



CalOptima Health

NOTICE OF A
SPECIAL MEETING OF THE
CALOPTIMA HEALTH BOARD OF DIRECTORS

JUNE 18, 2026
2:00 P.M.

505 CITY PARKWAY WEST, SUITE 108
ORANGE, CALIFORNIA 92868

TELECONFERENCE LOCATION:
13430 NORTH 163RD DRIVE
SURPRISE, AZ 85388

BOARD OF DIRECTORS

Supervisor Vicente Sarmiento, Chair
Isabel Becerra
Norma García Guillén
Brian Helleland
José Mayorga, M.D.

Maura Byron, Vice Chair
Blair Contratto
Catherine Green, R.N.
Veronica Kelley, DSW, LCSW
Supervisor Janet Nguyen

Supervisor Doug Chaffee, Alternate

CHIEF EXECUTIVE OFFICER
Michael Hunn

OUTSIDE GENERAL COUNSEL
James Novello
Kennadaya Leavitt

INTERIM CLERK OF THE
BOARD
Ruby Nunez

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 identifying the item and submit to the Clerk of the Board. To speak on a matter not appearing on the agenda, but within the subject matter jurisdiction of the Board of Directors, you may do so during Public Comments. Public Comment Request Forms must be submitted prior to the beginning of the Consent Calendar and/or the beginning of Public Comments. When addressing the Board, it is requested that you state your name for the record. Address the Board as a whole through the Chair. Comments to individual Board 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) 246-8806, at least 72 hours prior to the meeting.

The Board Meeting Agenda and supporting materials are available for review at CalOptima Health, 505 City Parkway West, Orange, CA 92868, Monday-Friday, 8:00 a.m. – 5:00 p.m. These materials are also available online at www.caloptima.org. Board meeting audio is streamed live on the CalOptima Health website at www.caloptima.org.

Members of the public may attend the meeting in person. Members of the public also have the option of participating in the meeting via Zoom Webinar (see below).

To Make a Public Comment, Participate via Zoom Webinar at
https://us02web.zoom.us/webinar/register/WN_rN5QjvibThuD_xj5nVnK3w

To Register and Join the Meeting.

Webinar ID: 876 3672 8270

Passcode: 532950

To Listen in Only, Participate via Vimeo at:

<https://vimeo.com/event/6003069/cfa9a5648b>

CALL TO ORDER

Pledge of Allegiance
Establish Quorum

MANAGEMENT REPORTS

None

ADVISORY COMMITTEE UPDATES

None

PUBLIC COMMENTS

At this time, members of the public may address the Board of Directors on matters not appearing on the agenda, but within the subject matter jurisdiction of the Board of Directors. Speakers will be limited to three (3) minutes.

CONSENT CALENDAR

None

REPORTS/DISCUSSION ITEMS

1. [Consider Amendments Related to Assembly Bill \(AB\) 2194 and Potential Impacts to CalOptima Health's Governance](#)

CLOSED SESSION

None

BOARD MEMBER COMMENTS AND BOARD COMMITTEE REPORTS

ADJOURNMENT

TO REGISTER AND JOIN THE MEETING

Please register for the Special Meeting of the CalOptima Health Board of Directors on June 18, 2026 at 2:00 p.m. (PST)

To Make a Public Comment, follow instructions below for participating via Zoom:

To **Register** in advance for this webinar:

https://us02web.zoom.us/webinar/register/WN_rN5QjvibThuD_xj5nVnK3w

To **Join** this webinar:

<https://us02web.zoom.us/j/87636728270?pwd=vBIOFM7YspQ6vz9gWdXZ80B64AjymR.1>

Passcode:532950

Phone one-tap:

+16694449171,,87636728270#,,,,*532950# US

+16699006833,,87636728270#,,,,*532950# US (San Jose)

Join via audio:

+1 669 444 9171 US

+1 669 900 6833 US (San Jose)

+1 346 248 7799 US (Houston)

+1 719 359 4580 US

+1 253 205 0468 US

+1 253 215 8782 US (Tacoma)

+1 646 931 3860 US

+1 689 278 1000 US

+1 929 205 6099 US (New York)

+1 301 715 8592 US (Washington DC)

+1 305 224 1968 US

+1 309 205 3325 US

+1 312 626 6799 US (Chicago)

