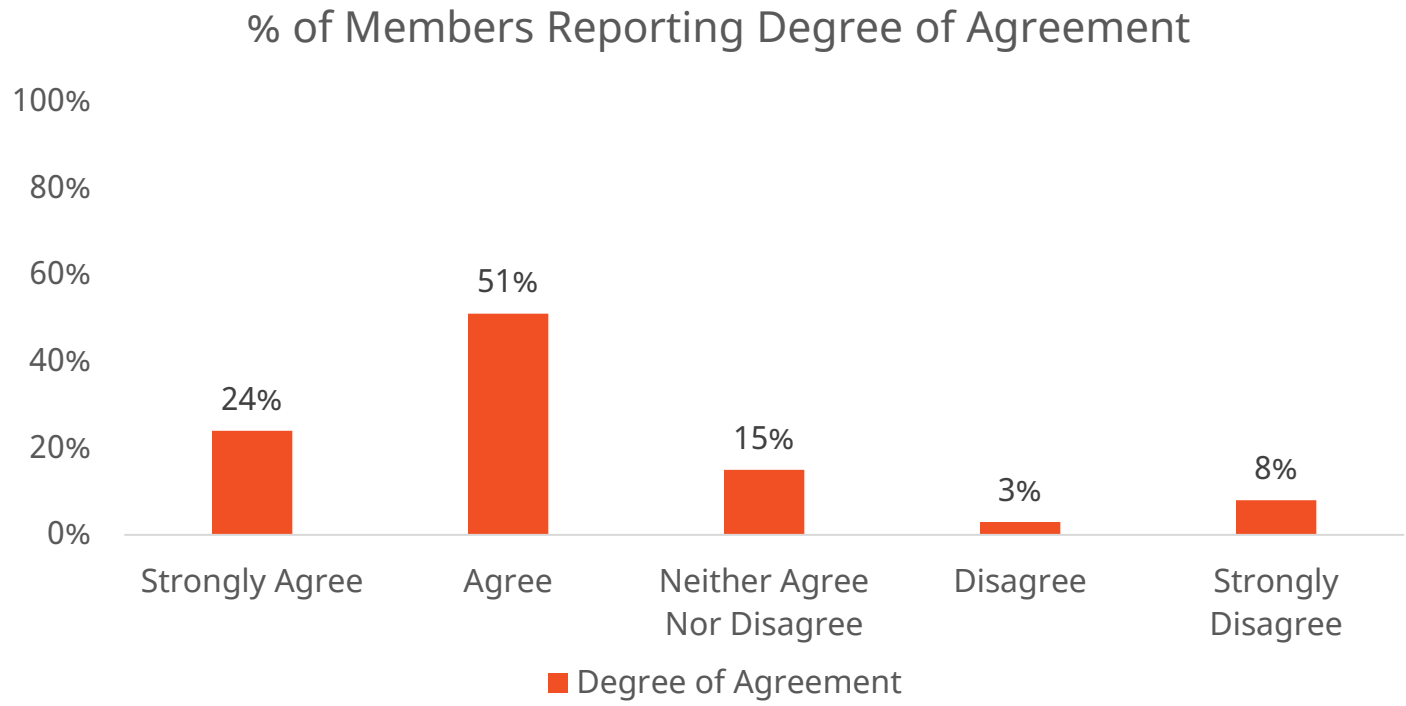
Key Findings: Care Experience and Quality

- Members reported positive perceptions with their care environment and that their **cultural and individual needs were met during treatment and care**



Source: 2025-2026 CalOptima Health MPHNA Member Survey

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MPHNA Provider Survey

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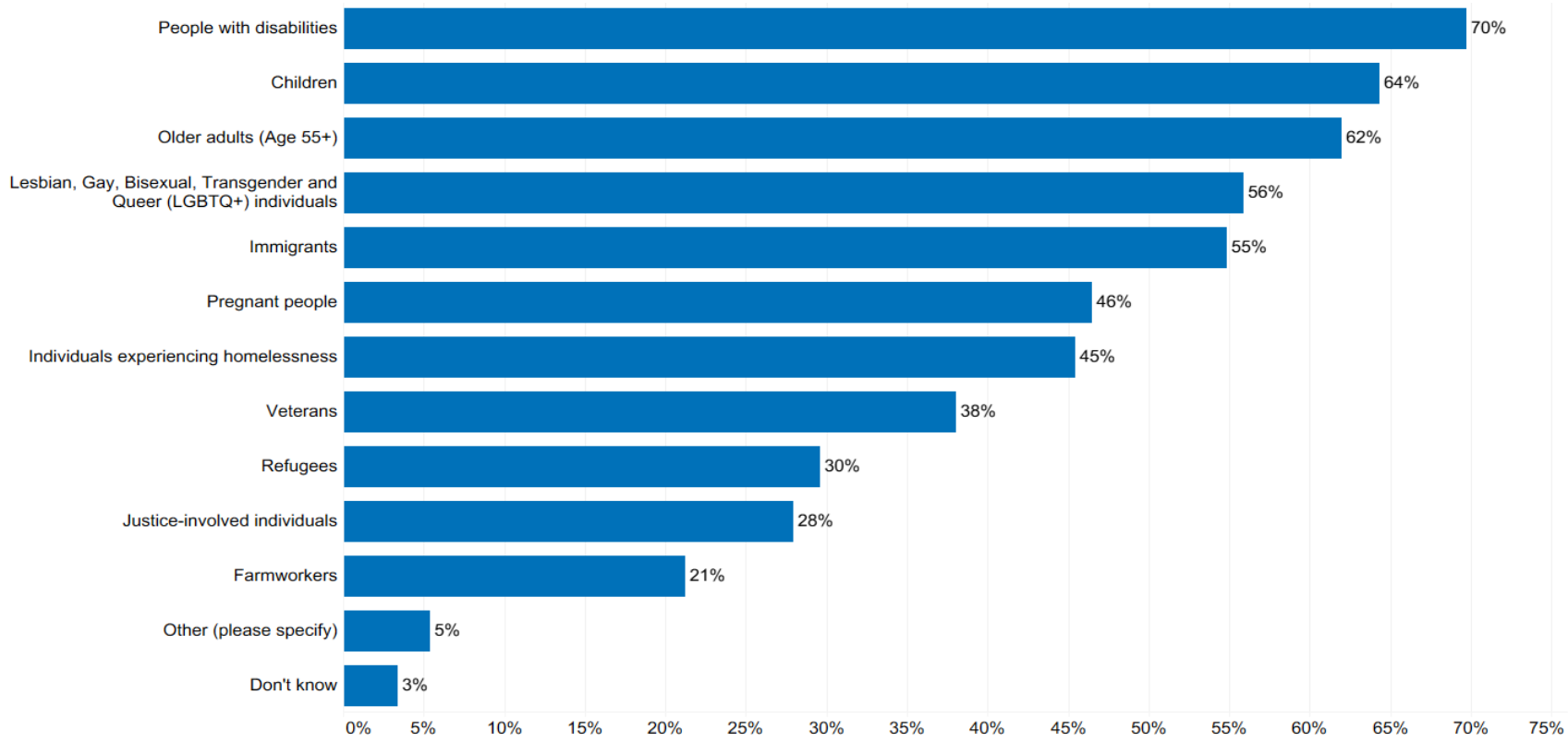
Populations Served

- Providers serve diverse groups with special health care needs (n=297):



Q: Do you or your organization serve any of the following populations? Select all that apply.

Source: 2025-2026 CalOptima Health MPHNA Provider Survey

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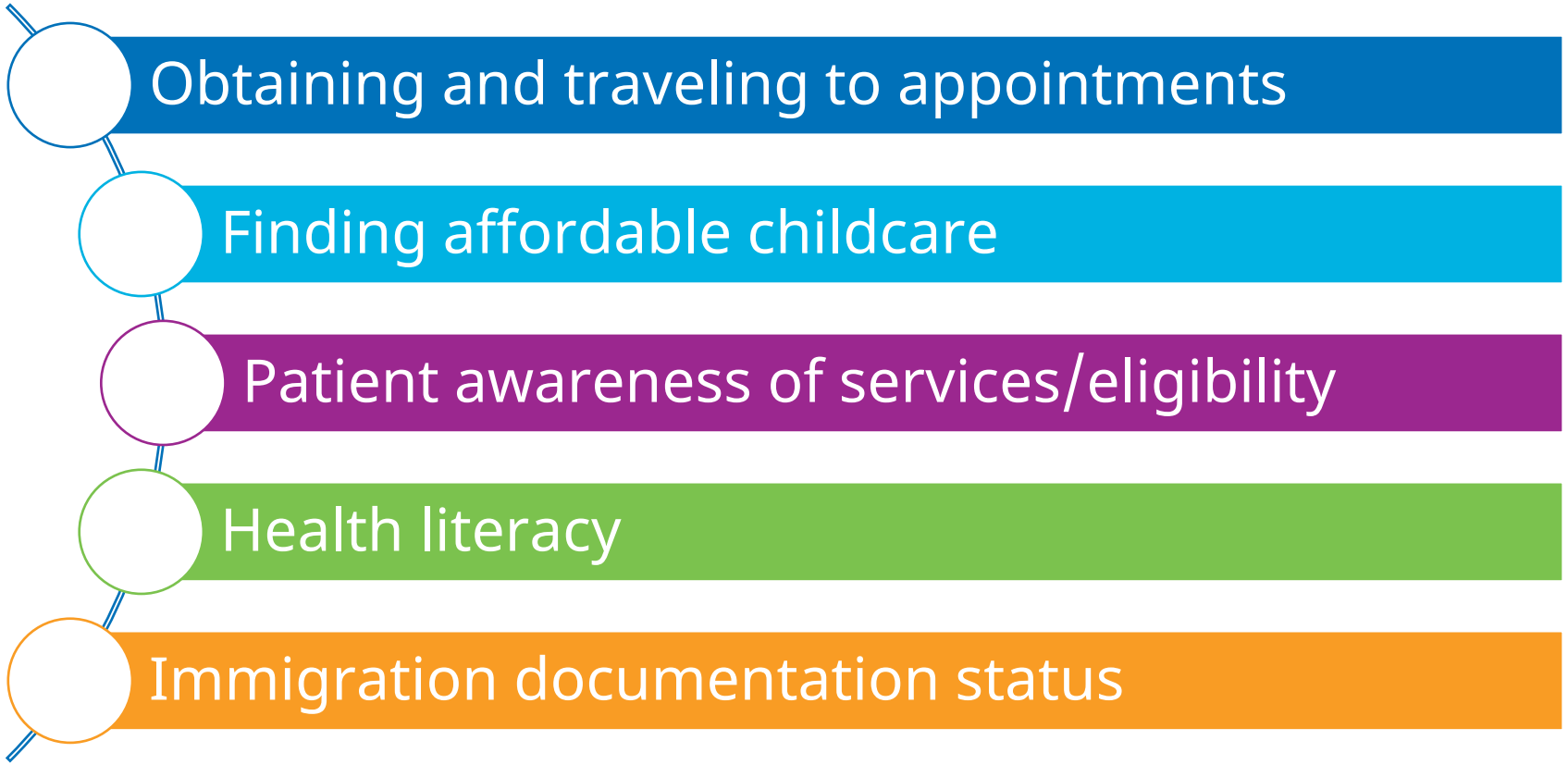
Provider Survey Findings

- Respondents identified the following as some of the greatest **barriers to health care access**:



Source: 2025-2026 CalOptima Health MPHNA Provider Survey

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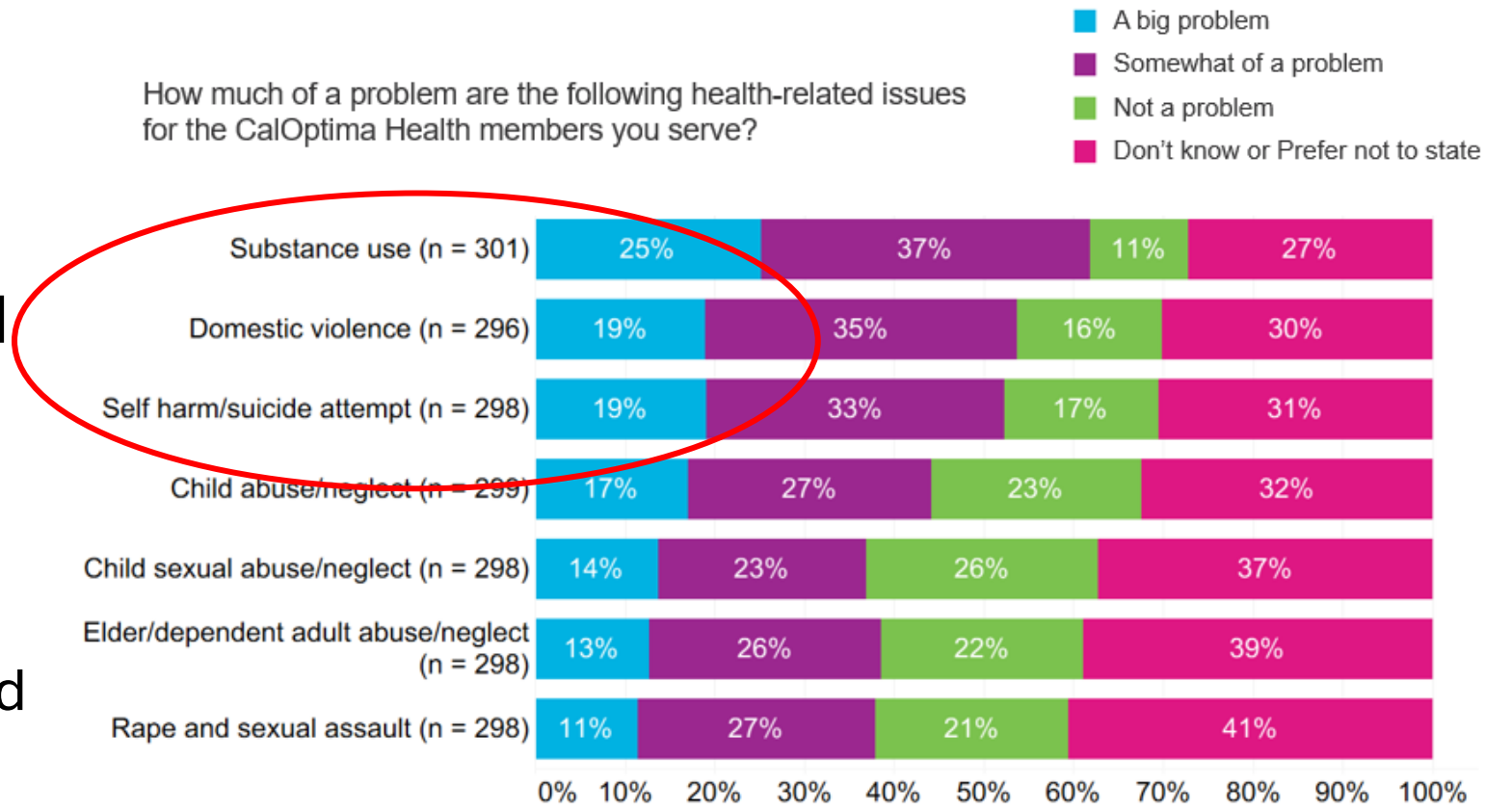
Provider Survey Findings

- Based on the health problems listed on the survey, respondents said substance use is the top **health-related issue.**
  - About one in five respondents to the provider survey described self-harm and suicide attempts as “a big problem”.



