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

THURSDAY, AUGUST 13, 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_LXzdOuHdRdSU9XTASSwk_Q and Join the Meeting.

Webinar ID: 815 5770 5952

Passcode: **349081 – Webinar instructions are provided below.**

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

2. **ESTABLISH QUORUM**

3. **MINUTES**
   A. Approve Minutes from the June 11, 2026 Regular Joint Meeting of the Member and Provider Advisory Committees

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. Approve a Recommendation to appoint a Person with Disabilities Representative on the Member Advisory Committee
   B. Approve Recommendation for a Member Advisory Committee Chair and Vice Chair
   C. Consider a Recommendation for a Provider Advisory Committee Chair and Vice Chair

6. **INFORMATIONAL ITEMS**
   A. California Child and Adolescent Mental Health Access Portal (Cal-Map)
   B. Community Reinvestment Update
   C. HR 1 Initiatives
   D. Committee Member Updates

7. **MANAGEMENT REPORTS**
   A. Chief Operating Officer Update
   B. Interim Chief Medical Officer Update
   C. Chief Administrative Officer Update
   D. 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, August 13, 2026, at 12:00 p.m. (PDT)

To **Register** in advance for this webinar:
https://us02web.zoom.us/webinar/register/WN_LXzdOuHdRdSU9XTASSwk_Q

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

On the day of the meeting, please click this URL to join:
https://us02web.zoom.us/s/81557705952?pwd=aUaqAHR9qpBWLvASAzBOlIRUTRcRb4.1

Passcode: **349081**

Phone one-tap:
+16694449171,,81557705952#,,,,*349081# US
+16699009128,,81557705952#,,,,*349081# US (San Jose)

Join via audio:
+1 669 444 9171 US
+1 669 900 9128 US (San Jose)
+1 253 205 0468 US
+1 253 215 8782 US (Tacoma)
+1 346 248 7799 US (Houston)
+1 719 359 4580 US
+1 312 626 6799 US (Chicago)
+1 360 209 5623 US
+1 386 347 5053 US
+1 507 473 4847 US
+1 564 217 2000 US
+1 646 558 8656 US (New York)
+1 646 931 3860 US
+1 689 278 1000 US
+1 301 715 8592 US (Washington DC)
+1 305 224 1968 US
+1 309 205 3325 US

Webinar ID: **815 5770 5952**
Passcode: **349081**

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MINUTES

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

June 11, 2026

A Regular Joint Meeting of the CalOptima Health Board of Directors Member Advisory Committee (MAC) and Provider Advisory Committee took place on June 11, 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; Meredith Chillemi, Vice-Chair; Linda Adair; Tawny Crane; Keiko Gamez; Peter Hersh; Hai Hoang; Paul Kaiser; Sara Lee; Dr. Junie Lazo-Pearson; Lee Lombardo; Nicole Mastin; Jila Nikkhah, DDS; Kristen Rogers;

Members Absent: Kim Goll; Janis Price; Shirley Valencia

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; Michell Nielsen, Director, Strategic Development; Janis Rizzuto, Director, Communications; Cheryl Simmons, Program Manager; Ruby Nunez, Executive Assistant

MINUTES

Approve the Minutes of the April 9, 2026 Regular Joint Meeting of the CalOptima Health Board of Directors' Member Advisory and Provider Advisory Committees

MAC Action: ***On motion of MAC Member Lee Lombardo, seconded and carried, the Committee approved the minutes of the April 9, 2026, Regular Joint Meeting (Motion carried 14-0-0; Members Kim Goll, Janis Price, Shirley Valencia absent)***

At this time, MAC Chair Christine Tolbert rearranged the agenda to hear Items 4.0 Public Comment, 7.E. CEO Report, and Report Item 5.A., Consider Approval of a Recommendation of the Member Advisory Committee's Slate of Candidates while awaiting for PAC to achieve a quorum.

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PUBLIC COMMENTS

There were no public comments.

Chief Executive Officer Report

Michael Hunn, Chief Executive Officer, notified the MAC and PAC that they would soon receive an email from Ruby Nunez, Executive Assistant and Interim Clerk of the Board, inviting them to provide confidential feedback on the CEO search led by the executive recruiting firm Witt Kiefer. Participants could share input in person, via Zoom, or through a written questionnaire. Their feedback would help shape a leadership profile, which would be summarized for the Board's search committee. He noted that the goal was to select and announce a new CEO at the October CalOptima Health Board meeting, allowing time for a smooth transition through the end of the year.

Mr. Hunn expressed his appreciation to the Board for approving the $4.8 billion annual budget, which included higher reimbursement rates. He also noted that, thanks to careful financial management, CalOptima Health remained stable, avoided layoffs and service cuts, and continued reinvesting in Orange County's healthcare system.

REPORT ITEMS

Consider Approval of Recommendation of the Member Advisory Committee's Slate of Candidates

MAC Chair Christine Tolbert reviewed the MAC Ad Hoc Committee recommendations. It was the ad hoc committee's recommendation to reappoint Kim Goll as the Family Support/Caregiver Representative, Linda Adair Pugh as a Medi-Cal Representative, and Peter Hersh as a OneCare Member or Authorized Family Member Representative. The ad hoc also recommended the following new appointments: Joyce Large as the Medi-Cal Beneficiaries or Authorized Family Member Representative, Jennifer Heavener as a OneCare Member or Authorized Family Member Representative, Ana Guerrero as the Recipients of CalWORKs Representative and Kawon (Kay) Lee as the Seniors Representative.

MAC Action: ***On motion of MAC Member Paul Kaiser, seconded and carried, the Committee approved the Recommendation of the MAC Slate of Candidates (Motion carried 14-0-0; Members Kim Goll, Janis Price, Shirley Valencia absent)***

At this time, the PAC achieved quorum.

ESTABLISH QUORUM

Provider Advisory Committee

Members Present: John Nishimoto, O.D., Chair; Gio Corzo, Vice Chair (12:30 p.m.); Lorry Belhumeur, Ph.D.; Andrew Inglis, M.D.; Jena Jensen; Morgan Mandigo, M.D.; Jacob Sweidan, M.D.; Christy Ward

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Members Absent: Alpesh Amin, M.D; Tiffany Chou, NP; J. Thomas Megerian, M.D.; Patty Mouton; Mary Pham, Pharm.D.; Alex Rossel;

MINUTES

Approve the Minutes of the April 9, 2026 Regular Joint Meeting of the CalOptima Health Board of Directors' Member Advisory and Provider Advisory Committees

PAC Action: ***On motion of PAC Member Christy Ward, seconded and carried, the Committee approved the minutes of the April 9, 2026, Regular Joint Meeting (Motion carried 8-0-0; Members Alpesh Amin, M.D, Tiffany Chou, NP, J. Thomas Megerian, M.D., Patty Mouton, Mary Pham, Pharm.D., Alex Rossel absent)***

Approve the Minutes of the May 19, 2026 Special Meeting of the CalOptima Health Board of Directors' Provider Advisory Committee

PAC Action: ***On motion of PAC Member Dr. Inglis, seconded and carried, the Committee approved the minutes of the May 19, 2026, Special PAC Meeting (Motion carried 8-0-0; Members Alpesh Amin, M.D, Tiffany Chou, NP, J. Thomas Megerian, M.D., Patty Mouton, Mary Pham, Pharm.D., Alex Rossel absent)***

REPORT ITEMS

Consider Approval of Recommendation of the Provider Advisory Committee's Slate of Candidates

PAC Chair Dr. Nishimoto reviewed the PAC's Nomination Ad Hoc's recommendation for the 2026 recruitment. The ad hoc committee recommended the following appointments: New appointment of Jonathon Myers, PT, DPT, OCS, as an Allied Health Representative, Jeremy Elkin as Community Health Centers Representative, Kyle Kim as the Hospital Representative, Paul Lubinsky, M.D., as a Physician Representative, and Jina Lawler as the Safety Net Representative.

PAC Action: ***On motion of PAC Member Jena Jensen, seconded and carried, the Committee approved the recommended slate of candidates (Motion carried 8-0-0; Members Alpesh Amin, M.D, Tiffany Chou, NP, J. Thomas Megerian, M.D., Patty Mouton, Mary Pham, Pharm.D., Alex Rossel absent)***

INFORMATION ITEMS

Covered California Marketing and Advertising

Janis Rizzuto, Director of Communications, outlined the extensive, research-driven process behind the upcoming launch of the CalOptima Health Covered plan (Covered California). She noted that for more than six months, the communications team conducted broad discovery efforts, including 14

internal working groups, multiple provider and broker organizations, and extensive consumer engagement. CalOptima Health also built on its long-standing collaboration with its award-winning marketing agency, leveraging the agency's expertise in Covered California plan launches. The goal throughout was to ensure a deeply informed, well-grounded marketing campaign that reflects the needs and expectations of the local Orange County community.

Following the initial discovery phase, CalOptima Health conducted 10 diverse focus groups with 75 participants across English, Spanish, and Vietnamese-speaking communities. Participants were either current Covered California members or individuals familiar with CalOptima Health's Medi-Cal program. The purpose was to test six campaign concepts, each of which had to be supportive, emotionally resonant, culturally cohesive, action-oriented, and unmistakably tied to Orange County. The team ensured that the concepts reassured "churners," individuals shifting between Medi-Cal and Covered California coverage, and avoided unintended negative messages.

Ms. Rizzuto discussed how across many of the focus groups, participants identified affordability and provider networks as the top factors in choosing a plan. She noted that many expressed anxiety about navigating insurance changes and emphasized the need for trust, clarity, and confidence in messaging. Some participants were also confused about whether CalOptima Health Covered was limited to Medi-Cal members, underscoring the need to clearly communicate that the product is open to all eligible residents. These insights guided the selection of a single, strongly favored campaign concept, which is now moving into full creative development.

The marketing rollout will occur in two phases: a plan-launch announcement beginning August 15, 2026, followed by a full campaign aligned with Covered California's open enrollment period, starting October 15, 2026. The campaign will be large-scale and multi-channel, including television, radio, outdoor, digital, print, and website enhancements. Ms. Rizzuto noted that CalOptima Health aims to bring a trusted, locally grounded option to the market and is preparing to finalize network arrangements. It will rely on delegated health network partners during the plan's first year while evaluating future adjustments.

Member and Population Health Needs Assessment

Michell Nielsen, Director of Strategic Development, presented preliminary findings from CalOptima Health's Member and Population Health Needs Assessment (MPHNA). She explained that the multi-year project aimed to provide an updated, comprehensive understanding of CalOptima Health members' evolving needs across Orange County and that the final report was scheduled for release in August 2026. Using surveys, focus groups, interviews, and secondary data, the assessment examined health status, health-related social needs, behaviors, access to care, navigation, utilization, and care experience. More than 36,000 members were contacted, yielding nearly 2,000 survey responses, complemented by provider input from 301 respondents and qualitative insights from diverse focus groups and interviews.