+1 360 209 5623 US

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CALOPTIMA HEALTH BOARD ACTION AGENDA REFERRAL

Action To Be Taken June 18, 2026

Special Meeting of the CalOptima Health Board of Directors

Report Item

1. Approve the Revision of CalOptima Health’s Position on Proposed State Legislation in Response to Recent Amendments

Contact

Veronica Carpenter, Chief Administrative Officer, (657) 900-1161

Recommended Actions

1. Approve to oppose the revision of CalOptima Health’s formal position on Assembly Bill 2194 (2026) in response to recent amendments, dated June 15, 2026; and
2. Authorize the Chief Executive Officer, or designee, to implement legislative advocacy efforts in alignment with the revised position and in collaboration with the County of Orange and delay the bill for a year.
3. Authorize the Chief Executive Officer to extend sole source authority of up to \$100,000 to engage in additional advocate support

Rev:
6/18/26

Background

On February 19, 2026, California State Assemblymember Avelino Valencia introduced Assembly Bill (AB) 2194, sponsored by the County of Orange, to implement two significant reforms regarding the governance of CalOptima Health. After advancing through the Assembly Health Committee and Assembly Appropriations Committee, AB 2194 was unanimously passed by the full Assembly on April 16.

On May 7, 2026, CalOptima Health’s Board of Directors (Board) adopted a position of “Support If Amended” regarding AB 2194 by a vote of 6–1. The Board expressed broad support for the provision that would implement staggered terms for the seven Board seats with four-year terms (*i.e.*, all seats except those represented by two members of the Orange County Board of Supervisors, who serve one-year terms). This provision would become effective for the new terms expected to begin in August 2028. Notably, staggered Board terms was a recommended reform of the Board’s former Governance Ad Hoc Committee that was dissolved on December 4, 2025. By preventing a potential wholesale turnover of the Board, this provision is a positive reform that would improve oversight and continuity in CalOptima Health’s governance. However, the Board voiced concerns and requested an amendment to remove another provision of AB 2194 that would have provided the alternate member of the Board with the same right of access to CalOptima Health materials – including confidential closed-session information – as all other Board members.

Discussion

On June 15, 2026, California State Assemblymember Avelino Valencia introduced significant amendments to AB 2194. As amended, AB 2194 would replace the two Board seats held by the Orange County Board of Supervisors (BOS) with the Director of the Orange County Health Care Agency (HCA) and the Director of the Orange County Social Services Agency. As such, the Board composition would change from 10 members (nine voting and one non-voting) to 9 members, and there would no longer be a non-voting member or an alternate member.

In addition, all Board members would be appointed by a new selection committee, rather than the BOS. The selection committee would be administered by CalOptima Health and be comprised of the following individuals:

- State Senator who represents the most CalOptima Health Medi-Cal members (or their surrogate);
- State Assemblymember who represents the most CalOptima Health Medi-Cal members (or their surrogate);

- United States Representative who represents the most CalOptima Health Medi-Cal members (or their surrogate);
- CalOptima Health member or family representative;
- At-large representative;
- Financial or legal representative;
- Hospital representative;
- Provider representative; and
- Independent practice physician representative.

AB 2194 would retain the provision to implement staggered terms on the Board for the new terms that are expected to begin in August 2028. However, in order to accommodate a transition period, initial term lengths, would now be set by lottery at the first meeting after the start of the new Board terms.

Since recent amendments to AB 2194 would significantly change the Board structure, and since the Board previously approved a position on an earlier version of AB 2194, staff recommends that the Board adopt a revised position on AB 2194, as amended on June 15, 2026.

In furtherance of this action, staff also recommends that the Board authorize the Chief Executive Officer, or designee, to implement legislative advocacy efforts in alignment with the Board’s revised position and in collaboration with the County of Orange. These efforts may include, but are not limited to, executing letters expressing CalOptima Health’s position to legislators and/or other government officials, meeting with such officials and/or their staff, and/or directing CalOptima Health’s contracted lobbyists and/or trade associations to advocate for the approved position on behalf of CalOptima Health.

Fiscal Impact

There is no fiscal impact.

Rationale for Recommendation

Proactive engagement with public officials is critical to influencing policy decisions that are likely to impact CalOptima Health. Since recent amendments to AB 2194 would significantly change the Board structure, and since the Board previously approved a position on an earlier version of AB 2194, staff recommends the Board adopt a revised position.