Source: 2025-2026 CalOptima Health MPHNA Provider Survey

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Provider Survey Findings

- Providers see socioeconomic factors as the greatest **contributor to patients' health** – over medical care, health behaviors, and genetic/biologic factors

What factors are the greatest contributors to the overall health of CalOptima Health members? Please rank these factors from the most significant contributor (1) to the least significant contributor (4). (n = 242)

	Rank			
	First	Second	Third	Fourth
Socioeconomic or environmental factors	40%	22%	33%	6%
Medical/clinical care	31%	19%	35%	15%
Health behaviors	21%	54%	21%	4%
Genetic/biological factors	8%	6%	11%	75%

Source: 2025-2026 CalOptima Health MPHNA Provider Survey

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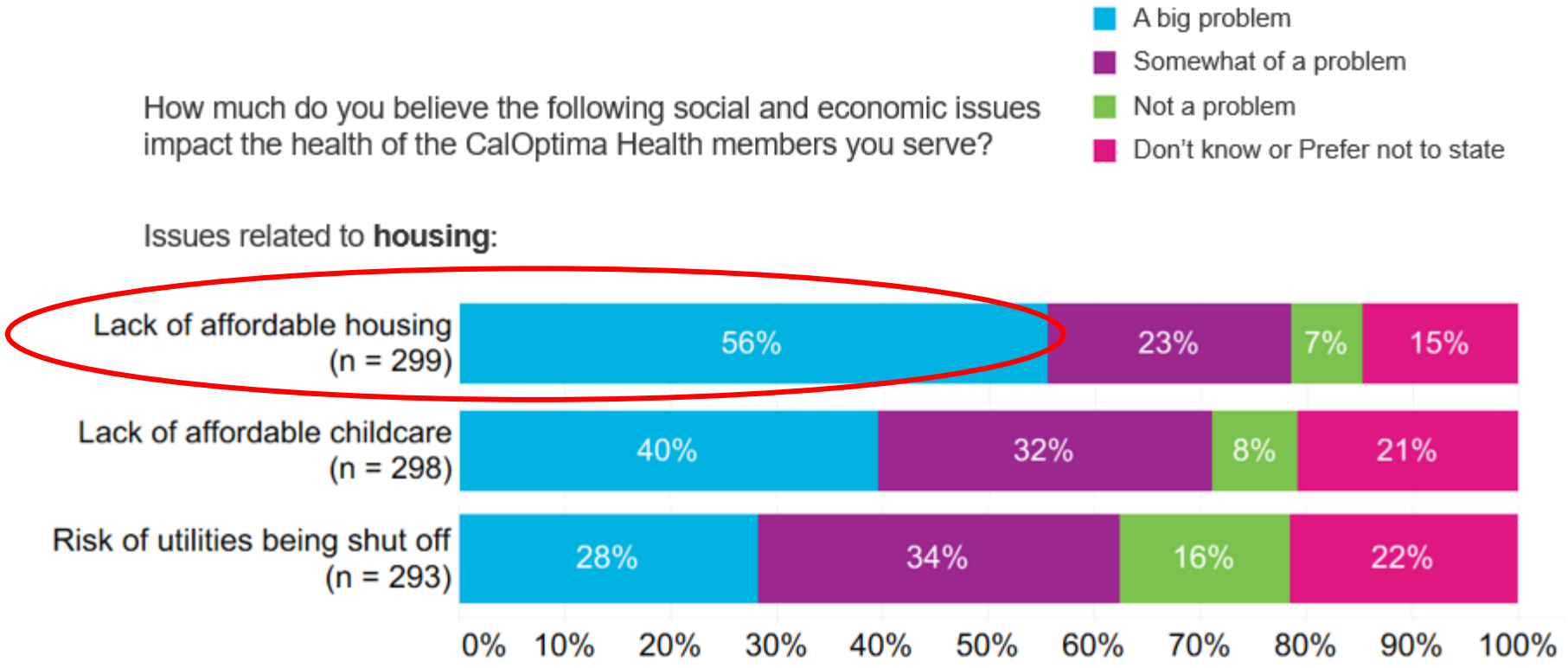
Provider Survey Findings

- Respondents noted lack of affordable housing seen as greatest **socioeconomic factor**



Source: 2025-2026 CalOptima Health MPHNA Provider Survey

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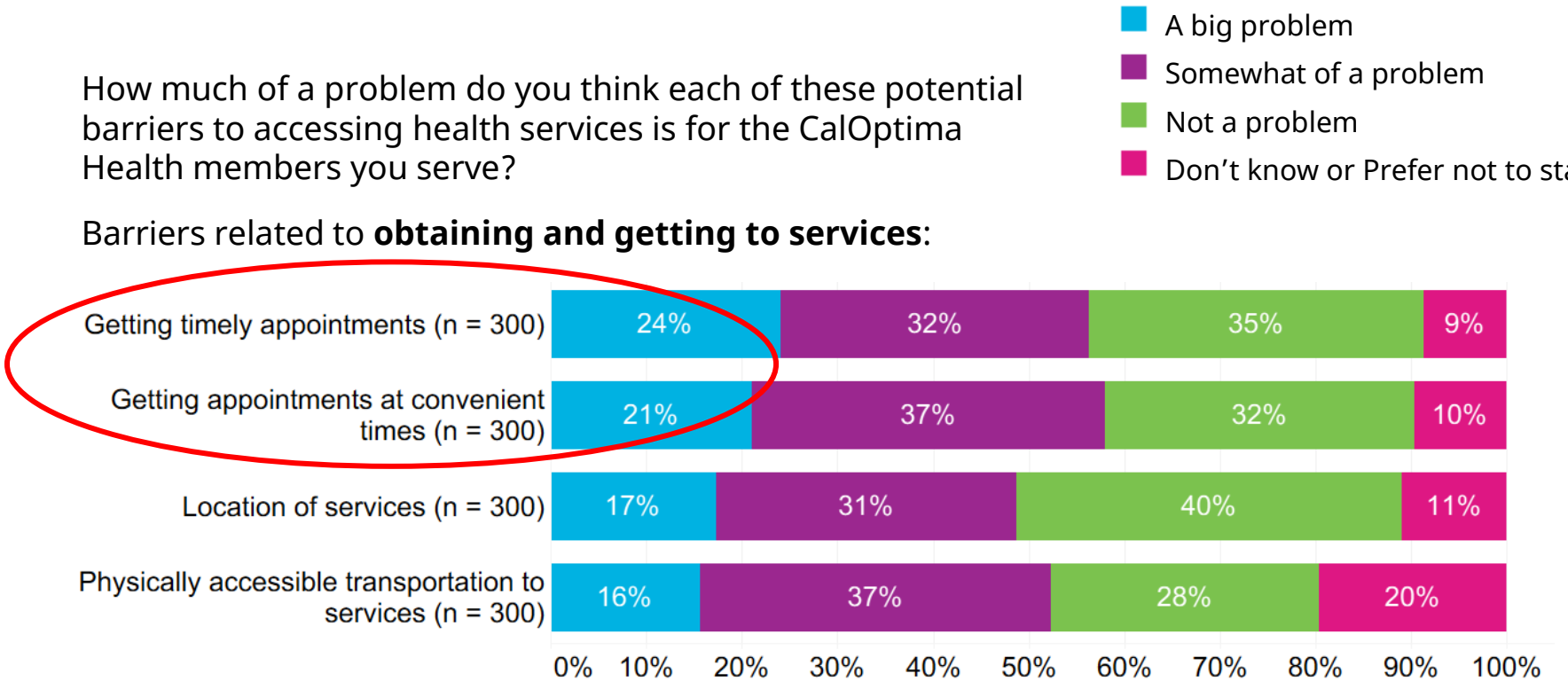
Provider Survey Findings

- Half or more of respondents reported that patients have a big problem or somewhat of a problem with **access to care.**

How much of a problem do you think each of these potential barriers to accessing health services is for the CalOptima Health members you serve?

Barriers related to **obtaining and getting to services**:



Source: 2025-2026 CalOptima Health MPHNA Provider Survey

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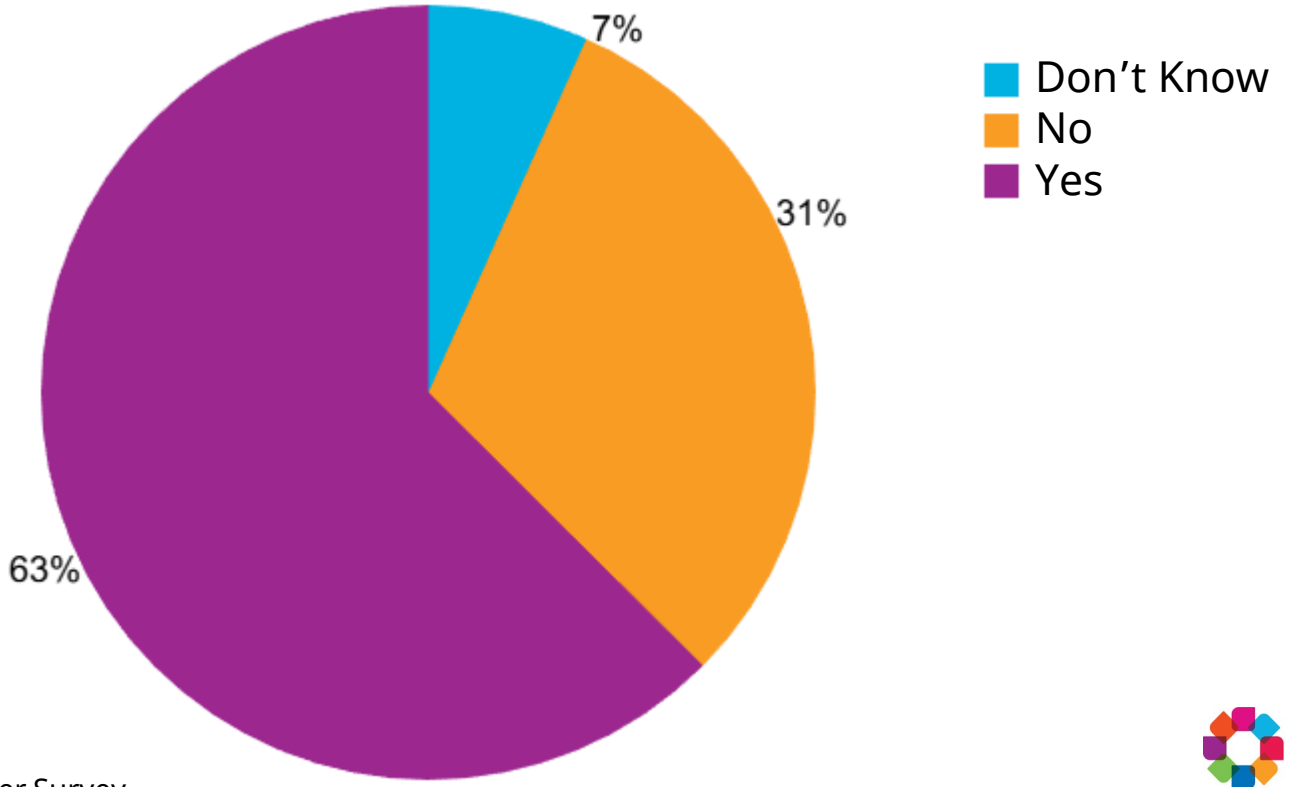
Provider Survey Findings

- There is a potential opportunity to increase awareness of available **translation services** among providers and/or make translation services more widely available.