Ms. Nielsen noted that the respondent profiles reflected broad representation across service lines, languages, demographics, and health conditions. Member surveys were offered in all threshold languages, and targeted outreach increased participation among Hispanic/Latino and Filipino

members. Provider responses captured perspectives from both outpatient and inpatient settings, with strong representation from physicians and behavioral health professionals. Focus groups and interviews provided deeper insights from older adults, caregivers, unhoused members, behavioral health populations, and culturally diverse groups. Community partners and the Population Health Collaborative helped shape and validate assessment tools and frameworks.

Ms. Nielsen also noted that preliminary findings revealed four priority areas: behavioral health, health-related social needs, access and care navigation, and cultural and linguistically responsive care. Behavioral health needs were pronounced as members reported anxiety and depression symptoms at nearly twice the national average, with barriers such as stigma, language, long waits, unclear follow-up, and low awareness of available services. Social needs, including housing instability, food insecurity, financial strain, and social isolation, significantly impacted health outcomes, delayed care, and increased reliance on emergency services. She also noted that members also described difficulties navigating the health system, including confusion about coverage, referrals, provider networks, and long wait times for primary, specialty, and mental health care.

While members generally reported positive care experiences, gaps surfaced in language access and identity-responsive care. Some were unaware of available language services, and others did not feel fully comfortable discussing cultural or identity-related needs with providers. Opportunities include strengthening multilingual staffing, culturally tailored programs, provider training, and coordinated care across services. Ms. Nielsen concluded by noting that the MPHNA will guide future program development, community investments, and strategic planning, while helping CalOptima Health build on its strengths and address persistent barriers. The full report and detailed recommendations will be presented at the August board meeting.

Committee Member Updates

MAC Chair Christine Tolbert asked eligible committee members to complete their stipend forms and return them to Cheryl Simmons. Additionally, she reminded the MAC and the PAC that if they had any agenda items they would like to see at upcoming meetings, they should notify Cheryl Simmons or Ruby Nunez. She also reminded the committee that the Chair and Vice Chair seats were available and that they should email Cheryl Simmons a letter of interest for the seats.

Chair Tolbert also took a few minutes to say farewell to committee members, Hai Hoang, who was terming out of his seat and Meredith Chillemi and Nicole Mastin, who had opted not to reapply for their respective seats.

Member Keiko Gamez took a few minutes to address the committee and executive management, thanking them for their assistance with a family she had brought to CalOptima Health's attention.

PAC Chair Dr. Nishimoto thanked Dr. Amin, Christy Ward, Jena Jensen and Alex Rousel, who were all terming out of their respective seats for their many years of service on the committee. He also reminded the PAC that the committee would need to recommend a Chair and Vice Chair at the June 11, 2026, meeting and asked PAC members who would like to be the Chair or Vice Chair to email Cheryl Simmons with a letter of interest for either seat.

CEO AND MANAGEMENT REPORTS

Chief Operating Officer Update

Yunkyung Kim, Chief Operating Officer, invited Veronica Carpenter, Chief Administrative Officer, who attended via Zoom, to provide an update on the state budget process from Sacramento. Ms. Carpenter thanked outgoing committee members before summarizing the recent developments in Sacramento. She noted that the Senate and Assembly have each released responses to the governor's May budget revision, with key differences outlined in a comparative document. A major issue is the governor's proposal to shift approximately 130,000 undocumented members with unsatisfactory immigration status out of CalOptima Health and into the Medi-Cal fee-for-service program due to federal restrictions on funding for this population. In response, associations have developed a "lift and shift" alternative to allow these members to remain in managed care under a new, federally compliant contract. Legislative leaders must finalize a unified proposal under the 72-hour rule, with a vote expected June 15. Ms. Carpenter noted ongoing advocacy efforts and meetings with key offices, including the Speaker, and committed to keeping the committee informed.

During this discussion, members acknowledged the uncertainty and anticipated that these questions would be answered once decisions were finalized. Ms. Carpenter added that the Centers for Medicare & Medicaid Services (CMS) recently released the federal work-requirement rule and that CalOptima Health will prepare its response and participate in association-level feedback. She noted that an update on that process will be provided at the August joint MAC and PAC meeting.

Ms. Kim continued with her report and discussed how CalOptima Health would distribute a summary to stakeholders and the board once the governor finalizes the state legislative budget proposal. She also noted that the organization recently received board approval for its FY 2026-2027 budget. Revised budget assumptions are expected to be ready around October, with updated budget materials likely presented in November. The Board also approved allocating reserve funds to support providers, and leadership expressed gratitude to PAC members and providers for their strong support, including those who offered public comments. Contracts related to these provider investments are now being issued and signed.

Additionally, she noted that the Board approved proceeding with the purchase of a property in Irvine to establish a second Program of All-Inclusive Care for the Elderly (PACE) site, as the Garden Grove location has been operating near full capacity. She noted that due diligence on the property is underway, with further details expected by the end of summer.

Ms. Kim also informed the committees that the Board's Physician Representative, Dr. Jose Mayorga, announced plans to resign at the end of June, which would open a physician seat affiliated with one of CalOptima Health's delegated groups. The county will manage the recruitment process, and provider partners will be asked to help encourage qualified physicians to apply.

Chief Health Equity Officer Update

Michaell Silva Rose, DrPH, LCSW, Chief Health Equity Officer, alerted the MAC and PAC to an email they would receive containing a link to a survey about the new Community Resource Center planned for the 500 building next door. She noted that the center is being designed based on prior feedback from members and the community, and the MAC and PAC are invited to share additional insights on programming, needs they've observed, and ideas to enhance services for members. She noted that their input will help ensure the center reflects the community's priorities.

Chief Medical Officer Update

Richard Pitts, D.O., Ph.D., Chief Medical Officer, provided an update on current respiratory illnesses, noting that influenza, RSV, and COVID-19 continue to circulate, with COVID-19 briefly peaking in September before declining. He highlighted growing concerns about Ebola abroad, emphasizing that while Ebola is extremely dangerous, the U.S. is now far better prepared than during the 2014 outbreak, with stricter airport entry controls and improved safety protocols to prevent spread. He explained the significant challenges of caring for Ebola patients, including large volumes of hazardous medical waste and high risks during the removal of protective gear. Dr. Pitts stressed that Ebola prevention and border containment remain critical and that the public should generally not be fearful unless traveling to affected areas.

Dr. Pitts also encouraged ongoing vaccination advocacy, praising California's high childhood immunization rates, while noting that measles cases are rising nationwide following the pandemic. He reminded the group that strong vaccination coverage remains essential to protecting vulnerable populations and preventing outbreaks.

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, August 13, 2026.

_____

Cheryl Simmons
Staff to the Advisory Committees

The California Child and Adolescent Mental Health Access Portal (Cal-MAP)

A Children and Youth Behavioral Health Initiative CalHOPE program powered by UCSF

CalOptima MAC/PAC Meeting
8.13.2026

- Kristen Megerian, MSW
- Social Worker, Pediatric Psychology
- Rady Children's Health

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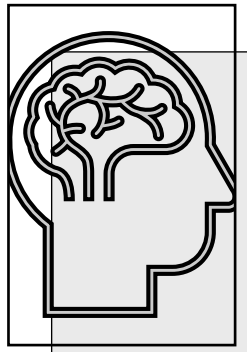
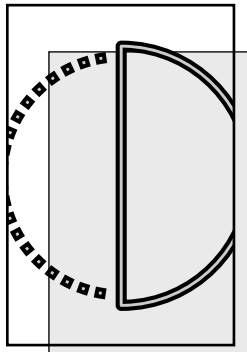
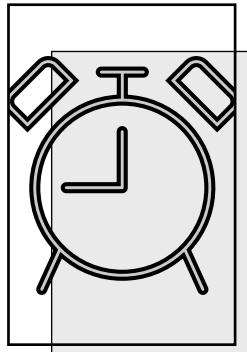
The Youth Mental Health Crisis



1 in 5 US children have a diagnosable mental health disorder, even before COVID[1]

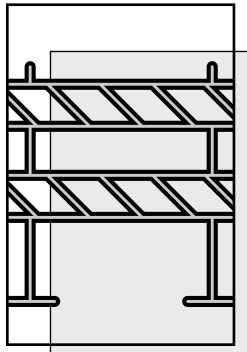


Up to 50% do not receive treatment[2]



Average 2-4 year lag between symptom onset and time to diagnosis and treatment[3]

- Up to 11 years



Top reasons for not accessing care:[4]

- Problems getting an appointment: 72%
- Cost: 39%
- Services not accessible: 39%

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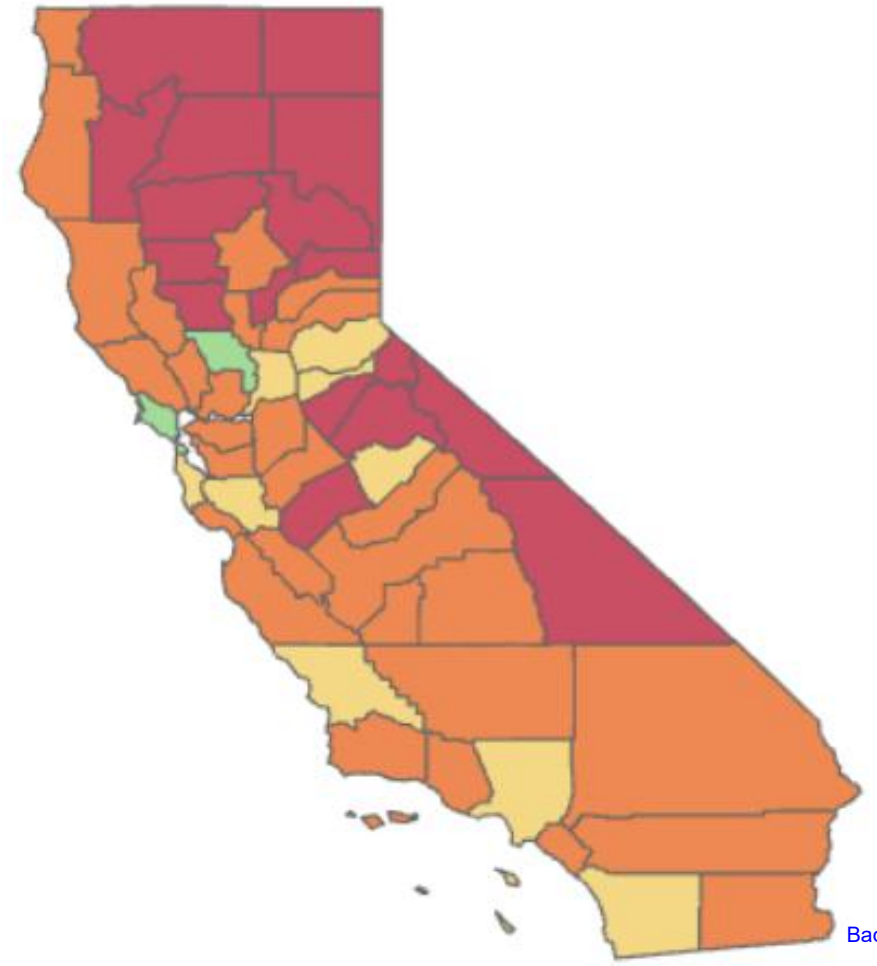
References: 1. CDC 2000 2. Whitney 2019 3. Wang 2004 Meng 2024