Concurrence

James Novello, Outside General Counsel, Kennaday Leavitt

Attachment

1. [Current Text of AB 2194 \(as amended on June 15, 2026\)](#)
2. [CalOptima Health’s Support If Amended Letter on AB 2194 \(dated May 19, 2026\)](#)
3. [Previous Board Action, dated May 7, 2026: “Approve CalOptima Health’s Support of Proposed State Legislation”](#)

/s/ Micheal Hunn
Authorized Signature

06/18/2026
Date

AMENDED IN SENATE JUNE 15, 2026

AMENDED IN ASSEMBLY MARCH 26, 2026

CALIFORNIA LEGISLATURE—2025–26 REGULAR SESSION

ASSEMBLY BILL

No. 2194

Introduced by Assembly Member Valencia

February 19, 2026

An act to amend Section 14087.59 of the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

AB 2194, as amended, Valencia. Medi-Cal: special commissions.

Existing law establishes the Medi-Cal program, administered by the State Department of Health Care Services, under which health care services are provided to qualified, low-income persons. The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions. Existing law authorizes a county board of supervisors to establish a commission to negotiate an exclusive contract with the department to provide, or arrange for the provision of, health care services under the Medi-Cal program.

Pursuant to the authority described above, the County of Orange established a commission, known as the Orange County Health Authority or CalOptima, to provide health care services under the Medi-Cal program. Existing law vests governance of the commission in a 10-member governing body and requires that 2 of the governing body's members be members of the Board of Supervisors of the County of Orange, with one additional member from the Board of Supervisors of the County of Orange serving as an alternate. Existing law requires each member to serve a 4-year term, except as described.

~~This bill would require those terms to be staggered and would require, instead vest governance of the commission in a 9-member governing body and would require their terms to be staggered for the term beginning after January 1, 2027, 3 members to serve 2 years, with a 4-year term beginning thereafter. The bill would also specify that the alternate member from the Board of Supervisors are required to have the same right of access as any other member of the governing body to the commission’s books, communications, documents, and records, as specified. 2027. The bill would remove the 2 members of the Board of Supervisors of the County of Orange from the governing body and instead require the Director of the Orange County Health Care Agency and the Director of Social Services of the County of Orange to fill those spots. The bill would establish a selection committee and require that members of the governing body be nominated and selected by the selection committee. The bill would prescribe the members of the selection committee and require that it be administered by the commission.~~ Because this bill would impose a unique requirement on how services are provided on a local government, the bill would impose a state-mandated local program.

This bill would make legislative findings and declarations as to the necessity of a special statute for County of Orange.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
 State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 14087.59 of the Welfare and Institutions
- 2 Code is amended to read:
- 3 14087.59. (a) (1) Notwithstanding subdivision (d) of Section
- 4 14087.54, governance of the commission in the County of Orange
- 5 established pursuant to Section 14087.54, known as the Orange
- 6 County Health Authority, shall be vested in a governing body
- 7 consisting of ~~10 members: 9 voting members and 1 nonvoting~~
- 8 ~~member. The nonvoting member shall be the Director of the~~
- 9 ~~Orange County Health Care Agency. The nine voting members~~

1 shall be nominated by the Orange County Health Care Agency
2 and appointed by a majority vote of the Board of Supervisors of
3 the County of Orange and shall consist of the following: *nine*
4 *members as follows:*

5 (A) Two members shall each be a member of the Board of
6 Supervisors of the County of Orange, with one additional member
7 of the Board of Supervisors of the County of Orange to serve as
8 an alternate. The alternate member from the Board of Supervisors
9 shall have the same right of access as any other member of the
10 governing body to the commission's books, communications,
11 documents, and records, including, but not limited to, confidential
12 materials in connection with closed session items.

13 (A) *The Director of the Orange County Health Care Agency.*

14 (B) *The Director of Social Services for the County of Orange.*

15 ~~(B)~~

16 (C) One member shall be a current or former hospital
17 administrator.

18 ~~(C)~~

19 (D) One member shall be a representative of a community clinic,
20 which may include, but is not limited to, a representative of a
21 federally qualified health center, as defined in Section
22 1396d(l)(2)(B) of Title 42 of the United States Code.

23 ~~(D)~~

24 (E) One member shall be a member of the public who is a legal
25 resident of the County of Orange.

26 ~~(E)~~

27 (F) One member shall be a practicing licensed medical provider
28 who is not an owner or officer, or a member of the board of
29 directors, of a contracted independent physician's association or
30 provider network.

31 ~~(F)~~

32 (G) One member shall be a current ~~CalOptima~~ *Orange County*
33 *Health Authority* member or a family member of a current
34 ~~CalOptima~~ *Orange County Health Authority* member.

35 ~~(G)~~

36 (H) One member shall be an accounting or public finance
37 professional, or an attorney who is an active member of the State
38 Bar.