Does your organization provide translation services to members who do not speak English? (n=299)



Source: 2025-2026 CalOptima Health MPHNA Provider Survey

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Provider Survey: Potential Opportunities

- Improve **Provider Awareness and/or Availability** of:
  - Translation services for members with limited English proficiency
  - Services that assist patients in enrolling in another health plan (e.g., Covered California) and using their benefits
  - Paraprofessionals to improve patient access to services (Community health workers/ Promotor(a)s; Patient Navigators; Peer Support Specialists)
  - CalAIM services
  - Services in partnership with community-based organizations

Source: 2025-2026 CalOptima Health MPHNA Member, 2025-2026 CalOptima Health MPHNA Provider Survey

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2025–26 Legislative Tracking Matrix

Bill Number Author	Bill Summary	Bill Status	Position/Notes
Behavioral Health			
SB 483 Stern	**Mental Health Diversion:** Would require that a court be satisfied that a recommended mental health treatment program is consistent with the underlying purpose of mental health diversion and meets the specialized treatment needs of the defendant. ***Potential CalOptima Health Impact*:** Increased oversight of behavioral health treatment for members.	**07/16/2025** Passed Assembly Public Safety Committee; referred to Assembly Appropriations Committee **06/04/2025** Passed Senate floor	CalOptima Health: Watch
SB 490 Umberg	**Alcohol and Drug Programs:** Would implement specific timelines for the California Department of Health Care Services (DHCS) to investigate unlicensed treatment facilities (i.e., sober living homes) that were unlawfully advertising or providing services. ***Potential CalOptima Health Impact*:** Increased oversight of treatment facilities that serve CalOptima Health members.	**01/26/2026** Passed Senate floor; referred to Assembly **01/05/2026** Gutted and amended **02/19/2025** Introduced	CalOptima Health: Watch
SB 626 Smallwood-Cuevas	**Maternal Mental Health Screenings and Treatment:** Would require a licensed health care practitioner who provides perinatal care for a patient to screen, diagnose and treat the patient for a maternal mental health condition. ***Potential CalOptima Health Impact:*** Increased access to behavioral health services for eligible members.	**08/28/2025** Passed Assembly floor; referred to Senate for concurrence in amendments **06/02/2025** Passed Senate floor	CalOptima Health: Watch CAHP: Oppose

Bill Number Author	Bill Summary	Bill Status	Position/Notes
SB 812 Allen	**Qualified Youth Drop-In Center Health Care Coverage:** Would require a health plan to provide coverage for mental health and substance use disorders (SUDs) at a qualified youth drop-in center, defined as a center providing behavioral or primary health and wellness services to youth 12 to 25 years of age with the capacity to provide services before and after school hours and that has been designated by or embedded with a local educational agency or institution of higher education. ***Potential CalOptima Health Impact*:** Increased access to behavioral health services for CalOptima Health Medi-Cal youth members.	**07/16/2025** Passed Assembly Health Committee; referred to Assembly Appropriations Committee **05/28/2025** Passed Senate floor	CalOptima Health: Watch CAHP: Concerns
SB 874 Weber-Pierson	**Behavioral Health Treatment (BHT) Workgroup:** Would require certain individuals providing BHT services under Medi-Cal to complete background checks. Additionally, would require DHCS to convene a stakeholder workgroup to review the implementation of BHT services in Medi-Cal and release clinical guidance and treatment plan requirements. ***Potential CalOptima Health Impact:*** Enhanced oversight and quality of BHT services provided to members under 21 years of age with autism spectrum disorder and/or related conditions.	**05/19/2026** Passed Senate floor; referred to Assembly	CalOptima Health: Watch
AB 37 Elhawary	**Behavioral Health Workforce:** Would require the California Workforce Development Board to study how to expand the workforce of mental health service providers providing services to homeless persons. ***Potential CalOptima Health Impact*:** Increased access to behavioral health services for members experiencing homelessness.	**01/16/2026** Died in Assembly Business and Professions Committee **03/13/2025** Referred to Assembly Labor and Employment Committee	CalOptima Health: Watch
AB 348 Krell	**Full-Service Partnership:** Establishes presumptive eligibility for Full-Service Partnership programs contingent upon meeting criteria and receiving recommendation for enrollment by a licensed behavioral health clinician. ***Potential CalOptima Health Impact*:** Increased continuity of care for members with serious mental illness.	**10/13/2025** Signed into law	CalOptima Health: Watch

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Bill Number Author	Bill Summary	Bill Status	Position/Notes
AB 384 Connolly	**Inpatient Prior Admission Authorization:** Would prohibit a health plan from requiring prior authorization for admission to medically necessary 24-hour care in inpatient settings, including general acute care hospitals and psychiatric hospitals, for mental health and SUDs as well as for any medically necessary services provided to a beneficiary while admitted for that care. ***Potential CalOptima Health Impact*:** Modified utilization management (UM) procedures for covered Medi-Cal benefits.	**01/23/2026** Died in Assembly Appropriations Committee **04/22/2025** Passed Assembly Health Committee	CalOptima Health: Watch CAHP: Oppose
AB 423 Davies	**Disclosures for Alcoholism, Drug Abuse Recovery or Treatment Programs and Facilities:** Would mandate a business-operated recovery residence to register its location with DHCS. ***Potential CalOptima Health Impact*:** Increased oversight for members who have received SUD treatment.	**01/16/2026** Died in Assembly Health Committee **02/18/2025** Referred to Assembly Health Committee	CalOptima Health: Watch
AB 618 Krell	**Behavioral Health Data Sharing:** Would require each Medi-Cal managed care plan (MCP), county specialty mental health plan (MHP) and Drug Medi-Cal program to electronically share data for its members to support coordination of behavioral health services. Would also require DHCS to determine minimum data elements and the frequency and format of data sharing through a stakeholder process and guidance, with final guidance to be published by January 1, 2027. ***Potential CalOptima Health Impact*:** Increased coordination between Medi-Cal delivery systems regarding behavioral health services.	**07/07/2025** Passed Senate Health Committee; referred to Senate Appropriations Committee **06/03/2025** Passed Assembly floor	**05/07/2025** CalOptima Health: SUPPORT LHPC: Sponsor
AB 877 Dixon	**Nonmedical SUD Treatment:** Would require DHCS and the California Department of Managed Health Care (DMHC) to send a letter to the chief financial officer of every health plan (including a Medi-Cal MCP) that provides SUD coverage in residential facilities. The letter must inform the plan that SUD treatment in licensed or unlicensed facilities is almost exclusively nonmedical, with rare exceptions, including for billing purposes. These provisions would be repealed on January 1, 2027. ***Potential CalOptima Health Impact*:** Enhanced transparency and clarity around nonmedical treatment provided for SUDs.	**01/16/2026** Died in Assembly Health Committee **03/03/2025** Referred to Assembly Health Committee	CalOptima Health: Watch

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Bill Number Author	Bill Summary	Bill Status	Position/Notes
AB 951 Ta	**Autism Diagnosis:** Prohibits a health plan from requiring an enrollee previously diagnosed with pervasive developmental disorder or autism to receive a diagnosis to maintain coverage for behavioral health treatment for their condition. ***Potential CalOptima Health Impact*:** Increased access to care for specific behavioral health treatments.	**07/30/2025** Signed into law	CalOptima Health: Watch
AB 1970 Harabedian	**Mental Health and SUD Utilization Management:** Would prohibit a health plan from imposing step therapy as a prerequisite to authorizing coverage of any prescription drug used for the treatment of a mental illness or SUD. ***Potential CalOptima Health Impact:*** Expanded covered benefits for members.	**05/18/2026** Passed Assembly floor; referred to Senate	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
Budget			
H.R. 1 Arrington (TX)	**One Big Beautiful Bill Act:** Makes substantial changes to Medicaid program funding and policies, including but not limited to the following: • Work, community service and/or education requirement of 80 hours per month for able-bodied adults without dependents (with exceptions for pregnant women, foster youth, medically frail, caregivers and others), effective December 31, 2026, or no later than December 31, 2028 • Increased frequency of eligibility redeterminations for Medicaid Expansion (MCE) enrollees from annually to every six months, effective December 31, 2026 • Emergency Medicaid services provided to all undocumented beneficiaries subject to the traditional Federal Medical Assistance Percentage (FMAP) — 50% in California — regardless of the FMAP for which those would otherwise be eligible, effective October 1, 2026 • Cost-sharing for MCE enrollees with incomes of 100–138% Federal Poverty Level (FPL), not to exceed $35 per service and 5% of total income, and not to be applied to primary, prenatal, pediatric, or emergency care, effective October 1, 2028 • Prohibition on any new or increased provider taxes, effective immediately • Significant restrictions on current Managed Care Organization (MCO) taxes, which could effectively repeal California's MCO tax that was recently made permanent by Proposition 35 (2024), with a potential winddown period of up to three fiscal years (FYs) ***Potential CalOptima Health Impact*:** Reduced funding to CalOptima Health and contracted providers; decreased number of members; increased administrative costs; implementation of co-pay systems; increased financial and administrative burdens for some existing members; decreased health care utilization by some existing members; reduced benefits for some existing members. A separate overview is also enclosed.	**07/04/2025** Signed into law	**05/20/2025** CalOptima Health: OPPOSE

Bill Number Author	Bill Summary	Bill Status	Position/Notes
H.R. 7148 Cole (OK)	**Consolidated Appropriations Act, 2026:** Would provide FY 2026 appropriations for several federal departments and agencies, including the U.S. Department of Health and Human Services (HHS), as well as extend several expiring health care programs and increase health care oversight. Specifically, the bill would strengthen compliance among pharmacy benefit managers (PBMs), extend Medicare telehealth flexibilities through December 31, 2027, extend the hospital-at-home waiver for five years, and delay Medicaid disproportionate share hospital (DSH) cuts until FY 2028. ***Potential CalOptima Health Impact:*** Continued access to Medicare telehealth flexibilities for dual-eligible CalOptima Health members and delayed cuts to certain contracted hospitals.	**02/03/2026** Signed into law **01/30/2026** Passed Senate floor **01/22/2026** Passed House floor	CalOptima Health: Watch
SB 101 Wiener **AB 102** Gabriel	**Budget Act of 2025:** Makes appropriations for the government of the State of California for FY 2025–26. Total spending is $321 billion, of which $228.4 billion is from the General Fund. ***Potential CalOptima Health Impact:*** An overview of the FY 2025–26 Enacted State Budget is enclosed.	**06/30/2025** Signed into law	CalOptima Health: Watch
SB 106 Laird	**Budget Act of 2025 Junior:** Amends the Budget Act of 2025 by appropriating $90 million to Planned Parenthood in response to H.R. 1 cuts. ***Potential CalOptima Health Impact:*** Continued funding for certain family planning services.	**02/11/2026** Signed into law	CalOptima Health: Watch
SB 879 Laird **AB 1563** Gabriel	**Budget Act of 2026:** Would make appropriations for the government of the State of California for FY 2026-27 in alignment with the governor's proposed budget released on January 9, 2026. Total spending would be $348.9 billion, of which $248.3 billion would be from the General Fund. ***Potential CalOptima Health Impact:*** No major impacts to existing Medi-Cal and CalAIM services.	**01/09/2026** Introduced	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
AB 100 Gabriel	**Budget Acts of 2023 and 2024:** Increases Medi-Cal's current FY 2024–25 General Fund appropriation by $2.8 billion and federal funds appropriation by $8.25 billion in order to solve a deficiency in the Medi-Cal budget. ***Potential CalOptima Health Impact:*** Continued funding for current Medi-Cal rates and initiatives through June 30, 2025.	**04/14/2025** Signed into law	CalOptima Health: Watch
AB 116 Committee on Budget	**Health Omnibus Trailer Bill I (2025):** Consolidates and enacts certain budget trailer bill language containing policy changes needed to implement health-related budget expenditures. Provisions related to the Medi-Cal program include but are not limited to the following: • Enrollment freeze for undocumented individuals 19 years or older, effective no sooner than January 1, 2026, with exceptions for pregnant individuals • Implementation of $30 monthly premiums for undocumented individuals ages 19-59, effective no sooner than July 1, 2027 • Reinstatement of the asset limit at $130,000 for individuals, adding $65,000 for each additional household member, capping at 10 members, effective January 1, 2026 • Enacts Program of All-Inclusive Care for the Elderly (PACE) provider sanctions, effective immediately ***Potential CalOptima Health Impact:*** An overview of the FY 2025–26 Enacted State Budget is enclosed.	**06/30/2025** Signed into law	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
AB 144 Committee on Budget	**Health Omnibus Trailer Bill II (2025):** Consolidates and enacts certain budget trailer bill language containing policy changes needed to implement health-related budget expenditures. Specifically, this bill: • Establishes the list of immunizations by the Advisory Committee on Immunization Practices (ACIP) • Exempts foster youth and former foster youth with Unsatisfactory Immigration Status (UIS) from various service limitations in the Medi-Cal program (including enrollment freeze and monthly premiums) • Requires DHCS to convene a workgroup to discuss the implementation of the Children and Youth Behavioral Health Initiative (CYBHI) school fee schedule • Establishes the Abortion Access Fund to provide family planning services through grants and contracts • Requires Covered California to provide payments to qualified health plans to defray the costs of state-mandated gender-affirming care benefits ***Potential CalOptima Health Impact:*** An overview of the FY 2025–26 Enacted State Budget is enclosed.	**09/17/2025** Signed into law	CalOptima Health: Watch
RN 26 08635 Trailer Bill Language	**Skilled Nursing Facility (SNF) Financing Extension:** Would extend the SNF Quality Assurance Fee (QAF) and Medi-Cal Long-Term Care (LTC) Reimbursement Act from December 31, 2026, to December 31, 2027. ***Potential CalOptima Health Impact:*** Maintained funding for contracted SNFs.	**02/02/2026** Published by the California Department of Finance	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
RN 26 08913 Trailer Bill Language	**Aligning Evidence-Based Standards for SUD Treatment:** Would amend licensure and certification statutes for SUD treatment facilities, including Narcotic Treatment Programs (NTPs), to replace references to "detoxification" with the modern, industry-standard term "withdrawal management." Would also align state standards for SUD treatment facilities licensed or certified by DHCS with current, evidence-based standards of care by eliminating withdrawal management as a standalone service and integrating it into standard residential treatment, effective June 30, 2027. ***Potential CalOptima Health Impact:*** Improved coordination of SUD treatment services across the continuum of care.	**02/11/2026** Published by the California Department of Finance	CalOptima Health: Watch
TBD Trailer Bill Language	**H.R. 1**: Would implement Medi-Cal policy changes in compliance with the Medicaid provisions of H.R. 1, including but not limited to the following: • Reducing duplicate enrollments • Semi-annual eligibility redeterminations • Amending the definition of Qualified Non-Citizens • Reducing retroactive coverage • Community engagement requirements ***Potential CalOptima Health Impact:*** An overview of H.R. 1 is enclosed.	**02/02/2026** Published by the California Department of Finance	CalOptima Health: Watch
TBD Trailer Bill Language	**Menopause Coverage**: Would add menopause treatments as a Medi-Cal covered benefit, including hormone-replacement therapy, antidepressants, anticonvulsants, bioidentical hormones, and medications to address osteoporosis and vasomotor-related symptoms. ***Potential CalOptima Health Impact:*** New covered benefits for members experiencing menopause.	**02/02/2026** Published by the California Department of Finance	CalOptima Health: Watch
TBD Trailer Bill Language	**Community-Based Mobile Crisis Response Services:** Would make community-based mobile crisis response services an optional benefit in counties that agree to participate and provide the necessary nonfederal share of funding from local sources. ***Potential CalOptima Health Impact:*** Depending on future actions by the County of Orange, either maintained or decreased access to mobile crisis response services.	**02/12/2026** Published by the California Department of Finance	CalOptima Health: Watch