Not Enough Child & Adolescent Psychiatrists to Meet the Need



Workforce Map *(Accessed 7/25/25)*

- Mostly Sufficient Supply (>47)
- High Shortage (18-46)*
- Severe Shortage (1-17)*
- No Child and Adolescent Psychiatrists

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AMERICAN ACADEMY OF CHILD & ADOLESCENT PSYCHIATRY
WWW.AACAP.ORG

Primary Care Providers Can Help Fill the Gap

- Primary care is an **accessible and low-stigma** setting. [1]
- PCPs are **uniquely well-positioned** to promote mental health[2]
  - Trust & longitudinal relationship
  - Developmental perspective
  - Prevention
  - Early intervention/treatment
- A **growing number of PCPs** already manage severe mental health concerns, with and without assistance from specialists.[3]

1. Funk 2008 2. American Academy of Pediatrics 3. Platt 2018

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AAP Pediatrician Life and Career Experience Study (PLACES)

- 80% report that child mental health is a significant problem in their community
- 20% see children with SI once a week or more
- 25% say it is very difficult to find care for patients
- 76% prescribed psychotropic medication in the past year
- Less than 10% of those prescribing feel very comfortable doing so

- N= 749, data collected in 2022 for 3 cohorts: 2016-18, 2009-11, 2002-04
- American Academy of Pediatrics 2023, accessed 11/1/25

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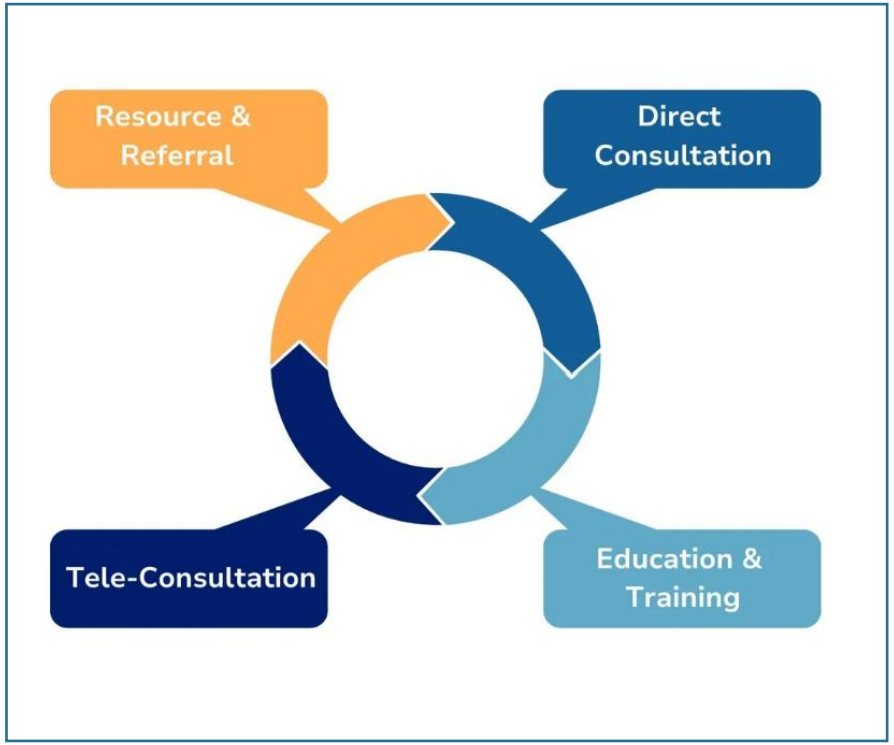
Equipping PCPs to Provide Mental Health Care

The Child Psychiatry Access Program (CPAP)
Pediatric Mental Health Access Program (PMHCA)

Goal: Increase pediatric primary care clinicians' comfort and skills in managing mild to moderate mental health and substance use disorders

Strategy: Equipping primary care providers (PCPs) through:

- Telephone consultations & e-consults with child psychiatrists
- Training and education
- Care coordination (resource & referral)
- Website resources



https://www.nncpap.org/the-model. Accessed 6.18.26

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Cal-MAP

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What Cal-MAP Offers

- **"Curbside consultations"** with child & adolescent psychiatrists, psychologists, and care coordinators on specific patient cases
- **50+ hours of CME training** on diagnosing and treating pediatric mental health concerns
- **Curated resources for clinicians and families** including medication tip sheets
- **Care coordination services**, including vetted referrals by patient insurance and location, and direct-to-family care coordination support

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FREE Curbside Consults for Primary Care Providers

With Child & Adolescent Psychiatrists, Psychologists, & Social Workers/Care Coordinators

PHONE CALLS

(800) 253-2103

E-CONSULTS

CAL-MAP.ORG

Cal-MAP

Monday-Friday, 8:30 am – 5 pm

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Quick Consult & Text Consult Requests

- Need a phone consultation but don't have time to fill out the entire consultation request form?
- Use **Quick Consult Requests online**:
  - No log-in or prior registration required
  - Medical Assistants (MA), Registered Nurses (RN), or any authorized staff can submit consult requests directly on behalf of a primary care provider (PCP).

- Or **schedule by text**
  - Make sure you're registered
  - Text **"**Start" to **(628) 300-4825** to pair your phone
  - To schedule a consult, text "Consult" to the same #, then follow the prompts

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Group Registrations for Practices

Primary care practices can do a **group registration**

- Fast and efficient way to register all the providers from your practice
- Can submit a CSV file with basic demographic and contact information for primary care providers in your practice on our website
- Often paired with a Lunch & Learn to introduce PCPs to Cal-MAP
- Contact Joan Jeung for more information (joan.jeung@ucsf.edu)

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Cal-MAP

Get your behavioral health questions answered today with a Cal-MAP consult

Or Call (800) 253-2103

Monday - Friday, 8:30am-4:30pm

https://cal-map.org (800) 253-2103 info@cal-map.org

Now 5:00 PM!

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Cal-MAP Trainings: Regular Events

Webinars (Live)

- Virtual, live, monthly lectures + Q&A
- Condition and Topic Specific
- Targeted to PCPs, but all welcome

Project ECHO

- Short didactic + case-based discussion
- Primary Care:
  - Core
  - Advanced
- School-Based

On-Demand Webinars

- Recordings of prior webinars + quiz for CME and ABP MOC Part 2 credit
- 30 modules
- Includes core curriculum (eligible for Core Badge)

- Eligible for CME & ABP MOC Part 2
- & CEU for psychologists and social workers

Earn Cal-MAP Core Certification in fundamental best practices

ADHD

Depression

Anxiety

Autism

Suicidality

SSRIs

Demonstrate your badge on your CV & LinkedIn profile

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Cal-MAP Boot Camps

"Think Like a Shrink"

Modules:

1. ADHD, Anxiety, and Depression: The Basics
2. Disruptive Behavior, Complex ADHD, and Autism Spectrum Disorder (ASD)
3. Substance Use Disorder & Suicidal Ideation

Where	When	Partners
San Francisco	September 18, 2026	AAP Chapter 1
Palm Desert	January 29, 2027	U.C. Riverside

- Each bootcamp eligible for up to 8 hours CME
- American Board of Pediatrics MOC Part 2 credit

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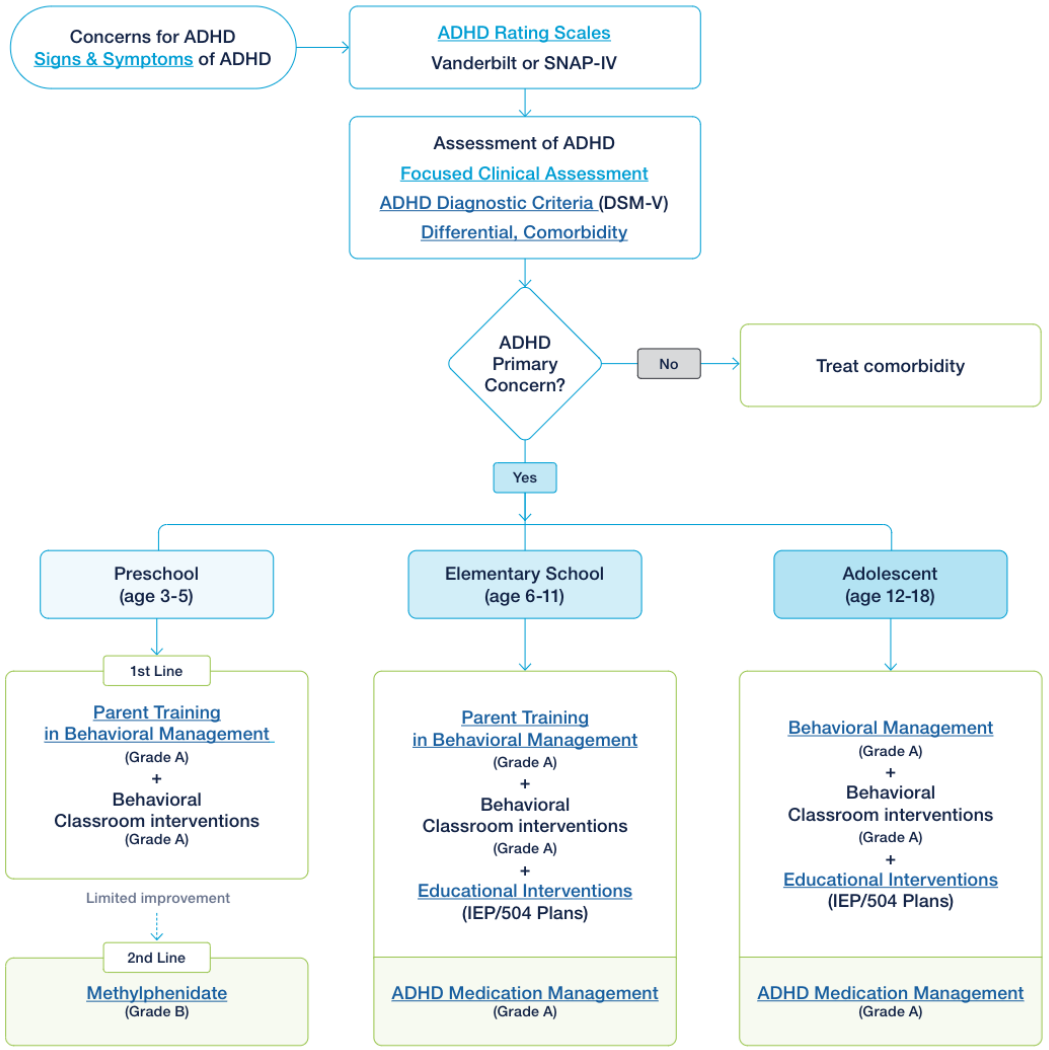
Downloadable Resources for Clinicians and Families