39 ~~(H)~~

1 (I) One member shall be a practicing licensed physician who is
 2 a representative of a contracted independent physician’s association
 3 or provider network.

4 (2) For purposes of identifying qualified individuals to be
 5 considered as members of the governing body, the Board of
 6 Supervisors of the County of Orange shall consult with
 7 stakeholders in the County of Orange, including, but not limited
 8 to, providers who serve CalOptima members, consumers, and
 9 advocates.

10 (b) Each member of the governing body shall reside in, or be
 11 employed in, the County of Orange and shall be generally
 12 representative of the diverse backgrounds, interests, and
 13 demography of persons residing in the County of Orange. Each
 14 member of the governing body shall have a commitment to a health
 15 care system that seeks to improve access to high-quality health
 16 care for persons served by the commission and that in fact delivers
 17 high-quality care and is financially viable. Each member shall
 18 possess the requisite skills and knowledge necessary to design and
 19 operate a quality publicly assisted health care delivery system.

20 (c) (1) Members of the governing body of the commission shall
 21 serve four-year terms, which shall be ~~staggered, except for those~~
 22 ~~members who are members of the Board of Supervisors of the~~
 23 ~~County of Orange who shall serve a one-year term.~~ *staggered.* The
 24 term of office of members of the governing body ~~described in any~~
 25 ~~of subparagraphs (B) to (H), inclusive, of paragraph (1) of~~
 26 ~~subdivision (a) duly serving prior to January 1, 2027, shall remain~~
 27 ~~unchanged. For the term beginning after January 1, 2027, members~~
 28 ~~of the governing body described in subparagraphs (B), (E), and~~
 29 ~~(G) of paragraph (1) of subdivision (a) shall serve a two-year term.~~
 30 ~~Thereafter, those members shall serve a four-year term and are~~
 31 ~~subject to the limitations provided for in paragraph (2) of this~~
 32 ~~subdivision. Members who are appointed to fill the unexpired term~~
 33 ~~of a vacant seat shall have an initial term that corresponds to the~~
 34 ~~unexpired term of the vacant seat. The term of office for members~~
 35 ~~of the governing body serving a term beginning after January 1,~~
 36 ~~2027, shall determine their term by lot at the first meeting. A~~
 37 ~~vacancy that occurs in the last 90 days of a term shall not be filled~~
 38 ~~until the expiration of the term.~~

39 (2) A member of the governing body ~~described in any of~~
 40 ~~subparagraphs (B) to (H), inclusive, of paragraph (1) of subdivision~~

1 (a) shall serve no more than two consecutive terms. ~~An individual~~
2 ~~who served a one-year term on the governing body as described~~
3 ~~in paragraph (1) may not be appointed to serve a four-year term~~
4 ~~under any of subparagraphs (B) to (H), inclusive, of paragraph (1)~~
5 ~~of subdivision (a) within 12 months of the expiration of their~~
6 ~~one-year term.~~ The limitations set forth in this paragraph apply
7 only to service for consecutive terms. No other limitation on the
8 number of terms a person may serve is intended.

9 (3) A member of the governing body of the commission may
10 be removed from the governing body by a vote in favor of that
11 removal of at least two-thirds of the full membership of the Board
12 of Supervisors of the County of Orange.

13 (d) The governing body of the commission, subject to a
14 two-thirds vote of the full membership, may increase the number
15 of public members, or the number of members who are current
16 ~~CalOptima Orange County Health Authority~~ members or family
17 members of current ~~CalOptima Orange County Health Authority~~
18 members who may serve as a member of the governing body,
19 subject to an affirmative vote by a majority of the Board of
20 Supervisors of the County of Orange, provided, however, that a
21 change in the composition of the governing body under this
22 subdivision shall not result in the elimination of any member
23 described in paragraph (1) of subdivision (a).

24 (e) Each member of the governing body shall have the
25 responsibility and duty to follow the requirements of applicable
26 federal and state laws and regulations, including Section 1090 of
27 the Government Code, the applicable provisions of Sections 87100
28 to 87500, inclusive, of the Government Code, and Section 14047.6
29 of this code, to serve the public interest of the members of
30 ~~CalOptima~~, *the Orange County Health Authority*, and to ensure
31 the operational well-being and fiscal solvency of the Orange
32 County Health Authority. Members of the governing body shall
33 further strive to improve health care quality, promote prevention
34 and wellness, ensure the provision of cost-effective health and
35 behavioral health care services, reduce health disparities, address
36 the needs of Medi-Cal members who are affected by homelessness
37 and housing instability, improve quality outcomes, and manage
38 the risk and needs of Medi-Cal beneficiaries through whole-person
39 care approaches and addressing social determinants of health. The
40 Orange County Health Authority shall work to earn the public's

1 trust through its commitment to accountability, responsiveness,
2 transparency, reliability, and cooperation.