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Bill Number Author	Bill Summary	Bill Status	Position/Notes
California Advancing and Innovating Medi-Cal (CalAIM)			
SB 324 Menjivar	**Enhanced Care Management (ECM) and Community Supports Contracting:** Would require a Medi-Cal MCP to give preference to contracting with community providers that demonstrate capability of providing access and meeting quality requirements when covering the ECM benefit and/or Community Supports. In addition, would require DHCS to develop standardized templates to be used by MCPs. Would also require DHCS to develop guidance to allow community providers to subcontract with other community providers. ***Potential CalOptima Health Impact*:** Increased collaboration with community providers and standardized contracts.	**07/01/2025** Passed Assembly Health Committee; referred to Assembly Appropriations Committee **05/27/2025** Passed Senate floor	CalOptima Health: Watch CAHP: Watch LHPC: Oppose
AB 543 Gonzalez	**Street Medicine:** Authorizes a Medi-Cal MCP to elect to offer Medi-Cal covered services through a street medicine provider. MCPs that elect to do so would be required to allow a Medi-Cal beneficiary who is experiencing homelessness to receive those services directly from a contracted street medicine provider, regardless of the beneficiary's network assignment. Additionally, requires the MCP to allow a contracted street medicine provider enrolled in Medi-Cal to directly refer the beneficiary for covered services within the appropriate network and share that information with the relevant county for inclusion in CalSAWS. ***Potential CalOptima Health Impact*:** Continued access to street medicine services for members experiencing homelessness.	**10/06/2025** Signed into law	CalOptima Health: Watch CAHP: Watch
AB 2138 Krell	**ECM Peer Support Specialists:** Would require ECM providers to include at least one peer support specialist in their interdisciplinary teams; specialists would have lived experience with recovery from mental illness and/or substance use. Additionally, would outline conditions where peer support specialists cannot be disqualified based on criminal background, fingerprint-based background check or similar screening that is a condition of employment, contracting, certification, credentialing, enrollment or participation in providing peer support services. ***Potential CalOptima Health Impact*:** Expanded access to peer support specialists for certain high-need members.	**04/23/2026** Passed Assembly Health Committee; referred to Assembly Appropriations Committee	CalOptima Health: Watch

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Bill Number Author	Bill Summary	Bill Status	Position/Notes
AB 2348 Bonta	**Community Supports Extension:** Would extend Community Supports within the Medi-Cal managed care program — by proposing that the supports are deemed cost-effective and medically appropriate services — beyond the existing CalAIM initiative, beginning January 1, 2027. Additionally, would implement quarterly public reporting on Community Supports utilization with ongoing technical assistance. ***Potential CalOptima Health Impact*:** Safeguards access to Community Supports for Medi-Cal members.	**05/14/2026** Passed Assembly Appropriations Committee; referred to Assembly floor **04/16/2026** Passed Assembly Health Committee	CalOptima Health: Watch
Covered Benefits			
SB 40 Wiener	**Insulin Coverage:** Prohibits a health plan, effective January 1, 2026 (or a policy offered in the individual or small group market, effective January 1, 2027), from imposing a copayment or other cost sharing of more than $35 for a 30-day supply of an insulin prescription drug or imposing a deductible, coinsurance, or any other cost sharing on an insulin prescription drug. Additionally, requires a health plan to cover all types of insulin without step therapy on and after January 1, 2026. ***Potential CalOptima Health Impact:*** Decreased out-of-pocket costs for future members enrolled in Covered California line of business; new UM procedures.	**10/13/2025** Signed into law	CalOptima Health: Watch CAHP: Oppose
SB 62 Menjivar **AB 224** Bonta	**Essential Health Benefits (EHBs):** Expresses the intent of the Legislature to review California's EHB benchmark plan and establish a new benchmark plan for the 2027 plan year. Additionally, upon approval from HHSs and by January 1, 2027, requires the new benchmark plan include certain additional benefits, including coverage for fertility services, hearing aids and exams, and durable medical equipment. ***Potential CalOptima Health Impact:*** New covered benefits for future members enrolled in Covered California line of business.	**10/13/2025** SB 62 signed into law **10/13/2025** AB 224 signed into law	CalOptima Health: Watch CAHP: Concerns

Bill Number Author	Bill Summary	Bill Status	Position/Notes
SB 535 Richardson **AB 575** Arambula	**Obesity Care Access Act:** Would require an individual or group health care plan that provides coverage for outpatient prescription drug benefits to cover at least one specified anti-obesity medication and bariatric surgery for the treatment of obesity. ***Potential CalOptima Health Impact:*** Expanded covered benefits for future members enrolled in Covered California line of business.	**07/15/2025** SB 535 passed Assembly Health Committee; referred to Assembly Appropriations Committee **05/28/2025** SB 535 passed Senate floor **02/24/2025** AB 575 referred to Assembly Health Committee	CalOptima Health: Watch CAHP: Oppose
SB 912 Cervantes	**Comprehensive Perinatal Services:** Would require DHCS to oversee a statewide community-based perinatal services program and enroll providers to deliver such services, but would maintain the role of the California Department of Public Health (CDPH) in regards to contracts, grants and agreements. ***Potential CalOptima Health Impact:*** Enhanced access to and delivery of perinatal services for pregnant and postpartum members.	**04/23/2026** Passed Senate Health Committee; referred to Senate Appropriations Committee	CalOptima Health: Watch
SB 944 Wiener	**Acupuncture Coverage:** Would remove the limitation requiring federal matching funds for acupuncture to be a covered benefit, preserving it as a covered benefit under Medi-Cal. ***Potential CalOptima Health Impact:*** Maintained covered benefits for members.	**05/19/2026** Passed Senate floor; referred to Assembly	CalOptima Health: Watch
AB 242 Boerner	**Genetic Disease Screening:** Would expand statewide newborn screenings to include Duchenne muscular dystrophy by January 1, 2027. ***Potential CalOptima Health Impact:*** Expanded covered benefits for members.	**01/23/2026** Died in Assembly Appropriations Committee **04/01/2025** Passed Assembly Health Committee	CalOptima Health: Watch
AB 298 Bonta	**Cost-Sharing Under Age 21:** Effective January 1, 2026, would prohibit a health plan from imposing a deductible, coinsurance, copayment, or other cost-sharing requirement for in-network health care services provided to an individual under 21 years of age, with certain exceptions for high deductible health plans that are combined with a health savings account. ***Potential CalOptima Health Impact:*** Increased costs for CalOptima Health; decreased costs for future members enrolled in Covered California line of business under 21 years of age.	**01/23/2026** Died in Assembly Appropriations Committee **01/13/2026** Passed Assembly Health Committee **02/10/2025** Referred to Assembly Health Committee	CalOptima Health: Watch CAHP: Oppose