Cal-MAP TIPS FOR PRIMARY CARE PROVIDERS

Attention deficit/hyperactivity disorder (ADHD): Stimulants & Alpha Agonists

Medication	Dosage Form (mg)	Dosing Frequency	FDA Max Dose (mg)	Common Side Effects & Management Considerations
Stimulants *Increase q1-3 weeks to the most effective/ tolerable dose*				Stimulants are the first-line treatment for ADHD; monitor blood pressure (BP), heart rate (HR), weight, and sleep closely.
Methylphenidates				Appetite loss, sleep disturbance, headaches, abdominal pain, irritability, mood changes, tics
Short Acting (3-4 hours)	» Focalin IR: 2.5, 5, 10 » Methylin: 2.5, 5, 10, 20 » Ritalin: 5, 10, 20	Daily, BID, (TID)	» Focalin IR: 20mg » Methylin: 60mg » Ritalin: 60mg	» Focalin IR: Generic » Methylin: Liquid + chewable tablet, generic » Ritalin IR: Can be crushed, generic
Intermediate (6-8 hours)	» Ritalin LA: 10, 20, 30, 40, 50, 60 » Methylin ER: 10, 20 » Metadate ER: 10, 20	Daily in AM	» Ritalin LA: 60mg » Methylin ER: 60mg » Metadate ER: 60mg	» Ritalin LA: Can be sprinkled, generic » Methylin ER: Generic » Metadate ER: Generic
Long Acting (10-12 hours)	» Concerta: 18, 27, 36, 54 » Focalin XR: 5, 10, 15, 20	Daily in AM	» Concerta: 72mg » Focalin XR: 30mg	» Concerta: Do not open or chew, generic » Focalin XR: Can be sprinkled, generic
Amphetamines				Appetite loss, sleep disturbance, headaches, abdominal pain, irritability, mood changes, tics
Short Acting (4-6 hours)	» Adderall: 5, 7.5, 10, 12.5, 15, 20, 30 » Dexedrine: 5, 10	Daily, BID, (TID)	» Adderall: 40mg » Dexedrine: 40mg	» Adderall: Generic » Dexedrine: Generic



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Cal-MAP

Cal-MAP Care Coordination Supports

Patient Access to the Right Care at the Right Time

Continuum of Referral Navigation Support				
Family Self-Guided Resource & Referral	**PCP Self-Guided Resource & Referral**	**E-Consult for Referral Navigation**	**Phone consult Referral Navigation**	**Direct to Families - Care Coordination**
» Curated resources » Referral sources	» Resource and referral repository » Tip sheets	» When diagnosis and treatment plan are clear	» When diagnosis and treatment plan are less clear	» When presentation is complex and/or multiple barriers exist

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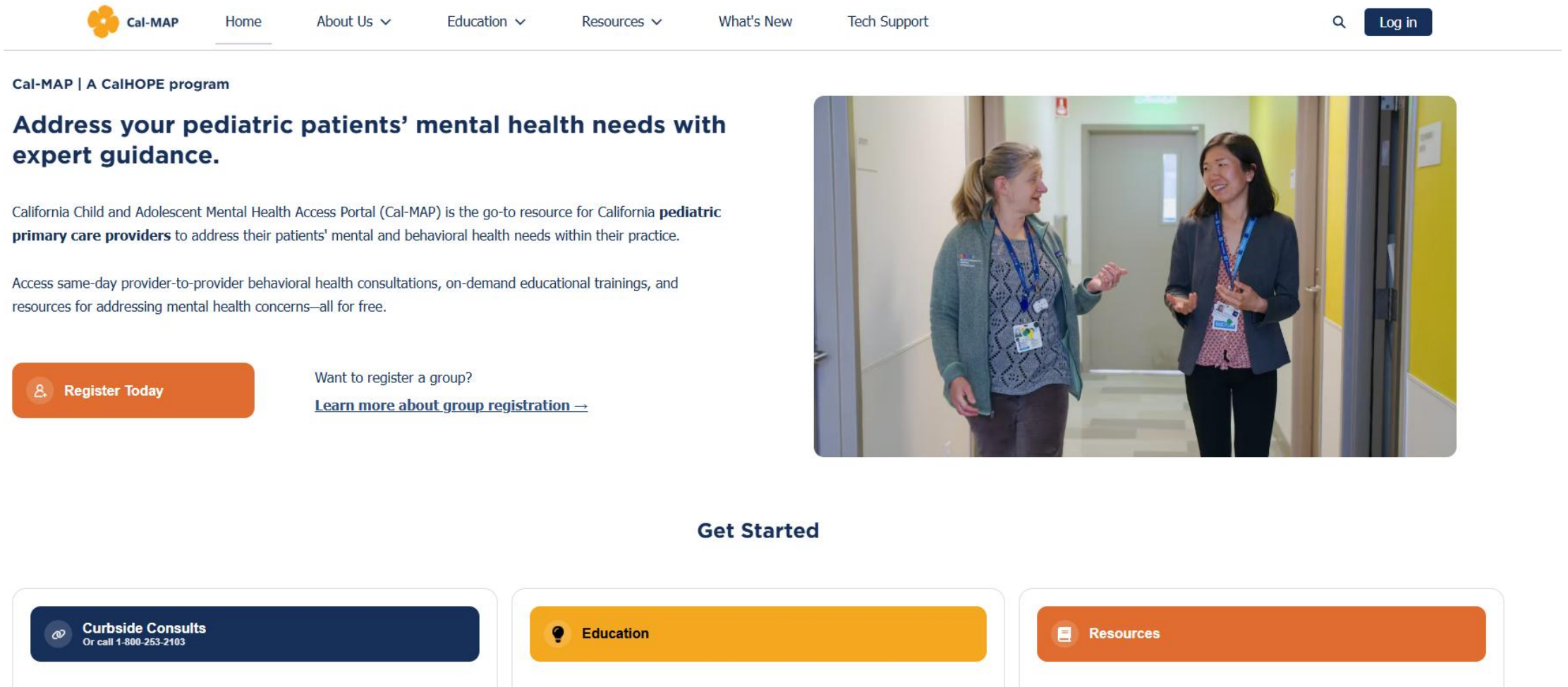
A Tour of our Website…

https://cal-map.org/s/?language=en_US



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Same-Day Cal-MAP PCP Consult Billing

Can I bill for the time spent consulting with Cal-MAP on the date of service?

YES

- Add time spent speaking with the Cal-MAP consultant to the total patient visit time
- Consult must be on the same day as the consult BUT doesn't need to be at the same time as the visit
- *E.g. "I spent 15 minutes consulting on the case with Cal-MAP psychiatrist for behavioral health management guidance."*
- 99417 for each additional 15 minutes (FTF + non-FTF) on the same day

New Patient Code	2024 "Total time on date of service meets or exceeds" _min
99202	5
99203	30
99204	45
99205	60

Existing Patient Code	2024 "Total time on date of service meets or exceeds" _min
99212	10
99213	20
99214	30
99215	40

Check out the American Academy of Pediatrics (AAP) Practice Management website, with helpful resources, including AAP Coding & Payment Hotline:
https://www.aap.org/en/practice-management/child-health-finance-payment-strategy/

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Other-Day Cal-MAP PCP Consult Billing

Can I bill for consulting Cal-MAP outside of date of service? YES

For Requesting PCPs (physicians, NPs, PAs), use code 99452 Interprofessional Telephone & Internet Consultation Billing

- **16-30 minutes** in a service day preparing for consult and/or communicating with consultant
- **> 50%** of time must be medical consultative verbal or internet discussion
- May not be reported more than once in a **14-day period**
- PCP may also report face-to-face prolonged care codes with this service if an E/M service is also provided and time **> 30 minutes** beyond the typical time
- Don't count time twice: *Office visit time cannot be included in the time used to report 99452.*

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Timely Access: Right Care, Right Time, Right Place

I have been able to handle medication management more myself rather than having refer the patient to a psychiatrist.

This allows the patient to get more timely treatment.

I was able to confidently treat a pediatric patient with depression and suicidal ideation with the guidance received from [Cal-MAP]

[Cal-MAP] has been a wonderful resource with my families who reach out and say help, we need help, we need it now, we can't find a psychiatrist.

It is wonderful say 'Yes, I can.'

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Clinical & Clinician Impact: Addressing Burnout

Cal-MAP

"Cal-MAP consultation **helps to address Provider Burnout**, so that you can keep your FQHC staff around, which is beneficial for everyone. I think if there is a pressure to see volume, you get compassion fatigue. You start feeling more unsure that you're actually making a difference, or how to really do that effectively.

Having resources and tools available **increases your feeling of confidence and willingness to keep trying** and not to just send everybody to the emergency room.

-Pediatrician/Cal-MAP User

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Cal-MAP

No Call is Too Small! We are ready to help.

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How to get started

- Registration is free, simple and takes 2 minutes: Visit https://cal-map.org to register (QR code)
- We offer Group Registrations, to quickly register all providers in a clinic; email joan.jeung@ucsf.edu if interested
- Call or go to our website to get your questions answered today.

Register Now

Cal-MAP Salesforce Registration QR Code

Call 1-800-253-2103

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Questions?

- Contact Kristen Megerian, MSW
- Email: Kristen.Megerian@choc.org
- Phone: 657-390-3835

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Community Reinvestment Plan (CY2024-2026)

July 2026

Kelly Bruno-Nelson, Executive Director, Medi-Cal and CalAIM

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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What Is the Community Reinvestment Requirement?

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About the Community Reinvestment Requirement

- **What is it?**
  - DHCS All Plan Letter 25-004 requires Medi-Cal managed care plans to reinvest a portion of net income back into the communities they serve.
- **What must the plan include?**
  - Selected investment activities grounded in community health data, stakeholder input, and health equity principles — targeting upstream root causes of poor health.
- **Where do investments go?**
  - Non-contract activities that benefit the community — things Medi-Cal does not already cover.