3 (f) A member of the governing body who has a financial interest,
4 within the meaning of Section 87100 of the Government Code, in
5 a decision before the governing body shall, upon identifying a
6 conflict of interest or a potential conflict of interest and
7 immediately prior to the consideration of the matter, do all of the
8 following:

9 (1) Publicly identify the financial interest that gives rise to the
10 conflict of interest or potential conflict of interest in detail sufficient
11 to be understood by the public, except that disclosure of the exact
12 street address of a residence is not required.

13 (2) Recuse the member's own self from discussing and voting
14 on the matter.

15 (3) Leave the room until after the discussion, vote, and any other
16 disposition of the matter is concluded, unless the matter has been
17 placed on the portion of the agenda reserved for uncontested
18 matters.

19 (4) Notwithstanding paragraph (3), the member may speak on
20 the issue during the time that the general public speaks on the
21 issue.

22 (g) (1) A member of the governing body shall not, for a period
23 of one year after leaving office, act as an agent or attorney for, or
24 otherwise represent, for compensation, any other person, by making
25 any formal or informal appearance before, or by making any oral
26 or written communication to, the commission, or any committee,
27 subcommittee, or present member of the commission, or any officer
28 or employee of the commission, if the appearance or
29 communication is made for the purpose of influencing
30 administrative action or influencing any action or proceeding
31 involving the issuance, amendment, awarding, or revocation of a
32 permit, license, grant, or contract, or the sale or purchase of goods
33 or property.

34 (2) In addition to paragraph (1), a member of the governing
35 body described in subparagraphs (A) and (G) of paragraph (1) of
36 subdivision (a) shall not, for a period of one year after leaving
37 office, serve as an employee, agent, or attorney, or otherwise
38 represent, for compensation, the Orange County Health Authority
39 or any other entity that received an expenditure of Medi-Cal funds
40 from the Orange County Health Authority during the prior five

1 years. This paragraph does not apply to expenditures of Medi-Cal
2 funds from the Orange County Health Authority for routine
3 administrative expenses for reimbursement for travel, continuing
4 education costs, routine office expenses, and other ongoing routine
5 administrative expenses. This paragraph does not prevent any
6 member from returning to or continuing the role that they held
7 when they were appointed to the governing body.

8 *(h) (1) The members of the governing body shall be nominated*
9 *and selected by a majority vote of the selection committee as*
10 *established pursuant to this subdivision.*

11 *(2) Applications to become a voting member of the governing*
12 *body shall be submitted to the Orange County Health Care Agency.*

13 *(3) The selection committee shall be administered by the Orange*
14 *County Health Authority and shall consist of all of the following:*

15 *(A) The Senator who represents the most Medi-Cal beneficiaries*
16 *who are members of the Orange County Health Authority or their*
17 *surrogate.*

18 *(B) The Assembly Member who represents the most Medi-Cal*
19 *beneficiaries who are members of the Orange County Health*
20 *Authority or their surrogate.*

21 *(C) The United States Representative who represents the most*
22 *Medi-Cal beneficiaries who are members of the Orange County*
23 *Health Authority or their surrogate.*

24 *(D) An Orange County Health Authority member or family*
25 *representative.*

26 *(E) An at-large representative.*

27 *(F) A financial or legal representative.*

28 *(G) An independent practice physician representative.*

29 *(H) A hospital representative.*

30 *(I) A provider representative.*

31 SEC. 2. The Legislature finds and declares that a special statute
32 is necessary and that a general statute cannot be made applicable
33 within the meaning of Section 16 of Article IV of the California
34 Constitution because of the unique circumstances applicable to
35 the County of Orange with respect to the operation and governance
36 of the Orange County Health Authority, which is a
37 county-organized health system known as CalOptima.

38 SEC. 3. No reimbursement is required by this act pursuant to
39 Section 6 of Article XIII B of the California Constitution because
40 the only costs that may be incurred by a local agency or school

1 district are the result of a program for which legislative authority
2 was requested by that local agency or school district, within the
3 meaning of Section 17556 of the Government Code and Section
4 6 of Article XIII B of the California Constitution.