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Bill Number Author	Bill Summary	Bill Status	Position/Notes
AB 350 Bonta	**Fluoride Treatments:** Would require a health plan to provide coverage for fluoride varnish in the primary care setting for children under 21 years of age by January 1, 2026. ***Potential CalOptima Health Impact:*** New covered benefit for pediatric members.	**08/29/2025** Passed Senate Appropriations Committee; referred to Senate floor **07/02/2025** Passed Senate Health Committee **06/02/2025** Passed Assembly floor	CalOptima Health: Watch CAHP: Oppose
AB 432 Bauer-Kahan	**Menopause:** Would have required a health plan that covers outpatient prescription drugs to provide coverage for evaluation and treatment options for symptoms of perimenopause and menopause. Would also have required a health plan to annually provide clinical care recommendations for hormone therapy to all contracted primary care providers who treat individuals with perimenopause and menopause. ***Potential CalOptima Health Impact:*** New covered benefits for members; increased communications to providers.	**10/13/2025** Vetoed	CalOptima Health: Watch CAHP: Oppose
AB 636 Ortega	**Diapers:** Would add diapers as a covered Medi-Cal benefit for the following individuals, contingent upon appropriation by the Legislature: • Children greater than three years of age diagnosed with a condition that contributes to incontinence • Other individuals under 21 years of age to address a condition pursuant to Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) standards ***Potential CalOptima Health Impact:*** New covered benefit for pediatric members.	**01/23/2026** Died in Assembly Appropriations Committee **04/01/2025** Passed Assembly Health Committee	CalOptima Health: Watch
AB 1949 Lee	**Acupuncture Treatment Flexibility:** Would state the intent of the Legislature to enact legislation that allows more flexibility in Medi-Cal coverage for acupuncture treatments. ***Potential CalOptima Health Impact:*** Expanded covered benefit for members.	**05/26/2026** Passed Assembly floor; ordered to Senate	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
AB 2160 Celeste Rodriguez	**Lactation Services:** Would require DHCS to update Medi-Cal's coverage guidance on lactation services by July 1, 2027, to clarify coverage policies for various lactation services, including health education, support and consultation. ***Potential CalOptima Health Impact:*** Expanded access to lactation services for members.	**05/26/2026** Passed Assembly floor; referred to Senate	CalOptima Health: Watch
AB 2208 Stefani	**Federally Mandated Copayments:** In accordance with the minimum requirements of H.R.1, would set copayments at $0.01 for nonemergency services delivered to Medicaid Expansion adults with incomes between 100% and 138% of the federal poverty level, no later than October 1, 2028. Would exempt emergency and family planning services from copayments and prohibit service denial due to unpaid copayments. In addition, would allow self-attestation for Medi-Cal eligibility, including related to work or community engagement activities. ***Potential CalOptima Health Impact:*** Minimized financial burden on Medi-Cal members; decreased member burden to enroll in or maintain Medi-Cal coverage; minimized loss of members due to H.R. 1.	**05/26/2026** Passed Assembly floor; referred to Senate	CalOptima Health: Watch
AB 2240 Stefani	**Private Duty Nursing for Specialty Care:** Would require DHCS to measure and assess whether private duty nursing services provided as part of the EPSDT benefit are in compliance with federal Medicaid requirements. The assessment would include a comparison of the hours of authorized EPSDT private duty nursing services to the hours actually provided to eligible children, as well as a determination of whether reimbursement rates are sufficient to ensure that all authorized hours are able to be provided. ***Potential CalOptima Health Impact:*** Expanded access to care for youth Medi-Cal members; increased reimbursement rates to private duty nurses.	**04/22/2026** Passed Assembly Health Committee; referred to Assembly Appropriations Committee	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
Medi-Cal Eligibility and Enrollment			
SB 1202 Weber Pierson	**Eligibility Dashboard and Outreach:** Would mandate the development of a data dashboard to track Medi-Cal application and enrollment data, reflecting changes in federal Medicaid law. Would also require DHCS and Medi-Cal MCPs to conduct outreach and education to Medi-Cal beneficiaries about community engagement requirements and changes to eligibility while aligning cultural and linguistic standards. In addition, would remove the requirement for Medi-Cal MCPs to contact a beneficiary for permission to share contact information with the county for eligibility determination purposes. ***Potential CalOptima Health Impact:*** Improved visibility of member eligibility and enrollment data; increased outreach to and engagement with members; modified data sharing process with the Orange County Social Services Agency; increased retention of existing Medi-Cal members.	**05/19/2026** Passed Senate floor; referred to Assembly	CalOptima Health: Watch
SB 1422 Durazo	**Medi-Cal Eligibility:** Would repeal the Medi-Cal enrollment freeze for UIS individuals who are 19 years of age or older, which was included in the FY 2025–26 Enacted State Budget and became effective on January 1, 2026. Additionally, would require the California Department of Finance to determine and report to the Legislature and the Governor the cost of re-implementing full-scope Medi-Cal benefits for UIS individuals and whether including those costs in the General Fund would create a deficit; following such determination, implementation would be staggered by age, beginning with those over 49 years of age. Certain limitations would be maintained, such as the elimination of dental benefits and the implementation of $30 monthly premium payments. ***Potential CalOptima Health Impact:*** Expanded Medi-Cal eligibility for UIS individuals; increased number of members.	**05/14/2026** Passed Senate Appropriations Committee; referred to Senate floor **04/09/2026** Passed Senate Health Committee	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
AB 315 Bonta	**Home and Community-Based Alternatives (HCBA) Waiver:** Would remove the cap on the number of HCBA Waiver slots and instead require DHCS to enroll all eligible individuals who apply for HCBA Waiver services. By March 1, 2026, would require DHCS to seek any necessary waiver amendments to ensure there is sufficient capacity to enroll all individuals currently on a waiting list. Would also require DHCS by March 1, 2026, to submit a rate study to the Legislature addressing the sustainability, quality and transparency of rates for the HCBA Waiver. ***Potential CalOptima Health Impact*:** Expanded member access to HCBA Waiver services.	**01/23/2026** Died in Assembly Appropriations Committee **03/25/2025** Passed Assembly Health Committee	CalOptima Health: Watch
AB 974 Patterson	**Managed Care Enrollment Exemption:** Would exempt any dual-eligible and non-dual-eligible beneficiaries who receive services from a regional center and who use the Medi-Cal fee-for-service (FFS) delivery system as a secondary form of health care coverage from mandatory enrollment in a Medi-Cal MCP. ***Potential CalOptima Health Impact:*** Decreased number of members.	**01/23/2026** Died in Assembly Appropriation Committee **04/22/2025** Passed Assembly Health Committee	CalOptima Health: Watch
AB 1012 Essayli	**Unsatisfactory Immigration Status:** Would make an individual who does not have satisfactory immigrant status ineligible for Medi-Cal benefits. In addition, would transfer funds previously appropriated for such eligibility to a newly created Serving our Seniors Fund to restore and maintain payments for Medicare Part B premiums for eligible individuals. ***Potential CalOptima Health Impact:*** Decreased number of members.	**01/31/2026** Died at Assembly desk **02/21/2025** Introduced	CalOptima Health: Watch
AB 1161 Harabedian	**State of Emergency Continuous Eligibility:** Would require DHCS and the California Department of Social Services to provide continuous eligibility for its applicable programs (including Medi-Cal and CalFresh) to all beneficiaries within a geographic region who have been affected by a state of emergency or a health emergency. ***Potential CalOptima Health Impact*:** Extended Medi-Cal eligibility for certain members.	**01/23/2026** Died in Assembly Appropriations Committee **04/29/2025** Passed Assembly Health Committee **04/08/2025** Passed Assembly Human Services Committee	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
AB 1907 Addis	**Aligned Covered California Enrollment:** Would authorize Covered California to enroll an individual in the plan in which other members of the individual's household are enrolled, or the lowest cost plan available. ***Potential CalOptima Health Impact:*** Increased enrollment in future Covered California line of business; streamlined enrollment process for certain members.	**05/21/2026** Passed Assembly floor; referred to Senate	CalOptima Health: Watch
AB 2161 Bonta	**Community Engagement Implementation:** Would integrate federal community engagement requirements into the Medi-Cal program. Would prevent California from extending H.R. 1's work requirements to state-funded Medi-Cal populations. Would also minimize administrative load by automating verification using available data sources and require that any federal work requirement implementation be applied in the least burdensome way possible. ***Potential CalOptima Health Impact*:** Modifications to eligibility for certain members; minimized impact of new community engagement requirements.	**05/26/2026** Passed Assembly floor; referred to Senate	CalOptima Health: Watch
AB 2201 Boerner	**Eligibility Redetermination Changes:** Subject to an appropriation, would seek to align state provisions for Medi-Cal eligibility redeterminations with federal requirements, such as changing the current 12-month renewal cycle to a six-month cycle for adults covered under Medicaid Expansion. Additionally, would encourage counties to verify beneficiary income and assets through existing data sources to streamline the redetermination process. ***Potential CalOptima Health Impact*:** Modifications to eligibility redetermination for certain members.	**05/26/2026** Passed Assembly floor; referred to Senate	CalOptima Health: Watch
AB 2363 Bains	**Coverage Penalty Exemption:** Would prohibit the imposition of a penalty for not maintaining minimum essential health coverage on individuals enrolled in Medi-Cal in 2024 or 2025. ***Potential CalOptima Health Impact:*** Reduced financial penalties for certain current and future members.	**02/202026** Introduced; referred to Assembly Health Committee	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
Medi-Cal Operations and Administration			
SB 278 Cabaldon	**Health Data HIV Test Results:** Authorizes disclosures of HIV test results that identify or include identifying characteristics of a Medi-Cal beneficiary without written authorization of the member or their representative to the MCP for quality improvement efforts such as value-based payment and incentive programs. ***Potential CalOptima Health Impact:*** Increased quality oversight of HIV program development.	**10/13/2025** Signed into law	CalOptima Health: Watch
SB 497 Wiener	**Legally Protected Health Care Activity:** Prohibits a health care provider, health plan, or contractor from releasing medical information related to a person seeking or obtaining gender-affirming health care or mental health care in response to a criminal or civil action. Also prohibits these entities from cooperating with or providing medical information to an individual, agency, or department from another state or to a federal law enforcement agency or in response to a foreign subpoena. ***Potential CalOptima Health Impact:*** Increased protection of medical information related to gender-affirming care; increased staff training regarding disclosure processes.	**10/13/2025** Signed into law	CalOptima Health: Watch
SB 530 Richardson	**Medi-Cal Time and Distance Standards:** Extends current Medi-Cal time and distance standards until January 1, 2029. In addition, requires a Medi-Cal MCP to ensure that each subcontractor network complies with certain appointment time standards and incorporate into reporting to DHCS, unless already required to do so. Additionally, the use of telehealth providers to meet time or distance standards does not absolve the MCP of responsibility to provide a beneficiary with access, including transportation, to in-person services if the beneficiary prefers. ***Potential CalOptima Health Impact:*** Increased oversight of contracted providers; increased reporting to DHCS.	**10/06/2025** Signed into law	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
SB 660 Menjivar	**California Health and Human Services Data Exchange Framework (DxF):** Requires the Center for Data Insights and Innovation within California Health and Human Services Agency (CalHHS) to absorb all functions related to the DxF initiative, including the data sharing agreement and policies and procedures, by January 1, 2026. Additionally, expands DxF to include social services information. ***Potential CalOptima Health Impact:*** Increased care coordination with social service providers.	**10/03/2025** Signed into law	CalOptima Health: Watch
SB 987 Weber Pierson	**California Health Access Fund (CHAF):** Would require DHCS to administer the CHAF to ensure California residents who lose health care coverage due to the impacts of H.R. 1 (or other divestments from health care services) can continue to receive health care services and that providers are also reimbursed for these services. Furthermore, money in the fund would include deposits equal to the amount of any savings to the state that resulted from decreased enrollment in the Medi-Cal program caused by enrollment barriers from new federal policy changes. ***Potential CalOptima Health Impact:*** Extended health care benefits for certain future former members.	**03/26/2026** Passed Senate Health Committee; referred to Senate Appropriations Committee	CalOptima Health: Watch
AB 45 Bauer-Kahan	**Reproductive Data Privacy:** Prohibits the collection, use, disclosure, sale, sharing, or retention of the information of a person who is physically located at, or within a precise geolocation of, a family planning center, except any collection or use necessary to perform services or provide goods that have been requested. Also authorizes an aggrieved person to institute and prosecute a civil action against any person or organization in violation of these provisions. ***Potential CalOptima Health Impact:*** Increased safeguards regarding reproductive health information.	**09/26/2025** Signed into law	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
AB 257 Flora	**Specialty Telehealth Network Demonstration:** Would require the establishment of a demonstration project or grant program for a telehealth and other virtual services specialty care network designed to serve patients of safety-net providers. ***Potential CalOptima Health Impact:*** Expanded member access to telehealth specialists.	**01/23/2026** Died in Assembly Appropriations Committee **03/25/2025** Passed Assembly Health Committee	CalOptima Health: Watch CAHP: Oppose
AB 316 Krell	**Artificial Intelligence Defenses:** Prohibits a defendant that developed or used artificial intelligence from asserting a defense that artificial intelligence autonomously caused the alleged harm to the plaintiff. ***Potential CalOptima Health Impact:*** Increased liability related to UM procedures.	**10/13/2025** Signed into law	CalOptima Health: Watch
AB 403 Ortega	**Medi-Cal Community Health Service Workers:** Would require DHCS to annually review the Community Health Worker (CHW) benefit and present an analysis to the Legislature beginning July 1, 2027. The analyses would include an assessment of Medi-Cal MCP outreach and education efforts, CHW utilization and services, demographic disaggregation of the CHWs and beneficiaries receiving services, and fee-for-service reimbursement data. ***Potential CalOptima Health Impact:*** New reporting requirements to DHCS.	**01/23/2026** Died in Assembly Appropriations Committee **03/25/2025** Passed Assembly Health Committee	CalOptima Health: Watch
AB 577 Wilson	**Prescription Drug Antisteering:** Would prohibit a health plan or pharmacy benefit manager (PBM) from engaging in specified steering practices, including requiring an enrollee to use a retail pharmacy for dispensing prescription oral medications and imposing any requirements, conditions or exclusions that discriminate against a physician in connection with dispensing prescription oral medications. Additionally, would require a health care provider, physician's office, clinic or infusion center to obtain consent from an enrollee and disclose a good faith estimate of the applicable cost-sharing amount before supplying or administering an injected or infused medication. ***Potential CalOptima Health Impact:*** Increased oversight of contracted PBM and referral processes.	**01/23/2026** Died in Assembly Appropriations Committee **04/29/2025** Passed Assembly Health Committee	CalOptima Health: Watch

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Bill Number Author	Bill Summary	Bill Status	Position/Notes
AB 688 Gonzalez	**Telehealth for All Act of 2025:** Beginning in 2028 and every two years thereafter, requires DHCS to use Medi-Cal data and other data sources to produce analyses in a publicly available Medi-Cal telehealth utilization report. ***Potential CalOptima Health Impact:*** New reporting requirements to DHCS.	**10/07/2025** Signed into law	CalOptima Health: Watch
AB 980 Arambula	**Health Plan Duty of Care:** As it pertains to the required "duty of ordinary care" by a health plan, would define "medically necessary health care service" to mean legally prescribed medical care that is reasonable and comports with the medical community standard. ***Potential CalOptima Health Impact:*** Modified UM procedures.	**01/16/2026** Died in Assembly Health Committee **04/22/2025** Re-referred to Assembly Health Committee	CalOptima Health: Watch
AB 2194 Valencia	**CalOptima Health Governance:** Would implement staggered terms on the CalOptima Health Board of Directors (Board), effective for the new terms expected to begin in August 2028. To accommodate a transition, the following three Board seats would serve initial two-year terms: 1. Current or former hospital administrator 2. Practicing licensed medical provider who is not affiliated with a health network 3. Accounting or public finance professional or actively licensed attorney In addition, would provide the alternate Board member from the Orange County Board of Supervisors with the same right of access as other Board members to CalOptima Health's records, including confidential, closed-session materials. ***Potential CalOptima Health Impact:*** Increased continuity of Board representation; increased disclosure of potentially privileged information to one additional County Supervisor.	**04/16/2026** Passed Assembly floor; referred to Senate	CalOptima Health: Watch County of Orange: Sponsor
AB 2565 Wallis	**Pharmacist Services:** Would require DHCS to update its model evidence of coverage (EOC) to explicitly include the obligation of MCPs to cover pharmacist services. ***Potential CalOptima Health Impact:*** Updated member-facing materials, such as EOCs and member handbooks.	**05/14/2026** Passed Assembly floor; referred to Senate	CalOptima Health: Watch