KEY DATES

CY 2024-2026
Determines required amount to invest based on Net Income during this time period

CY 2027–2029
Time period the investments must be made

2030
Final Report due to DHCS for Community Reinvestment Plan

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DHCS's Three Guiding Principles:
Developing Community Reinvestment Plans

1

Engage with the Community

CalOptima Health's Plan is directly **informed by member and provider voices** through the MAC and PAC, and informed by our Chief Health Equity Officer and internal workgroups and committees.

2

Align with Community Priorities

Activities are grounded in the **2023 OC Community Health Assessment, the Health Improvement Plan and the BHSA Integrated Plan**, targeting the health priorities that OC residents and stakeholders have identified themselves.

3

Target Non-Contract Activities

All investments fund **activities outside the Medi-Cal contract** — expanding what is possible for our members and communities, not duplicating what already exists.

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How CalOptima Health Built our Community Reinvestment Plan

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CalOptima Health's Community Reinvestment Approach

Engage → **Design** → **Share** → **Initiate**

- **Data from:**
  - OC CHA & CHIP
  - OC BHSA Integrated Plan
  - CalOptima Health Member and Population Needs Assessment
  - Community Asset Mapping
- **Key Stakeholders**:
  - Community listening sessions
  - CalOptima Health governance and advisory committees
  - County engagement
  - CHIP workgroups
  - BHT Planning Process
- **Design to address key community issues identified in:**
  - CHA/CHIP
  - MPHNA
  - Asset mapping findings
  - Stakeholder input
  - Community Benefit Hospitals' CHNA
- **Communicate the plan**
  - Validated by stakeholders
  - County attests to CHIP alignment
  - Board approval
  - Submit plan to DHCS Q3 2026
- **Fund the Plan**
  - Voluntary investments
  - Future funding opportunities

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Connecting the Dots: Five Key Sources of Input

CHA

- **Community Health Needs Assessment 2023**
- Data indicators, support metrics and key evidence referenced for the CHIP design.

CHIP

- **Community Health Improvement Plan 2024-2026**
- Priority areas: mental health; substance use, diabetes and obesity, housing and homelessness, care navigation and economic disparities.

BHSA

- **Behavioral Health Integration Plan 2026**
- Priority areas: mental health and substance use disorder services, housing for people experiencing homelessness, healthcare workforce development

MAC & PAC

- **Member and Provider Advisory Committees**
- Priority areas: behavioral health and substance use disorder services, housing stability and homelessness, and healthcare workforce development. Focus on seniors, older adults and individuals with neurodevelopmental disabilities, the role of civil legal aid, and the importance of benefits and system navigation.

CHEO & QIHEC

- **Health Equity Leadership**
- **Quality Improvement Leadership**
- Other Internal Governance Structures

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Aligning the Priorities: APL Community Reinvestment Activities

1. Promotes health, wellbeing and safety through the environment our neighbors live in.

Cultivating Neighborhoods & Built Environment

2. Building the next generation of health care workers by supporting individuals across the career span.

Cultivating Health Care Workforce

3. Addresses community-specific needs through tailored support and services.

Cultivating Well-Being for Priority Populations

4. Bolsters the lives of individuals and contribute to advancement and well-being of the community.

Cultivating Local Communities

5. Initiatives targeted toward upstream root causes of poor health using a variety of strategies and settings.

Cultivating Improved Health

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CalOptima Health's Plan: Three Key Investment Activities

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Activity 1: Behavioral Health Infrastructure

BH

Connections to Reinvestment Categories:

1: Cultivating Neighborhoods and Built Environment
3: Cultivating Well-Being for Priority Populations
4: Cultivating Local Communities
5: Cultivating Improved Health

- Community wellness spaces — funding creation or enhancement of wellness centers where residents access peer support and mental health resources outside the Medi-Cal system
- School-based mental health — community-based programs that strengthen schools' capacity to support student behavioral health beyond what is covered by Medi-Cal
- Non-Medi-Cal peer and mental health services — peer-led wellness programs and community outreach not covered by Medi-Cal
- Dyadic care infrastructure — organizational systems change support for CBOs integrating dyadic care into their practice models

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Activity 2: Healthcare Workforce Development

WF

Connections to Reinvestment Categories:

2: Cultivating a Health Care Workforce
3: Cultivating Well-Being for Priority Populations
4: Cultivating Local Communities
5: Cultivating Improved Health

- Scholarships and loan forgiveness — for students in nursing, behavioral health, social work, and community health worker programs
- Career pipeline programs — recruiting and training high school and college-age residents from underserved communities into healthcare careers
- Mentorship and professional development — pairing emerging healthcare workers with experienced clinicians
- Educational partnerships — with OC community colleges and universities to build sustainable, culturally reflective workforce pipelines

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Activity 3: Housing and Homelessness Services & Infrastructure

HH

Connections to Reinvestment Categories:

1: Cultivating Neighborhoods and Built Environment
3: Cultivating Well-Being for Priority Populations
4: Cultivating Local Communities
5: Cultivating Improved Health

- Capital funding for interim housing — supporting development of interim housing sites for individuals experiencing homelessness
- Capital funding for permanent supportive housing (PSH) — investing in affordable and PSH units, especially for priority populations
- Ensuring supportive, wrap-around services are provided in housing developments
- Capacity building for CBOs — systems change funding for organizations addressing root social determinants of homelessness including legal system navigation, career development, and educational attainment

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CalOptima Health's 2027 Community Reinvestment Plan: Met Through 2024 Voluntary Investments

Proposed Voluntary Investments to Meet CY2024 Requirement

Community Reinvestment Plan Activity		Dollar Amount
Healthcare Workforce Development	Base	**$4,689,025**
Healthcare Workforce Development	Quality	**$1,247,274**
Behavioral Health Infrastructure	Quality	**$2,214,046**
Housing and Homelessness Services and Infrastructure	Quality	**$3,572,218**
	Subtotal of Base	$4,689,025
	Subtotal of Quality	$7,033,538
	TOTAL VOLUNTARY INVESTMENT	**$11,722,563**

CY 2024 Community Reinvestment Requirement	
Base Community Reinvestment	$4,689,025
Quality Achievement	$7,033,538
Total	$11,722,563

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Next Steps

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What Happens Next

Q3 2026
Plan approved by Board of Directors and submitted to DHCS

Q4 2026
Voluntary investments initiated across three activities and future opportunities launched

2027–2029
Annual plan updates submitted to DHCS; continued investment and grantee monitoring

2030
Final report submitted to DHCS summarizing four years of community impact

- Cycle repeats beginning in 2029.

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Responding to HR1:
New Initiative Opportunities

August 2026

Kelly Bruno-Nelson, Executive Director, Medi-Cal and CalAIM

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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Responding to a changing landscape

HR1 Changes

- More frequent eligibility determinations
- New Work and Community Engagement Requirements

Impact on Members

- Difficulty completing renewals/losing coverage
- Need assistance understanding & meeting new requirements

Impact on CalOptima Health

- Membership decline/reduced continuity of care
- Increased need for member support

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Our Strategic Response

Community Enroller Academy

- Addresses eligibility redeterminations
- Supports renewal completion
- Prevents procedural disenrollment
- Increases access to needed support

Work & Community Engagement Navigation

- Addresses Work and Community Engagement requirements
- Connects members to employment and community engagement opportunities
- Increases access to needed support

Together, these initiatives protect member coverage by helping members successfully navigate the new HR1 landscape

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Community Enroller Academy

Purpose	Increase the number of enrollment entities across Orange County by providing a training opportunity for organizations new to Medi-Cal enrollment
Program	• Develop and launch a 3-month Enroller Academy to train 15 new enrollment organizations to provide CalOptima Health members with the enrollment, renewal and redetermination assistance. • Provide grants to all organizations that graduate from the Enroller Academy
Outcome	Increased enrollment assistance capacity and improved enrollment renewal and redetermination completion for CalOptima Health members

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Work & Community Engagement Navigation

Purpose	Help members successfully navigate the new Work & Community Engagement requirements
Program	• Identify community-based organizations (CBOs) that specialize in workforce development to help members successfully navigate the new Work & Community Engagement Requirements. • Train identified CBO's on requirements • Provide grants to all identified community-based organizations
Outcome	Ensure eligible CalOptima Health members who are subject to the Work and Community Engagement requirements maintain Medi-Cal coverage

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Combined Value

Member	• Maintain Medi-Cal eligibility • Avoid unnecessary coverage loss • Receive trusted community-based support
Community Partners	• Expand local enrollment capacity • Leverage workforce development expertise • Strengthen community collaboration
CalOptima Health	• Reduce procedural disenrollments • Protect continuity of care • Preserve membership
TOGETHER	**Create an integrated community-based strategy that helps our members maintain coverage while adapting to new HR1 requirements**

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Government Affairs Update

Joint Meeting of the Member and Provider Advisory Committees

August 13, 2026

Veronica Carpenter

Chief Administrative Officer

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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.

FY 2026–27 Public Policy Priorities

- On May 7, CalOptima Health's Board of Directors approved the FY 2026–27 Public Policy Priorities
  - Authorizes staff to implement legislative and regulatory advocacy efforts in furtherance of the Priorities, such as taking positions on proposed legislation and regulations
  - 63 policy objectives are grouped into nine policy areas:
    - Access to Member Care
    - Behavioral Health
    - California Advancing and Innovating Medi-Cal (CalAIM)
    - Data Sharing
    - Older Adults
    - Operations and Administration
    - Provider Support
    - Quality Improvement
    - Safety Net Financing and Funding

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Federal Updates

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CMS Community Engagement Rule

- On June 1, CMS released an Interim Final Rule (IFR) on Medicaid community engagement requirements, pursuant to H.R. 1, effective January 1, 2027
  - Requires 80 hours per month of work or community service, or part-time enrollment in an educational program, for certain adults aged 19–64 years old
  - The IFR defines several exemptions in greater detail, including but not limited to the following:
    - Medically frail *(more details on next slide)*
    - Parents with dependents under age 14
    - Other caregivers/caretakers
    - Dually eligible for Medicare
    - Pregnant or entitled to postpartum coverage
    - Short-term hardship

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CMS Community Engagement Rule (cont.)

- Medical frailty exemption may require substantial administrative work
  - The IFR does not list specific conditions that may qualify as medically frail, but requires each state to develop its own list
  - In addition, the IFR requires each individual with a qualifying condition to ***prove*** that it impairs their ability to comply with the community engagement requirements
  - Self-attestations for medical frailty will be accepted in the first year of implementation (2027), but additional documentation will be required starting January 1, 2028

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CMS Community Engagement Rule (cont.)