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CalOptima Health
A Public Agency
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Orange, CA 92868
☎ 714-246-8400
📞 TTY: 711
🌐 caloptima.org

May 19, 2026

The Honorable Avelino Valencia
California State Assembly
1021 O Street, Suite 5510
Sacramento, CA 95814

RE: Assembly Bill 2194 (Valencia): Medi-Cal: special commissions — SUPPORT IF AMENDED

Dear Assemblymember Valencia:

On May 7, 2026, CalOptima Health’s Board of Directors (Board) adopted a position of “Support If Amended” regarding Assembly Bill (AB) 2194 by a vote of 6–1.

The Board expressed broad support for the provision that would implement staggered terms for the seven Board seats with four-year terms (*i.e.*, all seats except those represented by two members of the Orange County Board of Supervisors, who serve one-year terms). This provision would become effective for the new terms expected to begin in August 2028. Notably, staggering Board terms was a recommended reform of the Board’s former Governance Ad Hoc Committee that was dissolved on December 4, 2025. By preventing a potential wholesale turnover of the Board, this provision is a positive reform that would improve oversight and continuity in CalOptima Health’s governance.

However, the Board expressed several concerns about 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. Based on staff research, this would likely be an unprecedented departure from long-standing Brown Act practice. In addition, the provision raises concerns regarding confidentiality, attorney-client privilege and protected health information under the Health Insurance Portability and Accountability Act of 1996.

For these reasons, the Board has directed staff to seek an amendment to remove the latter provision, and if such an amendment is adopted, to advocate in support of AB 2194. If you have any questions, please contact Kevin Bassett, Senior Director, State Government Affairs, at kevin.bassett@caloptima.org. I appreciate your consideration of this request.

Sincerely,

A handwritten signature in blue ink, appearing to read "Vicente Sarmiento".

Vicente Sarmiento
Chair, CalOptima Health Board of Directors
Orange County Supervisor, Second District

cc: Members, Orange County Legislative Delegation
Members, Senate Health Committee
Members, Senate Local Government Committee
Jen Flory, Principal Consultant, Senate Health Committee
Joe Parra, Policy Consultant, Senate Republican Caucus
Anton Favorini-Csorba, Chief Consultant, Senate Local Government Committee
Ryan Eisberg, Policy Consultant, Senate Republican Caucus

CALOPTIMA HEALTH BOARD ACTION AGENDA REFERRAL

Action To Be Taken May 7, 2026

Special Meeting of the CalOptima Health Board of Directors

Report Item

14. Approve CalOptima Health’s Support of Proposed State Legislation

Contact

Veronica Carpenter, Chief Administrative Officer, (657) 900-1161

Recommended Actions

1. Approve CalOptima Health’s formal position in support of Assembly Bill 2194 (2026); and
2. Authorize the Chief Executive Officer, or designee, to implement legislative advocacy efforts in alignment with the approved position and in collaboration with the County of Orange.

Background

As part of its Government Affairs Program, CalOptima Health staff track and analyze federal, state, and local legislation that may impact CalOptima Health and its members, providers, and stakeholders. Staff also engage with federal and state trade associations, federal and state advocates, and elected officials at all levels of government to educate them on how proposed legislation and regulatory guidance may impact CalOptima Health.

On October 2, 2025, the CalOptima Health Board of Directors (Board) adopted Fiscal Year 2025–26 Public Policy Priorities (Priorities), which outline CalOptima Health’s legislative and regulatory objectives and enable staff to be more strategic, focused and effective in policy development and advancement. The Board also authorized the Chief Executive Officer (CEO) to implement advocacy efforts in alignment with and in furtherance of the Priorities. Any recommendations for formal positions and/or related advocacy efforts that do not align with the adopted Priorities are brought to the Board for separate consideration.

Discussion

On February 19, 2026, California State Assemblymember Avelino Valencia introduced Assembly Bill (AB) 2194, sponsored by the County of Orange, to implement two significant reforms regarding the governance of CalOptima Health. After advancing through the Assembly Health Committee and Assembly Appropriations Committee, AB 2194 was unanimously passed by the full Assembly on April 16 and is now awaiting consideration in the State Senate.

First, AB 2194 would implement staggered terms on the Board for the seven seats with four-year terms (*i.e.*, all seats except those represented by two members of the Orange County Board of Supervisors, who serve one-year terms). This provision would become effective for the new terms that are expected to begin in August 2028. To accommodate a transition, the following three Board seats would serve the initial two-year terms: (1) current or former hospital administrator, (2) practicing licensed medical provider who is not affiliated with a health network, and (3) accounting or public finance professional or actively licensed attorney. Of note, staggering Board terms was a recommended reform of the Board’s former Governance Ad Hoc Committee that was dissolved on December 4, 2025. ~~Second, AB 2194 would provide the alternate member of the Board with the same right of access to CalOptima Health materials including confidential closed session information as all other Board members.~~

Rev.
5/7/2026

Staff believes that the provision related to staggered terms is a positive reform and that, on balance, AB 2194 would improve the governance of CalOptima Health. Therefore, staff recommends that the Board adopt a formal position in support of AB 2194. Board authorization would be necessary since the provisions of AB 2194 are not addressed in the Priorities previously adopted by the Board.