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Bill Number Author	Bill Summary	Bill Status	Position/Notes
Older Adult Services			
SB 242 Blakespear	**Medicare Supplemental Coverage Open Enrollment Periods:** Would make Medicare supplemental benefit plans available to qualified applicants with end stage renal disease under the age of 64 years. Would also create an annual open enrollment period for Medicare supplemental benefit plans and prohibit such plans from denying an application or adjusting premium pricing due to a preexisting condition. Additionally, would authorize premium rates offered to applicants during the open enrollment period to vary based on the applicant's age at the time of issue, but would prohibit premiums from varying based on age after the contract is issued. ***Potential CalOptima Health Impact:*** Expanded Medicare coverage options for dual-eligible members.	**01/23/2026** Died in Senate Appropriations Committee **04/30/2025** Passed Senate Health Committee	CalOptima Health: Watch CAHP: Oppose
SB 412 Limón	**Home Care Aides:** Requires a home care organization to ensure that a home care aide completes training related to the special care needs of clients with dementia prior to providing care and annually thereafter. ***Potential CalOptima Health Impact:*** New training requirements for PACE staff.	**10/06/2025** Signed into law	CalOptima Health: Watch
Providers			
SB 32 Weber Pierson	**Timely Access to Care:** Would require DHCS, DMHC and the California Department of Insurance to consult stakeholders for the development and adoption of geographic accessibility standards of perinatal units to ensure timely access for enrollees by July 1, 2027. ***Potential CalOptima Health Impact:*** Additional timely access standards; increased contracting with perinatal units.	**07/01/2025** Passed Assembly Health Committee; referred to Assembly Appropriations Committee **06/02/2025** Passed Senate floor	CalOptima Health: Watch LHPC: Oppose
SB 250 Ochoa Bogh	**Medi-Cal Provider Directory — SNFs:** Requires an annually updated provider directory issued by a Medi-Cal MCP to include SNFs as a searchable provider type. ***Potential CalOptima Health Impact:*** Modifications to CalOptima Health's online provider directory.	**10/03/2025** Signed into law	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
SB 306 Becker	**Prior Authorization Exemption:** No later than January 1, 2028, requires health plans — except Medi-Cal MCPs — to eliminate prior authorization for the most frequently approved health care services, except in cases of fraudulent provider activity or clinically inappropriate care. ***Potential CalOptima Health Impact:*** In future Covered California line of business, implementation of new UM procedures to assess prior authorization approval rates; decreased number of prior authorizations; decreased care coordination for members.	**10/06/2025** Signed into law	CalOptima Health: Watch CAHP: Oppose Unless Amended LHPC: Oppose Unless Amended
SB 504 Laird	**HIV Reporting:** Authorizes a health care provider for a patient with an HIV infection that has already been reported to a local health officer to communicate with a local health officer or CDPH to obtain public health recommendations on care and treatment or to refer the patient to services provided by CDPH. ***Potential CalOptima Health Impact:*** Increased coordination of care for HIV-positive members.	**10/13/2025** Signed into law	CalOptima Health: Watch
SB 1049 Pierson	**Claim Reimbursements:** Would grant a provider 90 days to submit a corrected claim after a health care plan denies a claim or sends a notice of overpayment for a claim based on a defect that could be rectified by submitting a corrected claim. Additionally, would prohibit denial of a corrected claim on the grounds that the provider did not submit the claim within the applicable filing deadline. ***Potential CalOptima Health Impact:*** Modified claims review process.	**05/19/2026** Passed Senate floor; referred to Assembly	CalOptima Health: Watch CAHP: Oppose Unless Amended
AB 29 Arambula	**Adverse Childhood Experiences (ACEs) Screening Providers:** Would require DHCS to include community-based organizations, local health jurisdictions and doulas as qualified providers for ACEs trauma screenings and require clinical or other appropriate referrals as a condition of Medi-Cal payment for conducting such screenings. ***Potential CalOptima Health Impact:*** Increased access to care for pediatric members with ACEs.	**01/23/2026** Died in Assembly Appropriations Committee **04/01/2025** Passed Assembly Health Committee	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
AB 50 Bonta	**Over-the-Counter Contraceptives:** Allows pharmacists to provide over-the-counter hormonal contraceptives without following certain procedures and protocols, such as requiring patients to complete a self-screening tool. As such, these requirements are limited to prescription-only hormonal contraceptives. ***Potential CalOptima Health Impact:*** Increased member access to hormonal contraceptives.	**09/26/2025** Signed into law	CalOptima Health: Watch
AB 55 Bonta	**Alternative Birth Centers Licensing:** Removes the requirement for alternative birth centers to provide comprehensive perinatal services as a condition of CDPH licensing and Medi-Cal reimbursement. ***Potential CalOptima Health Impact:*** Decreased member access to comprehensive perinatal services; reduced operating requirements for alternative birth centers.	**10/11/2025** Signed into law	CalOptima Health: Watch LHPC: Support
AB 220 Jackson	**Medi-Cal Subacute Care Authorization:** Would require a provider seeking prior authorization for pediatric subacute or adult subacute care services under the Medi-Cal program to submit a specified form. Additionally, would prohibit a Medi-Cal MCP from developing or using its own criteria for medical necessity and from requiring a subsequent treatment authorization request upon a patient's return from a bed hold for acute hospitalization. ***Potential CalOptima Health Impact:*** Modified UM procedures and forms.	**09/04/2025** Passed Senate floor; referred to Assembly for concurrence in amendments **05/29/2025** Passed Assembly floor	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
AB 280 Aguiar-Curry	**Provider Directory Accuracy:** Would require health plans — except Medi-Cal MCPs — to maintain accurate provider directories, starting with minimum 60% accuracy by July 1, 2026, and increasing to 95% by July 1, 2029, or otherwise receive administrative penalties. If a patient relies on inaccurate directory information, would require the provider to be reimbursed at the out-of-network rate without the patient incurring charges beyond in-network cost-sharing amounts. Would also allow DMHC to update standardized formats to collect directory information as well as establish methodologies to ensure accuracy, such as use of a central utility, by January 1, 2026. Additionally, would require a health plan to provide information about in-network providers to enrollees upon request, including whether the provider is accepting new patients at the time, and would limit the cost-sharing amounts an enrollee is required to pay for services from those providers under specified circumstances. Would also require that, within 30 days of receiving a request from a health plan, a provider must confirm that its information is current and accurate or update the required information. ***Potential CalOptima Health Impact:*** In future Covered California line of business, increased oversight of provider directory; increased coordination with contracted providers; increased penalty payments to DMHC.	**07/09/2025** Passed Senate Health Committee; referred to Senate Appropriations Committee **06/02/2025** Passed Assembly floor	CalOptima Health: Watch CAHP: Oppose LHPC: Oppose
AB 375 Nguyen	**Qualified Autism Service Paraprofessional:** Would expand the definition of "health care provider" to also include a qualified autism service paraprofessional. ***Potential CalOptima Health Impact:*** Increased access to autism services for eligible members; additional provider contracting and credentialing.	**01/29/2026** Passed Assembly floor; referred to Senate	CalOptima Health: Watch
AB 416 Krell	**Involuntary Commitment:** Authorizes a person to be taken into custody by an emergency physician under the Lanterman-Petris-Short Act and exempts the emergency physician from criminal and civil liability. ***Potential CalOptima Health Impact:*** New legal standards for certain CalOptima Health providers.	**10/13/2025** Signed into law	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
AB 510 Addis	**Utilization Review Peer-to-Peer Review:** Would allow a provider to request review of a decision to delay, deny or modify health services by another physician or peer health care professional matching the specialty of the service within two business days. In urgent cases, responses must match the urgency of the patient's condition. If these deadlines are not met, the authorization request would be automatically approved. ***Potential CalOptima Health Impact***: Expedited and modified UM, grievance and appeals procedures for covered Medi-Cal benefits; increased hiring of specialists to review grievances and appeals.	**01/23/2026** Died in Assembly Appropriations Committee **04/22/2025** Passed Assembly Health Committee	CalOptima Health: Watch CAHP: Oppose Unless Amended LHPC: Oppose Unless Amended
AB 512 Harabedian	**Prior Authorization Timelines:** Would have shortened the timeline for prior or concurrent authorization requests to no more than 24 hours via electronic submission or 48 hours via non-electronic submission for *urgent* requests and three business days via electronic submission or five business days via non-electronic submission for *standard* requests, starting from plan receipt of the information reasonably necessary and requested by the plan to make the determination. ***Potential CalOptima Health Impact***: Expedited and modified UM procedures for covered Medi-Cal benefits.	**10/06/2025** Vetoed	CalOptima Health: Watch CAHP: Oppose Unless Amended LHPC: Oppose Unless Amended
AB 517 Krell	**Wheelchair Prior Authorization:** Would prohibit a Medi-Cal MCP from requiring prior authorization for the repair of a Complex Rehabilitation Technology (CRT)-powered wheelchair, if the cost of repair does not exceed $1,250. Would also no longer require a prescription or documentation of medical necessity, if the wheelchair has already been approved for use by the patient. Additionally, would require supplier documentation of the repair. ***Potential CalOptima Health Impact:*** Modified UM procedures for a covered Medi-Cal benefit.	**01/23/2026** Died in Assembly Appropriations Committee **04/08/2025** Passed Assembly Health Committee	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
AB 539 Schiavo	**One-Year Prior Authorization Approval:** Would require a prior authorization for a health care service to remain valid for a period of at least one year, or throughout the course of prescribed treatment if less than one year, from the date of approval. ***Potential CalOptima Health Impact:*** Modified UM procedures for covered Medi-Cal benefits; decreased number of prior authorizations; increased costs.	**05/12/2025** Passed Assembly floor; referred to Senate	CalOptima Health: Watch CAHP: Oppose Unless Amended LHPC: Oppose Unless Amended
AB 787 Papan	**Provider Directory Disclosures:** Would require a health plan to include in its provider directory a statement advising an enrollee to contact the plan for assistance in finding an in-network provider. Would also require the plan to respond within one business day if contacted for such assistance and to provide a list of in-network providers confirmed to be accepting new patients within two business days for urgent requests and five business days for nonurgent requests. Medi-Cal MCPs would not be required to distribute a printed provider directory. ***Potential CalOptima Health Impact:*** Expanded customer service support and staff training; technical changes to CalOptima Health's provider directory.	**06/18/2025** Passed Senate Health Committee; referred to Senate Appropriations Committee **05/05/2025** Passed Assembly floor	CalOptima Health: Watch
AB 1041 Bennett	**Provider Credentialing:** Requires a health plan — except a Medi-Cal MCP — to credential a provider within 90 days of receipt of a completed application; otherwise, a credential is conditionally approved for 120 days, except as specified. A plan is required to notify the provider whether the application is complete within 10 days of receipt. Additionally, requires a health plan to subscribe to and use the Council for Affordable Quality Healthcare credentialing form on and after January 1, 2028. ***Potential CalOptima Health Impact:*** Expedited and modified credentialing procedures for future Covered California line of business.	**10/11/2025** Signed into law	CalOptima Health: Watch CAHP: Oppose LHPC: Oppose Unless Amended
AB 1843 Elhawary	**Communicable Disease:** Would prohibit health plans from requiring authorization for direct-acting antiviral drugs needed for hepatitis C treatment. ***Potential CalOptima Health Impact:*** Modified UM procedures.	**05/21/2026** Passed Assembly floor; referred to Senate	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
AB 1887 Zbur	**Prescription Drug Coverage for Rare Diseases:** Would require a health care service plan – except a Medi-Cal MCP — to complete prior authorization or other utilization review within 30 days for a drug approved for the treatment of a rare disease, and prescribed by a specialist with expertise in such disease, unless a biosimilar, interchangeable biologic or generic version of the drug is available. ***Potential CalOptima Health Impact:*** New UM procedure for future Covered California line of business.	**05/14/2026** Passed Assembly Appropriations Committee; referred to Assembly floor **04/22/2026** Passed Assembly Health Committee	CalOptima Health: Watch
AB 2352 Valencia	**Nonprofit Public Benefit Corporations:** Would allow nonprofit public benefit corporations that offer nonspecialty mental health services to be enrolled as Medi-Cal providers. ***Potential CalOptima Health Impact:*** Increased number of contracted mental health providers; increased access to mental health services for Medi-Cal members.	**05/14/2026** Passed Assembly Appropriations Committee; referred to Assembly floor **03/25/2026** Passed Assembly Health Committee	CalOptima Health: Watch
AB 2457 Connolly	**Medi-Cal Provider Credentialing:** Would extend the requirements of AB 1041 (2025) to Medi-Cal MCPs. ***Potential CalOptima Health Impact:*** Expedited and modified credentialing procedures for Medi-Cal line of business.	**03/25/2026** Passed Assembly Health Committee; referred to Assembly Appropriations Committee	CalOptima Health: Watch
Rates & Financing			
SB 339 Cabaldon	**Medi-Cal Laboratory Rates:** Would require Medi-Cal reimbursement rates for clinical laboratory or laboratory services to *equal* the lowest of the following metrics: 1. the amount billed; 2. the charge to the general public; 3. 100% of the lowest maximum allowance established by Medicare; or 4. a reimbursement rate based on an average of the lowest amount that other payers and state Medicaid programs are paying. For any such services related to the diagnosis and treatment of sexually transmitted infections on or after July 1, 2027, the Medi-Cal reimbursement rates shall not consider the rates described in clause (4) listed above. ***Potential CalOptima Health Impact*:** Increased payments to contracted clinical laboratories.	**04/29/2025** Passed Senate Judiciary Committee; referred to Senate Appropriations Committee **04/23/2025** Passed Senate Health Committee	CalOptima Health: Watch

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Bill Number Author	Bill Summary	Bill Status	Position/Notes
AB 1672 Solache	**PACE Rates:** Would modify how PACE rates are negotiated by eliminating the requirement for consultation during rate setting and instead mandating direct negotiation of rates. Additionally, would require DHCS to provide written responses to comments and the rationale for rate assumptions before federal submission. ***Potential CalOptima Health Impact:*** Modified rate-setting process for PACE line of business.	**04/16/2026** Passed Assembly floor; referred to Senate	CalOptima Health: Watch CalPACE: Sponsor
AB 2036 Patel	**Federally Qualified Health Centers (FQHCs) and Rural Health Clinics (RHCs) Reimbursement:** Would clarify how FQHC and RHC services are reimbursed on a per-visit basis, including how such Prospective Payment System (PPS) rates are set and adjusted based on necessary documentation. ***Potential CalOptima Health Impact:*** Improved access to care for members assigned to contracted FQHCs; improved financial stability of contracted FQHCs.	**02/17/2026** Introduced; referred to Assembly Health Committee	CalOptima Health: Watch
AB 2327 Lowenthal	**Subcontractor Rates:** Would require Medi-Cal MCPs operating as fully or partially delegated subcontractors to be compensated with actuarially sound rates starting January 1, 2027s. ***Potential CalOptima Health Impact:*** Modifications to rate setting for Medi-Cal subcontractors.	**04/21/2026** Passed Assembly Health Committee; referred to Assembly Appropriations Committee	CalOptima Health: Watch

Information in this document is subject to change as bills proceed through the legislative process.