- On June 23–24, CalOptima Health met with federal legislators and staff in Washington, DC
  - 16 meetings with the offices of Orange County's federal delegation, other key members of California's federal delegation, and committees of jurisdiction
  - Key concerns and requests by CalOptima Health:
    - Improve definitions and flexibilities related to medical frailty exemptions
    - Federal funding to support state administrative implementation
- On July 31, CalOptima Health submitted a public comment letter to CMS, but CMS is not required to issue an updated final rule

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Care Traffic Control Center

- CalOptima Health has drawn down the full $2 million in federally-earmarked funding for the new Care Traffic Control (CTC) center
  - The federal funding was sponsored by U.S. Representatives Lou Correa and Young Kim as part of the *Consolidated Appropriations Act, 2023*
- Completed last month, the CTC center will coordinate whole-person care for individuals experiencing homelessness in Orange County
  - A grand opening ceremony was held this morning with Reps. Correa and Kim, street medicine providers, and city officials from the four cities with street medicine

CalOptima Health

State Updates

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FY 2026–27 State Budget Process

- On May 14, Governor Gavin Newsom released a Fiscal Year (FY) 2026–27 revised state budget proposal, known as the May Revision
- On June 15, the State Senate and State Assembly passed a joint legislative budget counterproposal
- Then, Governor Newsom and legislative leadership negotiated to reconcile and enact a final budget on June 29, effective for the new FY beginning July 1
- Additional clean-up budget bills may be passed by the end of the 2025–26 legislative session on August 31

FY 2026–27 Enacted State Budget

- Key Medi-Cal Provisions:
  - Transition Unsatisfactory Immigration Status (UIS) beneficiaries from Medi-Cal managed care plans (MCPs) into the Medi-Cal fee-for-service (FFS) system, effective January 1, 2027
    - $31 million allocated to support care coordination, but Medi-Cal MCP involvement and other details remain unclear
  - Reduce Medi-Cal asset limit for seniors and disabled adults from $130,000 to **$21,000** per individual ($31,000 per couple), effective July 1, 2027
  - Require the next governor to set a Medi-Cal premium between **$30 and $50 per month** for UIS adults ages 19–59, effective July 1, 2027

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FY 2026–27 Enacted State Budget (cont.)

- Maintain the adult acupuncture benefit
- Delay the elimination of Proposition 56 dental supplemental payments until July 1, 2027
- Delay the elimination of UIS adult dental benefits until July 1, 2027
- Delay the elimination of Prospective Payment System (PPS) rates to community clinics for UIS beneficiaries until July 1, 2027
- Refine service criteria, referral pathways and other processes for Enhanced Care Management and Community Supports
- Implement utilization management for applied behavior analysis (ABA) and transportation services

CalOptima Health

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FY 2026–27 Enacted State Budget (cont.)

- Invest $90 million to support distressed hospitals and $250 million to support designated public hospitals
- Submit new MCO Tax models to CMS that are compliant with both H.R. 1 and Proposition 35 (2024)
  - Enact an **$8.85 per-member-per-month tax** on both Medi-Cal and non-Medi-Cal plans, effective January 1, 2027
  - Sustain targeted rate increases for primary care, maternal health and non-specialty mental health services that were implemented on January 1, 2024
  - Effectively sweep remaining MCO Tax revenues to support existing Medi-Cal costs, rather than implement additional rate increases as intended by Proposition 35
- Initiate process to develop and release a proposed "fair share" tax on large corporations whose employees are enrolled in Medi-Cal by April 1, 2027

CalOptima Health

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Assembly Bill 2194

- Assembly Bill (AB) 2194 by Assemblymember Avelino Valencia has been amended several times, most recently on July 2
  - Two current provisions:
    - Staggered terms for CalOptima Health Board seats with four-year terms (i.e., all seats except the two County Supervisors)
    - External audit of CalOptima Health's governance policies
  - Additional technical amendments are expected to clean up unintentional drafting errors and add staff protections during the external audit
- AB 2194 is currently pending a Senate floor vote and will then be returned to the Assembly floor for concurrence in amendments

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Q&A

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Fiscal Year 2026–27 Public Policy Priorities

The Fiscal Year 2026–27 Public Policy Priorities reflect CalOptima Health's commitment to advancing our Mission through advocacy, policy and partnership: ***To serve member health with excellence and dignity, respecting the value and needs of each person****.*

Access to Member Care

- Mitigate potential impacts of H.R. 1 (2025) that limit the ability of eligible Medi-Cal beneficiaries to newly enroll, maintain enrollment and access high-quality care.
- Remove barriers to Medi-Cal enrollment, services and access to care for individuals experiencing homelessness.
- Oppose the elimination of existing Medi-Cal benefits for currently enrolled populations.
- Preserve the ability of states to use Section 1115 demonstration waivers and other flexibilities to be catalysts for innovation and to advance comprehensive, whole-person care.
- Identify and remove administrative barriers to accessing health and social services benefits.
- Promote efforts to advance health equity and reduce health disparities through current and future Medi-Cal, Medicare and Covered California initiatives.
- Preserve coverage expansions and funding enacted by the Affordable Care Act.
- Reauthorize the enhanced levels of Advance Premium Tax Credits (APTCs) for purchasing health insurance through Covered California.
- Support policies that maximize the ability of current and potential Covered California enrollees to newly enroll and maintain coverage, especially those transitioning from Medi-Cal coverage.

Behavioral Health

- Support improved parity between physical and mental health care, including rates and coverage for preventive services without diagnoses.
- Support increased, sustainable funding streams for behavioral health services.
- Remove barriers to accessing behavioral health services, including mobile crisis and telehealth-only services.
- Incentivize providers to treat behavioral health conditions within their scope of service.
- Promote systematic improvement and increase capacity for complex discharge management of members with behavioral health diagnoses.
- Enhance integration between specialty and non-specialty Medi-Cal mental health services.
- Support policies to prevent and address substance use disorders, including medication surveillance.

California Advancing and Innovating Medi-Cal (CalAIM)

- Preserve health plan discretion to determine provider eligibility for Enhanced Care Management (ECM) and Community Supports (CS).
- Incorporate CS into covered benefits to ensure long-term funding and sustainability.
- Support continuous Medi-Cal coverage for justice-involved individuals.
- Support the construction and permitting of supportive housing and recuperative care facilities.
- Support the renewal of the CalAIM Section 1115 demonstration for another five-year period.

Data Sharing

- Increase funding, guidance, timeline certainty and implementation flexibility for health care entities to launch data-sharing and infrastructure initiatives, including the Data Exchange Framework, interoperability and the expansion of and connection to regional health information exchanges (HIEs).
- Standardize and ease requirements for data sharing and consent management of health records across payors, providers and public agencies to improve care coordination.
- Improve collection and sharing of information, including demographic and social determinants of health (SDOH) data, across public agencies, health plans, utility providers and community-based organizations.

Older Adults

- Promote integration of the Medi-Cal and Medicare programs.
- Support enrollment of full and partial dual-eligible beneficiaries into exclusively aligned enrollment Dual Eligible Special Needs Plans (EAE D-SNPs), including default enrollment for county-organized health systems (COHS).
- Align Medi-Cal and Medicare policies that limit the frequency of plan switching to improve continuity of care.
- Support the creation and sustainability of Fully Integrated Dual Eligible Special Needs Plans (FIDE SNPs) consistent with EAE D-SNP enrollment policies.
- Expand access to home- and community-based services, including the Program of All-Inclusive Care for the Elderly (PACE), for older adults.
- Preserve current flexibilities to virtually assess prospective and current PACE participants.
- Increase funding and support to PACE organizations to address telehealth barriers, such as member access to devices, internet and training.
- Oppose caps on payment rates to PACE organizations that would undermine access to care and support services.
- Allow existing PACE organizations to add and expand sites within their currently approved service areas.
- Increase staff and resources at the California Department of Health Care Services (DHCS) to support PACE enrollment and to reduce regulatory barriers for PACE organizations.
- Promote additional transparency during annual rate negotiations between PACE organizations and DHCS.

Operations and Administration

- Increase administrative resources to support timely processing, as well as outreach and engagement efforts, related to Medi-Cal redeterminations and new Medi-Cal, Medicare, and Covered California eligibility and coverage policies.
- Preserve the COHS and delegated managed care delivery models.
- Oppose requiring a COHS to obtain a Knox-Keene Act license for its Medi-Cal line of business.
- Oppose the elimination or carving out of Medi-Cal managed care benefits, such as the Whole-Child Model (WCM).
- Support 12-month continuous eligibility for all Medi-Cal beneficiaries.
- Reform Medi-Cal Rx policies to improve prior authorization and appeals processes.
- Oppose policies that restrict health plan use of prior authorizations for the purposes of ensuring quality outcomes and preventing fraud, waste and abuse.
- Consider opposing mandates for additional Covered California benefits whose costs to enrollees may outweigh the value of such benefits.
- Expand the ability for health plans to communicate with members to support care coordination.
- Implement clear, consistent and reasonable timelines for the implementation and evaluation of new covered benefits, programs, initiatives and audits.

Provider Support

- Increase Medi-Cal reimbursement rates, especially for behavioral health services and major organ transplants.
- Support the ability and discretion of health plans to contract with qualified providers, including by expanding allowable provider types.
- Invest in the development of a diverse health care workforce, including training, education and certification programs, and remove barriers to program enrollment, completion and subsequent hiring.
- Permanently extend Medicare telehealth flexibilities enacted during the COVID-19 pandemic, including use of video and audio-only modalities, virtual establishment of new patients, and payment parity with in-person visits.

Quality Improvement

- Improve alignment between state and federal regulators and the National Committee for Quality Assurance (NCQA), including quality metrics, data collection, network adequacy and value-based programs.
- Incorporate dual-eligible status into risk adjustment, Star Ratings and Consumer Assessment of Healthcare Providers and Systems (CAHPS) scores.
- Allow more flexible distance standards for specialty care providers.
- Improve the CAHPS survey to account for delegated delivery models and new forms of health care services, including CS and telehealth utilization.

Safety Net Funding and Financing

- Support necessary federal and state funding for the Medi-Cal, Medicare and Covered California programs and oppose further reductions in funding.
- Preserve California's current Federal Medical Assistance Percentages (FMAPs) for all populations.
- Oppose reductions to provider taxes and state-directed payments.
- Support ongoing funding to community clinics through the federal Community Health Center Fund.
- Minimize the adverse impacts of any proposed changes to current Medical Loss Ratio (MLR) methodology.
- Support efforts to ensure Managed Care Organization (MCO) tax revenue prioritizes funding for the Medi-Cal program.
- Ensure future Medi-Cal and Medicare rate changes are beneficial to CalOptima Health and its contracted providers.
- Support inclusion of audio-only telehealth encounters into the calculation of Medicare risk adjustment payments.
- Support changes to the use of risk corridors by increasing transparency, accounting for administrative complexity and reducing the number of overlapping corridors.
- Preserve the use of intergovernmental transfer (IGT) funds as a funding mechanism for Orange County's safety net providers.