In furtherance of this action, staff also recommends that the Board authorize the CEO, or designee, to implement legislative advocacy efforts in alignment with the approved support position and in collaboration with the County of Orange. These efforts may include, but are not limited to, executing letters expressing CalOptima Health's position to legislators and/or other government officials, meeting with such officials and/or their staff, and/or directing CalOptima Health's contracted lobbyists and/or trade associations to advocate for the approved position on behalf of CalOptima Health.

Fiscal Impact

There is no fiscal impact.

Rationale for Recommendation

Proactive engagement with public officials is critical to influencing policy decisions that are likely to impact CalOptima Health. If enacted, AB 2194 would improve the governance of CalOptima Health for the benefit of members, providers, stakeholders, and staff.

Concurrence

James Novello, Outside General Counsel, Kennaday Leavitt

Attachment

1. [Current Text of AB 2194 \(as amended on March 26, 2026\)](#)

/s/ Michael Hunn
Authorized Signature

04/30/2026
Date



AB-2194 Medi-Cal: special commissions. (2025-2026)

As Amends the Law Today

SECTION 1. Section 14087.59 of the Welfare and Institutions Code is amended to read:

14087.59. (a) (1) Notwithstanding subdivision (d) of Section 14087.54, governance of the commission in the County of Orange established pursuant to Section 14087.54, known as the Orange County Health Authority, shall be vested in a governing body consisting of 10 members: 9 voting members and 1 nonvoting member. The nonvoting member shall be the Director of the Orange County Health Care Agency. The nine voting members shall be nominated by the Orange County Health Care Agency and appointed by a majority vote of the Board of Supervisors of the County of Orange and shall consist of the following:

(A) Two members shall each be a member of the Board of Supervisors of the County of Orange, with one additional member of the Board of Supervisors of the County of Orange to serve as an alternate. *The alternate member from the Board of Supervisors shall have the same right of access as any other member of the governing body to the commission's books, communications, documents, and records, including, but not limited to, confidential materials in connection with closed session items.*

(B) One member shall be a current or former hospital administrator.

(C) One member shall be a representative of a community clinic, which may include, but is not limited to, a representative of a federally qualified health center, as defined in Section 1396d(l)(2)(B) of Title 42 of the United States Code.

(D) One member shall be a member of the public who is a legal resident of the County of Orange.

(E) One member shall be a practicing licensed medical provider who is not an owner or officer, or a member of the board of directors, of a contracted independent physician's association or provider network.

(F) One member shall be a current CalOptima member or a family member of a current CalOptima member.

(G) One member shall be an accounting or public finance professional, or an attorney who is an active member of the State Bar.

(H) One member shall be a practicing licensed physician who is a representative of a contracted independent physician's association or provider network.

(2) For purposes of identifying qualified individuals to be considered as members of the governing body, the Board of Supervisors of the County of Orange shall consult with stakeholders in the County of Orange, including, but not limited to, providers who serve CalOptima members, consumers, and advocates.

(b) Each member of the governing body shall reside in, or be employed in, the County of Orange and shall be generally representative of the diverse backgrounds, interests, and demography of persons residing in the County of Orange. Each member of the governing body shall have a commitment to a health care system that seeks to improve access to high-quality health care for persons served by the commission and that in fact delivers high-quality care and is financially viable. Each member shall possess the requisite skills and knowledge necessary to design and operate a quality publicly assisted health care delivery system.