CAHP: California Association of Health Plans
CalPACE: California PACE Association
LHPC: Local Health Plans of California

Last Updated: May 27, 2026

2026 Federal Legislative Dates

January 5	119th Congress, 1st Session convenes
July 24–August 30	Summer recess for House
August 8–September 13	Summer recess for Senate
December 18	2nd session adjourns

Source: Floor Calendars, United States Congress: https://www.congress.gov/calendars-and-schedules

2026 State Legislative Dates

January 5	Legislature reconvenes
January 10	Proposed budget must be submitted by Governor
January 16	Last day for policy committees to hear and report to fiscal committees any fiscal bills introduced in that house in 2025
January 23	Last day for any committees to hear and report to the Floor any bills introduced in that house in 2025
January 31	Last day for each house to pass bills introduced in that house in 2025
February 20	Last day for legislation to be introduced in 2026
March 27–April 5	Spring recess
April 24	Last day for policy committees to hear and report to fiscal committees any fiscal bills introduced in that house in 2026
May 1	Last day for policy committees to hear and report to the Floor any non-fiscal bills introduced in that house in 2026
May 15	Last day for fiscal committees to hear and report to the Floor any bills introduced in that house in 2026
May 26–29	Floor session only
May 29	Last day for each house to pass bills introduced in that house in 2026
June 15	Budget bill must be passed by midnight
July 2	Last day for policy committees to hear and report bills in their second house to fiscal committees or the Floor
July 3–August 2	Summer recess
August 14	Last day for fiscal committees to report bills in their second house to the Floor
August 17–31	Floor session only
August 21	Last day to amend bills on the Floor
August 31	Last day for each house to pass bills; final recess begins upon adjournment
September 30	Last day for Governor to sign or veto bills passed by the Legislature

Source: Legislative Deadlines, California State Senate: https://www.senate.ca.gov/legislative-deadlines-calendar

About CalOptima Health

CalOptima Health is a county organized health system that administers health insurance programs for low-income children, adults, seniors and people with disabilities. As Orange County's community health plan, our mission is to serve member health with excellence and dignity, respecting the value and needs of each person. We provide coverage through three major programs: Medi-Cal, OneCare (HMO D-SNP) and the Program of All-Inclusive Care for the Elderly (PACE)

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H.R. 1: One Big Beautiful Bill Act

Fiscal Year 2025 Federal Budget Reconciliation

As signed into law on July 4, 2025

Please note that H.R. 1 includes several distinct implementation dates over the coming years, but there are no major immediate impacts to Medicaid beneficiaries until 2026.

In addition, most Medicaid provisions of H.R. 1 still require federal rulemaking by the U.S. Centers for Medicare and Medicaid Services (CMS) and subsequent state implementation by the California State Legislature and/or the California Department of Health Care Services (DHCS).

MEDICAID HIGHLIGHTS
Eligibility
Work, community service and/or education requirement of **80 hours per month** for able-bodied adults ages 19–64 (with exceptions for short-term hardship, parents with dependents under age 14, pregnant women, medically frail, caregivers and others), effective **December 31, 2026** (or no later than **December 31, 2028**, at the discretion of the U.S. Secretary of Health and Human Services [HHS])
Increased frequency of eligibility redeterminations for Medicaid Expansion (MCE) enrollees from annually to **every six months**, effective **December 31, 2026**
Financing
Prohibition on any new or increased provider taxes, effective **immediately**
Existing provider taxes (except those related to nursing or intermediate care facilities) would be gradually reduced from the current maximum **6.0%** hold harmless threshold to a new **3.5%** hold harmless threshold by **0.5% annually** from **October 1, 2027, through October 1, 2031**
Significant restrictions on current Managed Care Organization (MCO) taxes, which could effectively **repeal** California's MCO tax that was recently made permanent by Proposition 35 (2024), with a potential winddown period of up to **three fiscal years** at the discretion of the HHS Secretary
Cap on new state-directed payments (SDPs) at **100%** of the Medicare payment rate, effective **immediately**; gradually reduces existing SDPs to that cap by **10% annually**, starting **January 1, 2028**
Emergency Medicaid services provided to all undocumented beneficiaries would be subject to the traditional Federal Medical Assistance Percentage (FMAP) — **50%** in California — regardless of the FMAP for which those would otherwise be eligible, effective **October 1, 2026**
Access
Cost-sharing for MCE enrollees with incomes of **100–138%** Federal Poverty Level (FPL), not to exceed **$35** per service and **5.0%** of total income, and not to be applied to primary, prenatal, pediatric, behavioral or emergency care, effective **October 1, 2028**
Temporary **one-year** prohibition on all Medicaid funding to Planned Parenthood, effective **immediately**

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Fiscal Year 2025–26 Enacted State Budget

On May 14, Governor Gavin Newsom released a Fiscal Year (FY) 2025–26 Revised State Budget Proposal, known as the May Revision. On June 13, the State Senate and State Assembly both passed a counterproposal — Senate Bill (SB) 101 — as a placeholder budget to meet the June 15 constitutional deadline while negotiations with the governor on a final budget remained ongoing.

On June 24, Gov. Newsom and legislative leaders announced a final budget agreement. After both houses of the Legislature passed the agreed-upon revisions as Assembly Bill (AB) 102 on June 27, Gov. Newsom signed both SB 101 and AB 102 into law. Additionally, the Legislature passed and the governor signed the consolidated Health Trailer Bill (AB 116) containing policy changes needed to implement health-related budget expenditures. Together, these bills represent the FY 2025-26 Enacted State Budget.

MEDI-CAL HIGHLIGHTS
Unsatisfactory Immigration Status (UIS)-Member Impacts
Freeze on *new* enrollment of UIS individuals ages 19+ (except those who are pregnant or one-year postpartum), effective **January 1, 2026**, including a three-month grace/cure period for re-enrollment following payment of outstanding premium balances; *currently enrolled* individuals are not affected
Implementation of $30/month premiums for UIS individuals ages 19–59, effectively **July 1, 2027**
Elimination of dental coverage for UIS individuals ages 19+, effective **July 1, 2026**
Elimination of Prospective Payment System rates to Federally Qualified Health Centers for state-only-funded services provided to UIS individuals, effective **July 1, 2026**
All-Member Impacts
Reinstatement of asset limit at $130,000 for individuals (plus $65,000 for each additional household member) in non-Modified Adjusted Gross Income eligibility categories, effective **January 1, 2026**
Elimination of pharmacy coverage for GLP-1 agonists for weight loss; coverage for diabetes and on a case-by-case basis will continue, effective **January 1, 2026**
Elimination of pharmacy coverage of some over-the-counter drugs, including COVID-19 antigen tests, vitamins and certain antihistamines, such as dry eye products, effective **January 1, 2026**
Implementation of prior authorization for hospice services, effective **July 1, 2026**
Limitation on capitation payments to Program of All-Inclusive Care for the Elderly (PACE) organizations at the midpoint of the actuarial rate ranges, effective **January 1, 2027**
Elimination of the Workforce and Quality Incentive Program (WQIP) for skilled nursing facilities, effective **December 31, 2025**, with all close-out activities to be completed by January 1, 2027

State agencies, including the California Department of Health Care Services, will begin implementing the policies included in the enacted budget. Staff will continue to monitor these policies and provide updates regarding issues that have a significant CalOptima Health impact. In addition, the Legislature will continue to advance policy bills through the legislative process. Bills with funding allocated in the enacted budget are more likely to be passed and signed into law. The Legislature has until September 12 to pass legislation, and Gov. Newsom has until October 12 to either sign or veto that passed legislation.

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MEMORANDUM

DATE:	May 29, 2026
TO:	CalOptima Health Board of Directors
FROM:	Michael Hunn, Chief Executive Officer
SUBJECT:	CEO Report — June 4, 2026, Board of Directors Meeting
COPY:	Sharon Dwiers, Clerk of the Board; Member Advisory Committee; Provider Advisory Committee; and Whole-Child Model Family Advisory Committee

A. Covered California Monthly Update

CalOptima Health is continuing to prepare to launch a Covered California plan, effective January 1, 2027. Staff are engaging with Covered California's Plan Management Advisory Group in advance of implementation and are preparing for upcoming system testing between Covered California and CalOptima Health. Staff will be meeting with Covered California leadership on June 15 to discuss CalOptima Health's recent application submission and rate position. In addition, staff continues to respond to questions from the California Department of Managed Health Care (DMHC) on our filing to expand the scope of CalOptima Health's current Knox-Keene Act license. Operational implementation activities are also progressing, including information technology solutions and regular onboarding sessions with delegated health networks. Finally, in collaboration with our marketing agency, staff recently completed focus groups in English, Spanish and Vietnamese to test advertising concepts.

B. 2026 Point In Time Count Results Are Announced

Every two years, Orange County conducts the federally required Point In Time (PIT) Count to measure homelessness, partnering with all 34 cities, service providers, law enforcement and volunteers. The PIT count was completed nationwide in late January and Orange County's 2026 Point In Time Summary was released on Monday, May 18. The 2026 results show a 13.7% overall decrease in homelessness since 2024, including a 26.6% drop in unsheltered homelessness. While many factors influence these trends, the reductions reflect the impact of Orange County's System of Care in helping thousands secure stable housing or avoid homelessness. CalOptima Health supported the 2026 PIT count through a grant to the Orange County Office of Care Coordination. Additionally, Dr. Kelly Bruno-Nelson, Executive Director of Medi-Cal/CalAIM, serves on both the Orange County Commission to Address Homelessness and the Orange County Continuum of Care Board, which oversees the execution of the PIT Count.

C. FY 2026–27 May Revision Analysis and Advocacy Efforts

On May 14, Governor Gavin Newsom released the Fiscal Year (FY) 2026–27 revised state budget proposal, also known as the May Revision, which includes several reductions to Medi-Cal funding. A CalOptima Health-specific analysis of potential impacts to our members, providers and stakeholders

follows this report. As the State Legislature continues to review the governor's proposals, staff is coordinating with our state associations and contracted state lobbyists to engage in advocacy efforts. CalOptima Health's top two priorities are to oppose the proposed carve-out of the Unsatisfactory Immigration Status (UIS) population from Medi-Cal managed care plans to the Medi-Cal fee-for-service (FFS) system, as well as to oppose the full reinstatement of the Medi-Cal asset limit for seniors and disabled adults at $2,000 per individual and $3,000 per couple. If finalized, these two policies would have significant, harmful impacts on our members' access to care. In the coming days, legislative leadership is expected to issue counterproposals to several May Revision proposals and then negotiate with the governor to enact a final budget before July 1.

D. CalOptima Health Governance Bill Referred to Two Policy Committees

On May 6, the CalOptima Health governance legislation — Assembly Bill (AB) 2194 by State Assemblymember Avelino Valencia — was double-referred to two policy committees in its second house: the Senate Health Committee and the Senate Local Government Committee. A hearing has been scheduled in the Senate Health Committee on June 3. In accordance with the Board's direction on May 7, CalOptima Health has adopted the position of "Support If Amended." Staff is advocating in support of the provision that would implement staggered Board terms but requesting an amendment to remove the provision that would grant the alternate Board member the same right of access to CalOptima Health materials — including confidential closed-session information — as all other Board members.

E. CMS Increases Scrutiny of Medicaid and Medicare

As part of the Trump Administration's increased scrutiny of fraud, waste and abuse in federal programs, the U.S. Centers for Medicare & Medicaid Services (CMS) has announced several actions in recent weeks:

- On April 23, CMS sent letters to all 50 governors directing states to move quickly to identify and remove noncompliant Medicaid providers, with a particular focus on "high-risk" providers and those operating without a National Provider Identifier. In a separate letter to state Medicaid directors, CMS also required submission of a broader provider integrity strategy. CMS warned that a state's failure to respond would be considered in evaluating its fraud risk moving forward.
- On May 13, Vice President J.D. Vance and CMS Administrator Mehmet Oz, M.D., announced the deferral of $1.3 billion in Medicaid funding to California. The reason cited was California's failure to cooperate with efforts to rein in fraud. According to the California Department of Health Care Services (DHCS), $1.1 billion of the deferral is for In-Home Supportive Services (IHSS).
- On May 13, CMS announced a six-month nationwide moratorium on new Medicare enrollment of hospices and home health agencies, effective immediately through November 13, 2026. Of note, the California Department of Public Health has already been enforcing a statewide moratorium on new hospice licenses since January 1, 2022, through at least January 1, 2027.

F. Permanent Supportive Housing Development Celebrates Grand Opening

As part of the Housing and Homelessness Incentive Program, CalOptima Health awarded a $3.8 million grant to the Anaheim Housing Authority to transform a former Homekey development into a permanent supportive housing complex. On May 11, Azure opened in Anaheim, offering 87 units to members in need of permanent supportive housing. Azure is one of three projects funded by our grants to the City of Anaheim.

G. SUN Bucks Summer Food Program for Children Is Available From June Through August

California's Summer EBT program, known as SUN Bucks, has returned. SUN Bucks helps families with school-age children buy groceries during the summer months when kids might not have access to

school meals. A federal law, called the Consolidated Appropriations Act passed in December 2022 and created Summer EBT across the country. California passed a law in July 2023 to join the program. The California Department of Social Services is the lead agency implementing the program, in partnership with the California Department of Education. This food program provides families with $40 per month for food in June, July and August ($120 total) when children do not have access to school meals. Children can get SUN Bucks if they qualify for free or reduced-price school meals through a school meal application or Universal Benefits Application, or if they get CalFresh, CalWORKs, and/or Medi-Cal (certified at or below 185% of the Federal Poverty Level), including homeschooled children ages 6–18 years. Participating in SUN Bucks does not affect a family's immigration status. CalOptima Health is sharing this information broadly on social media throughout the summer, as well as in our electronic newsletters to community stakeholders and providers. Information on the program can be found on the CDSS website.

H. CalOptima Health Wins Record Number of Communications Awards

It's awards season, and CalOptima Health's Communications team received 32 awards for outstanding communications, marketing and advertising work. This includes 15 Health Care Communicators of Southern California Finest Awards, 10 Telly Awards (video/television), five national Healthcare Ad Awards and two ADDY Awards. These awards recognize the creation of effective advertising campaigns, a comprehensive website redesign, meaningful member story videos, an inspiring Report to the Community, and more.