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.	**06/30/2026** Passed Assembly Health Committee; referred to Assembly Appropriations Committee **01/26/2026** Passed Senate floor	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 any provider of 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.	**06/30/2026** Passed Assembly Public Safety Committee; referred to Assembly Appropriations Committee **05/19/2026** Passed Senate floor	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.	**06/24/2026** Passed Senate Health Committee; referred to Senate Appropriations Committee **05/18/2026** Passed Assembly floor	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 111 Laird **AB 109** Gabriel	**Budget Act of 2026:** Makes appropriations for the government of the State of California for FY 2026–27. Total spending is $351.7 billion, of which $251.1 billion is from the General Fund. ***Potential CalOptima Health Impact:*** An overview of the FY 2026–27 Enacted State Budget is enclosed.	**06/29/2026** Signed into law	CalOptima Health: Watch

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Bill Number Author	Bill Summary	Bill Status	Position/Notes
SB 125 Committee on Budget and Fiscal Review	**Medi-Cal MCO Provider Tax Trailer Bill (2026):** Authorizes DHCS to submit a new MCO tax model, effective January 1, 2027, through December 31, 2029, to the U.S. Centers for Medicare & Medicaid Services (CMS). If approved by CMS, a tax amount of $8.85 per member per month would be levied on Medi-Cal and commercial health plan lives (with the Medi-Cal portion to be ultimately reimbursed). ***Potential CalOptima Health Impact:*** An overview of the FY 2026–27 Enacted State Budget is enclosed.	**06/29/2026** Signed into law	CalOptima Health: Watch
SB 164 Committee on Budget and Fiscal Review	**Health Omnibus Trailer Bill (2026):** Consolidates and enacts certain budget trailer bill language containing policy changes needed to implement health-related expenditures in the FY 2026–27 state budget. ***Potential CalOptima Health Impact:*** An overview of the FY 2026–27 Enacted State Budget is enclosed.	**06/29/2026** Signed into law	CalOptima Health: Watch
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

Bill Number Author	Bill Summary	Bill Status	Position/Notes
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 expenditures in the FY 2025–26 state budget. 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 expenditures in the FY 2025–26 state budget. 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
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

Bill Number Author	Bill Summary	Bill Status	Position/Notes
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
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.	**06/24/2026** Passed Senate Health Committee; referred to Senate Appropriations Committee **05/24/2026** Passed Assembly floor	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
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
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

Bill Number Author	Bill Summary	Bill Status	Position/Notes
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.	**04/22/2026** 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.	**06/09/2026** Passed Assembly Health Committee; referred to Assembly Appropriations Committee **05/19/2026** Passed Senate floor	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
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

Bill Number Author	Bill Summary	Bill Status	Position/Notes
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.	**06/10/2026** Passed Senate Health Committee; referred to Senate Appropriations Committee **05/26/2026** Passed Assembly floor	CalOptima Health: Watch
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.	**06/24/2026** Passed Senate Health Committee; referred to Senate Appropriations Committee **05/26/2026** Passed Assembly floor	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
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.	**07/01/2026** Passed Senate Health Committee; referred to Senate Appropriations Committee **05/26/2026** Passed Assembly floor	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.	**06/09/2026** Passed Assembly Health Committee; referred to Assembly Appropriations Committee **05/19/2026** Passed Senate floor	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.	**06/17/2026** Passed Senate Health Committee; referred to Senate Appropriations Committee **05/21/2026** Passed Assembly floor	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.	**07/01/2026** Passed Senate Health Committee; referred to Senate Appropriations Committee **05/26/2026** Passed Assembly floor	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.	**07/01/2026** Passed Senate Health Committee; referred to Senate Appropriations Committee **05/26/2026** Passed Assembly floor	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. Community clinic representative 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 require an independent external audit of CalOptima Health's governance procedures and practices, including but not limited to policies related to conflict-of-interest, vendor contracting and procurement, and governance structures and responsibilities, as well as the Orange County Health Care Agency's nomination process for Board members. ***Potential CalOptima Health Impact:*** Increased continuity of Board representation; increased staff workload to initiate and respond to independent external audit	**07/01/2026** Passed Senate Local Government Committee; referred to Senate Appropriations Committee **06/24/2026** Passed Senate Health Committee **04/16/2026** Passed Assembly floor	**06/18/2026** CalOptima Health: OPPOSE
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.	**06/03/2026** Passed Senate Health Committee; referred to Senate Appropriations Committee **05/14/2026** Passed Assembly floor	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.	**06/23/2026** Passed Assembly Health Committee; referred to Assembly Appropriations Committee **05/19/2026** Passed Senate floor	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.	**06/08/2026** Passed Senate Business, Professions and Economic Development Committee; referred to Senate Appropriations Committee **01/29/2026** Passed Assembly floor	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.	**07/01/2026** Passed Senate Health Committee; referred to Senate Appropriations Committee **05/12/2025** Passed Assembly floor	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.	**06/24/2026** Passed Senate Health Committee; referred to Senate Appropriations Committee **05/21/2026** Passed Assembly floor	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.	**07/01/2026** Passed Senate Health Committee; referred to Senate Appropriations Committee **05/27/2026** Passed Assembly floor	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.	**06/24/2026** Passed Senate Health Committee; referred to Senate Appropriations Committee **05/27/2026** Passed Assembly floor	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.	**06/03/2026** Passed Senate Health Committee; referred to Senate Appropriations Committee **04/16/2026** Passed Assembly floor	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: July 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, 2025, 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, effective **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 continues 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, 2025, to pass legislation, and Gov. Newsom has until October 12, 2025, to either sign or veto that passed legislation.

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Fiscal Year 2026–27 Enacted State Budget

Impact Analysis

July 15, 2026

Background

On January 9, 2026, Governor Gavin Newsom released the Fiscal Year (FY) 2026–27 Proposed State Budget, reflecting a minor $2.9 billion budget shortfall 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 still be particularly affected as policy changes from federal H.R. 1 legislation, enacted on July 4, 2025, and the previous FY 2025–26 enacted state budget continue to be implemented.

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 proposed $349.4 billion in total funding ($246.6 billion General Fund [GF]). Revenues are projected to be $16.5 billion higher than estimated in January's 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.

On June 15, the State Senate and State Assembly both passed a counterproposal — Assembly Bill (AB) 109 — as a placeholder budget to meet the June 15 constitutional deadline while negotiations with the governor on a final budget continued.

On June 26, Gov. Newsom and legislative leaders announced a final budget agreement. After both houses of the State Legislature passed the agreed-upon revisions as Senate Bill (SB) 111 on June 29, Gov. Newsom signed both AB 109 and SB 111 into law that same day. Additionally, the Legislature passed and the governor signed the consolidated Health Trailer Bill (SB 164), which contains policy changes needed to implement health-related budget expenditures. Together, these bills — along with additional trailer bills covering other policy areas — represent the FY 2026–27 Enacted State Budget.

Summary

The FY 2026–27 Enacted State Budget includes $351.7 billion in total spending ($251.1 billion GF) to support a balanced budget for FY 2026–27 and positive year-end balances and reserves over the next two FYs through a combination of revenue and spending solutions. New revenue streams include a sales tax on pre-written software projects, limits on business tax credits and a new Managed Care Organization (MCO) tax, as discussed later. However, the final budget agreement mitigates several spending reductions proposed in the May Revision by rejecting or delaying them until the following budget year. Still, significant cutbacks in the Medi-Cal program remain included, in part due to new federal Medicaid requirements under H.R. 1 and ongoing guidance from the U.S. Centers for Medicare & Medicaid Services (CMS). Both the State Senate and the State Assembly aim to revisit any included reductions and consider additional delays, restorations or modifications of those reductions as part of the FY 2027–28 budget process, consistent with the state's fiscal condition at that time.

The following are significant provisions in the FY 2026–27 Enacted State Budget that may impact CalOptima Health and its members, providers and stakeholders:

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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.
    - The California Department of Health Care Services (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.
    - Program of All-Inclusive Care for the Elderly (PACE) participants are exempt from the transition and are therefore allowed to maintain enrollment in PACE.
    - $39 million has been appropriated to support the transition, including $31 million for care coordination, such as language access, integrated care planning, member outreach, and provider coordination, as well as $8 million for contracts with clinics and community-based organizations to provide navigation services.
    - In total, approximately 117,000 CalOptima Health members will be transitioned, including 295 vulnerable children enrolled in the Whole Child Model program.
- 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.
- Require the next governor's FY 2027–28 May Revision to set a Medi-Cal premium between $30 and $50 per month for UIS adults ages 19–59, effective July 1, 2027. A $30-per-month premium was already set to take effect on the same date, pursuant to the FY 2025–26 enacted state budget.
- Further reduce the asset limit for seniors and disabled adults to $21,000 per individual or $31,000 per couple, effective July 1, 2027. An asset limit of $130,000 per individual was recently implemented on January 1, 2026.
- Augment funding by $197 million GF in FY 2026–27 to support increased county workload as a result of H.R. 1 changes to Medi-Cal eligibility and enrollment.
- Appropriate $1.5 million GF in FY 2026–27 to clear the Medi-Cal Home and Community Based Alternatives (HCBA) Waiver waitlist and serve all eligible individuals seeking enrollment in the HCBA Waiver program.

Medi-Cal Benefits

- Renew the California Advancing and Innovating Medi-Cal (CalAIM) initiative from January 1, 2027, through December 31, 2031, with the following new components subject to federal approval:
    - **Employment Supports**: A county opt-in benefit to provide employment support services, including job readiness assessments, individualized employment planning, job placement assistance, and post-employment retention services.
    - **BridgeCare Pilots**: A county opt-in benefit to provide home- and community-based services and caregiver supports to individuals enrolled in Medicare who meet the near-dual eligibility criteria.
- Delay the elimination of UIS adult dental benefits until July 1, 2027.
- Maintain the community-based mobile crisis services benefit until July 1, 2027, despite 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

- Delay the elimination of Proposition 56 dental supplemental payments until July 1, 2027.
- Delay elimination of Prospective Payment System (PPS) rates to community clinics for UIS beneficiaries until July 1, 2027.
- Submit a new 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 remaining MCO Tax revenues into the GF to support existing Medi-Cal costs, rather than additional provider rate increases as intended by Proposition 35.
- Appropriate $90 million GF to the California Department of Health Care Access and Information (HCAI) in FY 2026–27 to provide one-time grants to hospitals in immediate and significant financial distress, and authorize the California Department of Finance to augment up to an additional $50 million.
- Appropriate $250 million GF to DHCS in FY 2026–27 to support designated public hospitals.
- Appropriate $30 million GF in FY 2026–27 to support rate increases for private duty nursing.
- Appropriate $26 million to maintain access to gender affirming care through a provider network stabilization program.
- Appropriate $40 million to support uncompensated care and continued access for reproductive health services.