(c) (1) Members of the governing body of the commission shall serve four-year terms, *which shall be staggered*, except for those members who are members of the Board of Supervisors of the County of Orange who shall serve a one-year term. *The term of office of members of the governing body described in any of subparagraphs (B) to (H), inclusive, of paragraph (1) of subdivision (a) duly serving prior to January 1, 2027, shall remain unchanged. For the term beginning after January 1, 2027, members of the governing body described in subparagraphs (B), (E), and (G) of paragraph (1) of subdivision (a) shall serve a two-year term. Thereafter, those members shall serve a four-year term and are subject to the limitations provided for in paragraph (2) of this subdivision. Members who are appointed to fill the unexpired term of a vacant seat shall have an initial term that corresponds to the unexpired term of the vacant seat. A vacancy that occurs in the last 90 days of a term shall not be filled until the expiration of the term.*

(2) A member of the governing body described in any of subparagraphs (B) to (H), inclusive, of paragraph (1) of subdivision (a) shall serve no more than two consecutive terms. An individual who served a one-year term on the governing body as described in paragraph (1) may not be appointed to serve a four-year term under any of subparagraphs (B) to (H), inclusive, of paragraph (1) of subdivision (a) within 12 months of the expiration of their one-year term. The limitations set forth in this paragraph apply only to service for consecutive terms. No other limitation on the number of terms a person may serve is intended.

(3) A member of the governing body of the commission may be removed from the governing body by a vote in favor of that removal of at least two-thirds of the full membership of the Board of Supervisors of the County of Orange.

(d) The governing body of the commission, subject to a two-thirds vote of the full membership, may increase the number of public members, or the number of members who are current CalOptima members or family members of current CalOptima members who may serve as a member of the governing body, subject to an affirmative vote by a majority of the Board of Supervisors of the County of Orange, provided, however, that a change in the composition of the governing body under this subdivision shall not result in the elimination of any member described in paragraph (1) of subdivision (a).

(e) Each member of the governing body shall have the responsibility and duty to follow the requirements of applicable federal and state laws and regulations, including Section 1090 of the Government Code, the applicable provisions of Sections 87100 to 87500, inclusive, of the Government Code, and Section 14047.6 of this code, to serve the public interest of the members of CalOptima, and to ensure the operational well-being and fiscal solvency of the Orange County Health Authority. Members of the governing body shall further strive to improve health care quality, promote prevention and wellness, ensure the provision of cost-effective health and behavioral health care services, reduce health disparities, address the needs of Medi-Cal members who are affected by homelessness and housing instability, improve quality outcomes, and manage the risk and needs of Medi-Cal beneficiaries through whole-person care approaches and addressing social determinants of health. The Orange County Health Authority shall work to earn the public's trust through its commitment to accountability, responsiveness, transparency, reliability, and cooperation.

(f) A member of the governing body who has a financial interest, within the meaning of Section 87100 of the Government Code, in a decision before the governing body shall, upon identifying a conflict of interest or a potential conflict of interest and immediately prior to the consideration of the matter, do all of the following:

(1) Publicly identify the financial interest that gives rise to the conflict of interest or potential conflict of interest in detail sufficient to be understood by the public, except that disclosure of the exact street address of a residence is not required.

(2) Recuse the member's own self from discussing and voting on the matter.

(3) Leave the room until after the discussion, vote, and any other disposition of the matter is concluded, unless the matter has been placed on the portion of the agenda reserved for uncontested matters.

(4) Notwithstanding paragraph (3), the member may speak on the issue during the time that the general public speaks on the issue.

(g) (1) A member of the governing body shall not, for a period of one year after leaving office, act as an agent or attorney for, or otherwise represent, for compensation, any other person, by making any formal or informal appearance before, or by making any oral or written communication to, the commission, or any committee, subcommittee, or present member of the commission, or any officer or employee of the commission, if the appearance or communication is made for the purpose of influencing administrative action or influencing any action or proceeding involving the issuance, amendment, awarding, or revocation of a permit, license, grant, or contract, or the sale or purchase of goods or property.

(2) In addition to paragraph (1), a member of the governing body described in subparagraphs (A) and (G) of paragraph (1) of subdivision (a) shall not, for a period of one year after leaving office, serve as an employee, agent, or attorney, or otherwise represent, for compensation, the Orange County Health Authority or any other entity that received an expenditure of Medi-Cal funds from the Orange County Health Authority during the prior five years. This paragraph does not apply to expenditures of Medi-Cal funds from the Orange County Health Authority for routine administrative expenses for reimbursement for travel, continuing education costs, routine office expenses, and other ongoing routine administrative expenses. This paragraph does not prevent any member from returning to or continuing the role that they held when they were appointed to the governing body.

SEC. 2. *The Legislature finds and declares that a special statute is necessary and that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique circumstances applicable to the County of Orange with respect to the operation and governance of the Orange County Health Authority, which is a county-organized health system known as CalOptima.*

SEC. 3. *No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district are the result of a program for which legislative authority was requested by that local agency or school district, within the meaning of Section 17556 of the Government Code and Section 6 of Article XIII B of the California Constitution.*