CalOptima Health

Fast Facts
June 2026

Mission: To serve member health with excellence and dignity, respecting the value and needs of each person.

Membership Data* (as of April 30, 2026)

Total CalOptima Health Membership

829,385

Prior month: 841,313

Program	Members
Medi-Cal	810,112
OneCare (HMO D-SNP)	18,710
Program of All-Inclusive Care for the Elderly (PACE)	563

*Based on unaudited financial report and includes prior period adjustments.

Key Financial Indicators (for the month ended April 30, 2026)

	Dashboard	YTD Actual	Actual vs. Budget ($)	Actual vs. Budget (%)
Operating Income/(Loss)	●	$154.3M	$128.6M	500.7%
Non-Operating Income/(Loss)	●	$125.7M	$43.8M	53.4%
Covered California Start-up Expenses	●	($4.1M)	$4.7M	53.4%
Bottom Line (Change in Net Assets)	●	$275.9M	$177.1M	179.4%
Medical Loss Ratio (MLR) *(Percent of every dollar spent on member care)*	●	91.6%	---	(1.5%)
Administrative Loss Ratio (ALR) *(Percent of every dollar spent on overhead costs)*	●	5.0%	---	1.5%

Notes: For additional financial details, refer to the financial packages included in the Board of Directors meeting materials.

Reserve Summary (as of April 30, 2026)

	Amount (in millions)
Board Designated Reserves*	$1,632.5
Statutory Designated Reserves	$136.3
Capital Assets (Net of depreciation)	$109.1
Unspent Balance of Allocated Resources	$331.8
Unspent Balance of Board Approved Provider Rate Increase**	$140.3
Unallocated Resources*	$726.4
Total Net Assets	$3,076.5

* Total of Designated Reserves and Unallocated Resources can support approximately 214 days of CalOptima Health's current operations.

** 5/2/24 meeting: Board of Directors committed $526.2 million for provider rate increases from 7/1/24–12/31/26.

Total Annual Budgeted Revenue **$4.7 Billion**

Note: CalOptima Health receives its funding from state and federal revenues only and does not receive any of its funding from the County of Orange.

CalOptima Health Fast Facts

June 2026

Personnel Summary (as of May 16, 2026, pay period)

	Filled	Open	Vacancy Administrative	Vacancy Medical	Vacancy % Combined
Staff	1,349.25	84	39.5	44.5	5.86%
Supervisor	86	2	2	---	2.27%
Manager	113	11	8	3	8.87%
Director	85	4.5	3	1.5	5.03%
Executive	21	1	1	---	4.55%
Total FTE Count	1,654.25	102.5	53.5	49	5.83%

FTE count based on position control reconciliation and includes both medical and administrative positions.

Provider Network Data (as of May 19, 2026)

	Number of Providers
Primary Care Providers	1,300
Specialists	8,325
Pharmacies	499
Acute and Rehab Hospitals	43
Community Health Centers	73
Long-Term Care Facilities	247

Treatment Authorizations (as of March 31, 2026)

	Mandated	Average Time to Decision
Inpatient Concurrent Urgent	72 hours	36.37 hours
Prior Authorization – Urgent	72 hours	5.26 hours
Prior Authorization – Routine	5 days	0.91 days

Average turnaround time for routine and urgent authorization requests for CalOptima Health Community Network.

Member Demographics (as of April 30, 2026)

Member Age	
0 to 5	8%
6 to 18	22%
19 to 44	33%
45 to 64	20%
65+	17%

Language Preference	
English	57%
Spanish	29%
Vietnamese	9%
Korean	2%
Other	1%
Farsi	1%
Chinese	<1%
Arabic	<1%
Russian	<1%

Medi-Cal Aid Category	
Expansion	37%
Temporary Assistance for Needy Families	35%
Seniors	13%
Optional Targeted Low-Income Children	8%
People With Disabilities	5%
Other	1%
Long-Term Care	<1%

Fiscal Year 2026–27 Revised State Budget Proposal (May Revision)
Impact Analysis
May 21, 2026

Background

On January 9, 2026, Governor Gavin Newsom released the Fiscal Year (FY) 2026–27 Proposed State Budget, reflecting a minor budget shortfall of $2.9 billion due to increased state program costs and the loss of significant federal funding, despite state tax revenue coming in higher than expected. While the proposed budget did not include any major new commitments or spending reductions, the Medi-Cal program would be particularly affected as policy changes from H.R. 1 and last year's enacted state budget are implemented.

Summary

On May 14, Governor Newsom released the FY 2026–27 Revised State Budget Proposal, known as the May Revision, which reflects updated economic forecasts and revenue projections. After accounting for budget solutions, the May Revision proposes $349.4 billion in total funding ($246.6 billion General Fund [GF]). Revenues are projected to be $16.5 billion higher than estimated in the January proposed budget across the three-year budget window, primarily driven by stronger-than-expected personal income tax collections and a spike in capital gains realizations associated with the artificial intelligence boom. This revised revenue forecast helps support a balanced budget for FY 2026–27 and positive year-end balances and reserves over the next two FYs. The May Revision also reduces projected future operating deficits by more than half through a combination of revenue and spending solutions. However, while the economic outlook remains relatively stable, the additional reliance on $20 billion in reserves to balance the budget — and the persistence of long-term structural deficits — still cautions major budgetary challenges ahead. More information about the impact of the May Revision on the state's financial situation can be found in this Legislative Analyst's Office (LAO) analysis.

Medi-Cal Budget and Caseload

The May Revision reflects a Medi-Cal budget shortfall of $4.2 billion for the current FY 2025–26 due to increased health care costs, delayed federal payments to hospitals and federal repayments for state-only populations. This resulted in a loan from the GF that the California Department of Finance requested on May 8. However, the May Revision does not account for the $1.3 billion in Medicaid funding to California that was deferred by the U.S. Centers for Medicare & Medicaid (CMS) on May 13. According to the California Department of Health Care Services (DHCS), the vast majority of the deferral — $1.1 billion — is for In-Home Supportive Services (IHSS).

For the upcoming FY 2026–27, the May Revision projects an overall Medi-Cal budget of $216.7 billion ($44.9 billion GF), a decrease of $3.7 billion from FY 2025–26. This is primarily driven by lower base costs associated with a projected caseload decline, proposed spending reductions in the May Revision, revised timing assumptions for the Hospital Quality Assurance Fee (HQAF) and federal repayments.

The May Revision projects ongoing Medi-Cal enrollment declines from 14.4 million in FY 2025–26 to 13.9 million in FY 2026–27 — a 3.75% decrease — due to the ongoing implementation of several eligibility and enrollment changes resulting from H.R. 1, the FY 2025–26 enacted state budget and the FY 2026–27 May Revision proposals.

The following May Revision provisions reflect new proposals beyond the changes to Medi-Cal funding and enrollment resulting from previously enacted federal and state legislation.

Medi-Cal Eligibility & Enrollment

- Transition the Unsatisfactory Immigration Status (UIS) population from Medi-Cal managed care plans to the Medi-Cal fee-for-service system, effective January 1, 2027. DHCS claims that this is required in response to a State Medicaid Director Letter issued by CMS in September 2025 that disallows coverage of federally eligible emergency Medicaid services within a risk-based managed care delivery system for the UIS population.
- Delay the transition of the Qualified Non-Citizen (QNC) population to restricted-scope Medi-Cal from October 1, 2026, through July 1, 2027. In the meantime, the QNC population will be transitioned alongside the UIS population to Medi-Cal FFS on January 1, 2027.
- Implement a Medi-Cal premium of $50 per month for UIS adults ages 19–59, effective July 1, 2027, which would increase the $30 per month premium that was already set to take effect on the same date pursuant to the FY 2025–26 enacted state budget.
- Reinstate the full asset limit for seniors and disabled adults at $2,000 per individual or $3,000 per couple, effective no sooner than January 1, 2027. A partial reinstatement of the asset limit at $130,000 per individual was recently implemented on January 1, 2026.
- Augment one-time funding by $262 million in FY 2026–27 and $33 million each in FY 2027–28 and FY 2028–29 to support increased county workload as a result of H.R. 1 changes to Medi-Cal eligibility and enrollment. This is $30 million more than the County Welfare Directors Association (CWDA) requested for FY 2026–27 ($230.9 million), but significantly less than its request for FY 2027–28 ($307.7 million).

Medi-Cal Benefits

- Eliminate the adult acupuncture benefit, effective January 1, 2027.
- Shift community-based mobile crisis services from a mandatory to an optional county benefit, effective April 1, 2027, due to the expiration of enhanced federal funding.

Medi-Cal Efficiencies

- Strengthen utilization management controls for applied behavior analysis (ABA)/behavioral health treatment (BHT) and transportation services, including non-medical transportation (NMT) and non-emergency medical transportation (NEMT). More details can be found in this DHCS fact sheet. CalOptima Health currently requires prior authorization for ABA/BHT and NEMT services (with exceptions), but not for NMT services.
- Eliminate the incentive component of the Quality Withhold and Incentive Program, which would effectively result in a rate cut to Medi-Cal managed care plans.
- Refine eligibility criteria, referral pathways, service definitions and utilization management criteria for Enhanced Care Management (ECM) and Community Supports, effective January 1, 2027. More details can be found in this DHCS fact sheet. CalOptima Health has already adopted or has recommended adopting several of these proposed reforms to improve the quality and sustainability of the CalAIM program.

Rates and Financing

- Submit a new Managed Care Organization (MCO) Tax model, effective January 1, 2027, due to the expiration of the existing MCO tax on that same date. The new model would consist of two components:

  - The first component would comply with Proposition 35 (2024) but is expected to be rejected by CMS due to noncompliance with the provider tax uniformity requirements under H.R. 1.
  - The second component would comply with H.R. 1 but would not be tied to Proposition 35. Under this component, an $8.85 per member per month (PMPM) tax would be imposed on both Medi-Cal and non-Medi-Cal plans to sustain the Medi-Cal targeted rate increases (TRI) for primary care, maternal health and non-specialty mental health services that were implemented on January 1, 2024. However, this would effectively sweep MCO Tax revenues into the GF to support existing Medi-Cal costs, rather than additional provider rate increases as intended by Proposition 35.
- Implement a rate cap for PACE organizations at the lower bound of the actuarial rate range, effective January 1, 2027. A rate cap at the midpoint of the rate range was already set to take effect on the same date. Since CalOptima Health's PACE rates are currently at the midpoint of the rate range, this new proposal would result in an effective rate cut to CalOptima Health.
- Augment up to $50 million in FY 2026–27 to provide short-term support for hospitals in immediate and significant financial distress.
- Due to notification from CMS that DHCS's Hospital Quality Assurance Fee (HQAF) tax waiver request would not be approved as submitted, DHCS submitted a modified waiver request to CMS in March 2026 that is currently pending approval. The 2025 HQAF program is estimated to provide hospital net-benefit payments of $5.5 billion.
- Redirect the state's share of Medical Loss Ratio (MLR) remittances from the Medi-Cal Physician and Dentists Loan Repayment Program to the GF, which would reduce GF costs by $25 million annually ongoing. For context, Medi-Cal MCPs that fall below the minimum 85% MLR requirement must remit the difference to DHCS.

Miscellaneous

- Invest $214.1 million from the Behavioral Health Services Fund to implement new population-based prevention and workforce programs focused on behavioral health in FY 2026–27 and continue existing workforce initiatives through BH-CONNECT.
- Increase ongoing funding from $190,000 to $300,000 annually to expand the state premium subsidy program for Covered California enrollees up to 200% of the Federal Poverty Level, effective July 1, 2026, to partially offset the expiration of the federal enhanced Advance Premium Tax Credits (eAPTCs) on December 31, 2025.
- Provide one-time funding of $30 million to food banks in FY 2026–27 as part of the CalFood program.

Next Steps

The State Legislature is now conducting budget hearings to review the May Revision proposals and is soon expected to issue counterproposals. Then, legislative leadership and the governor will negotiate a final budget agreement that must pass both houses of the Legislature and be signed by the governor before the start of FY 2026–27 on July 1. Government Affairs staff will continue to closely monitor ongoing developments and engage in advocacy efforts on key proposals that would impact CalOptima Health. If you have any questions, please contact Government Affairs at GA@caloptima.org.

Member/Primary Care Provider (PCP) Assignment for Medi-Cal

Michael Gomez,

Executive Director, Provider Network Management

Steven Chin,

Senior Director, Provider Network Management

Our Mission

To serve member health with excellence and dignity, respecting the value and needs of each person.

Our Vision

Provide all members with access to care and supports to achieve optimal health and well-being through an equitable and high-quality health care system.

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Member/PCP Assignment for Medi-Cal

Current State:

- Member has 30 to 45 days to choose a HN and PCP.
- In the absence of Member choice, CalOptima Health assigns member to a HN/Community Clinics as a PCP.
- For members assigned to a HN only, the HN then assigns the PCP and notifies the member of the PCP assignment (may take an additional 7-10 days).

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Member/PCP Assignment for Medi-Cal (Continued)

What is changing (Effective 7/1/2026):

- **(HN and PCP Assignment to occur on the first day of enrollment with CalOptima Health)**
  - Members receive both Health Network and PCP assignments from the first day of eligibility with CalOptima Health.
  - Members may request change of Health Network or PCP at any time via Customer Service.
  - Members will receive an ID card with the name of their HN and PCP information.

- **How Earlier Assignment Supports Member Care**
  - Enables earlier outreach and care coordination by Health Networks and PCPs.
  - Helps members access care more quickly upon enrollment, which in turn may reduce ER visits.
  - Supports timely Initial Health Appointment (IHA) within 120 days.

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