Miscellaneous

- Initiate process to develop and release a proposed “fair share” tax on large corporations whose employees are enrolled in Medi-Cal by April 1, 2027.
- Appropriate $800,000 annually ongoing to hire additional DHCS nursing staff to evaluate PACE enrollment applications and make level-of-care determinations more timely.
- 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.

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- Augment funding by $223 million GF in FY 2026–27 to support increased county workload as a result of H.R. 1 changes to CalFresh eligibility and enrollment.
- 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 managed care plans that fall below the minimum 85% MLR requirement must remit the difference to DHCS.
- Appropriate additional one-time funding of $100 million to food banks in FY 2026–27 as part of the CalFood program.
- Appropriate one-time funding of $16.5 million for diaper banks.

Rejected Proposals

The following notable proposals in the May Revision were ***not*** included in the final budget:

- Eliminate the adult acupuncture benefit, effective January 1, 2027.
- 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 is 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 have resulted in an effective rate cut to CalOptima Health.
- Shift the costs of growth in In-Home Supportive Services (IHSS) to counties, eliminate the IHSS Backup Provider System and align IHSS termination with Medi-Cal termination.

Next Steps

State agencies, including DHCS, will begin implementing the policies included in the enacted budget. In addition, the Legislature may consider additional clean-up budget bills and will continue to advance policy bills through the legislative process. The Legislature has until August 31, 2026, to pass legislation, and Gov. Newsom has until September 30, 2026, to either sign or veto that passed legislation. Policy bills with funding allocated in the enacted budget are more likely to be passed and signed into law.

Government Affairs staff will continue to monitor policies included in the enacted budget, engage in any additional necessary advocacy efforts and provide updates on issues that have a significant impact on CalOptima Health. If you have any questions, please contact GA@caloptima.org.

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MEMORANDUM

DATE:	July 30, 2026
TO:	CalOptima Health Board of Directors
FROM:	Michael Hunn, Chief Executive Officer
SUBJECT:	CEO Report — August 6, 2026, Board of Directors Meeting
COPY:	Tina Knapp, 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. CalOptima Health was officially announced as a new entrant to the marketplace as part of Covered California's annual rate announcement on July 21 and will be the lowest-cost Silver plan in Orange County. Staff expect to receive the Covered California contract at the end of July for approval and execution by the end of August. CalOptima Health's filing with the California Department of Managed Health Care (DMHC) to expand the scope of our current Knox-Keene Act license also continues to progress. As the regulatory filings move forward, staff are engaging with Covered California's Plan Management Advisory Group to prepare for upcoming system testing between Covered California and CalOptima Health that will begin on August 3. In addition, staff has finalized the logo and brand identity for the CalOptima Health Covered product and continues to develop educational materials for member and broker audiences. Operational implementation activities are also progressing, including information technology solutions and regular onboarding sessions with delegated health networks.

B. Member and Population Health Needs Assessment Is Complete

CalOptima Health has completed its 2025–26 Member and Population Health Needs Assessment (MPHNA), reaffirming our commitment to improving well-being and fostering a healthier, more resilient community. In partnership with NORC at the University of Chicago, this project expanded on earlier efforts that engaged thousands of members, providers and community partners to ensure a thorough understanding of the evolving needs of the populations we serve. The assessment involved 1,858 member survey responses, 11 focus groups, 22 in-person interviews with members and caregivers, 301 provider survey responses, analysis of CalOptima Health administrative data, and reviews of Orange County and community-level needs assessments, population health and other relevant reports. Key findings focused on themes across behavioral health access, navigation challenges, social needs, culturally responsive care and service utilization. These insights point to strengths we can continue to build on and areas where additional focused strategies will meaningfully support our members. The final report summarizes what CalOptima Health learned about the health needs, care experiences and daily challenges facing our members across Orange County, which will

guide our organization in addressing current issues and advancing equitable, member-centered and whole-person care. The Executive Summary, along with a presentation of key findings and current strategies to address findings, will be shared at the Board meeting on August 6, and the full report will be posted on the CalOptima Health website in late August.

C. Governor Signs Fiscal Year 2026–27 Enacted State Budget

On June 29, Governor Gavin Newsom signed into law the Fiscal Year 2026–27 Enacted State Budget, which includes several budget bills and associated trailer bills that implement related policy changes. Earlier that day, both houses of the California State Legislature passed the final budget package, which the governor and legislative leadership had announced a few days earlier. While the final budget includes some improvements over the governor's revised budget proposal (May Revision) based on the State Legislature's counterproposal and advocacy efforts by CalOptima Health's trade associations and other partners, several finalized provisions are still anticipated to result in negative impacts on our members, providers and stakeholders.

Most notably and unfortunately, the final budget includes the transition of individuals with Unsatisfactory Immigration Status (UIS) from Medi-Cal managed care plans (MCPs) to the Medi-Cal fee-for-service system, effective January 1, 2027. While the final budget includes $31 million to support care coordination related to the transition, additional details are still pending. CalOptima Health's state trade association, Local Health Plans of California (LHPC), is engaging with the California Department of Health Care Services (DHCS) and legislative leadership to advocate for maximum transparency during the transition as well as MCP involvement in post-transition care coordination. LHPC also established a dedicated workgroup that includes key CalOptima Health clinical and operational leaders to coordinate implementation, share insights and make ongoing recommendations to DHCS. On one positive note, DHCS and the U.S. Centers for Medicare & Medicaid Services (CMS) have determined that UIS individuals may remain enrolled in the Program for All-Inclusive Care for the Elderly (PACE).

For more information, please reference the impact analysis prepared by staff that follows this report. In the coming months, DHCS will issue guidance to Medi-Cal MCPs on implementing applicable budget provisions, and the governor and State Legislature may enact budget cleanup bills.

D. CMS Releases Medicaid Community Engagement Requirements Rule

On June 1, CMS released its long-awaited Interim Final Rule (IFR) to implement community engagement requirements (i.e., work requirements) for certain Medicaid beneficiaries ages 19 to 64, effective January 1, 2027, pursuant to H.R. 1. To comply with the IFR, applicable beneficiaries must demonstrate at least 80 hours per month of work, community service or participation in a work program; a monthly income equivalent to at least minimum wage for 80 hours; or part-time enrollment in an educational program. The IFR also provides additional details on exemptions, including but not limited to beneficiaries who satisfy the following:

- Medically frail
- Participating in a drug/alcohol treatment program
- Pregnant or entitled to postpartum coverage
- Former foster children
- Dually eligible for Medicare
- Experiencing short-term hardship
- Parents with dependents under the age of 14
- Other caregivers/caretakers

In addition, the IFR outlines documentation requirements to demonstrate a beneficiary's compliance with, or exemption from, the community engagement requirements. Contrary to initial expectations, the

IFR does not list specific conditions that may qualify as "medically frail," but requires each state to develop its own list. Further, the IFR requires everyone with a qualifying condition to ***prove*** that it impairs their ability to comply with the community engagement requirements. Self-attestations for medical frailty will be accepted in the first year of implementation (2027), but additional proof/documentation will be required starting on January 1, 2028. CalOptima Health leadership recently traveled to Washington, D.C., to express concerns about several of these provisions to Members of Congress. Since then, all five U.S. House Democrats representing Orange County have signed on to a letter to CMS outlining significant concerns about the rule's strict definition of medical frailty. CalOptima Health will also submit a public comment letter to CMS before the July 31, 2026, deadline, but CMS is not required to issue another final rule in response to feedback.

E. CalOptima Health Hosts Fourth Annual Back-to-School Health and Wellness Fair

CalOptima Health, in partnership with the Orange Unified School District, is hosting the Fourth Annual Back-to-School Health and Wellness Fair on Saturday, August 1, from 9 a.m.–1 p.m. at El Modena High School in Orange.

F. Care Traffic Control to Hold Grand Opening Celebration

On Thursday, August 13, at 10–11 a.m., CalOptima Health is hosting a grand opening for the new Care Traffic Control Center on the third floor of the 500 building. In addition to CalOptima Health leadership and staff, other attendees will include our Street Medicine Program providers and city officials from Anaheim, Costa Mesa, Garden Grove and Santa Ana, as well as U.S. Representatives Lou Correa and Young Kim, who successfully sponsored a $2 million federal earmark to support construction costs.

G. Medi-Cal Dental Benefit Changes Delayed

The Medi-Cal dental benefit changes previously expected to take place this year have been delayed to July 1, 2027, for UIS adult members ages 19 and older. This means these members will continue to receive full dental benefits until July 1, 2027. Full details can be found here.

H. Expanded Telehealth Reports Early Success

CalOptima Health has recently expanded our contract with TeleMed2U (our behavioral health telehealth vendor) to improve and expand access to physical health specialty care for our members, starting with our OneCare CalOptima Health Community Network (CHCN). The specialties include Endocrinology, Rheumatology, Urology and Neurology. The initial pilot for Endocrinology began in mid-April, focusing on OneCare CHCN members with diabetes and an A1c greater than 9%. As of May 21, 2026, 38 appointments (including 21 initial visits) have been completed, and the number continues to grow. The pilot's ability to provide rapid access to specialists has been vital in ensuring timely connection to care. In some cases, members received same-week appointments for stabilization. The telehealth specialty access pilot serves as a bridge, supporting primary care providers (PCPs) and promoting interdisciplinary care and education. Additionally, written consults and progress notes are made available to PCPs within 48 hours, enhancing communication and continuity of care.

I. Chief Medical Officer Dr. Richard Pitts to Retire

CalOptima Health's Chief Medical Officer Richard Pitts, D.O., Ph.D., is retiring. We have been fortunate to have his leadership in serving our mission and members for almost five years, and we wish to congratulate him on a job well done! Thank you, Dr. Pitts, on behalf of members and their families, medical directors and staff, providers, community partners, and all those whose lives you have touched

while at CalOptima Health. Going forward, Richard Lopez, M.D., will act as the Interim Chief Medical Officer. Dr. Lopez is the medical director in charge of our transplant program.

J. CalOptima Health Distributes Three Press Releases

- On June 9, CalOptima Health announced an investment of $429.6 million in rate increases for hospitals and specialists.
- On July 1, CalOptima Health announced $3.6 million in grant funding to seven Orange County community-based organizations to expand Medi-Cal enrollment and retention outreach.
- On July 21, CalOptima Health announced plans to join Covered California as an affordable plan for Orange County.

K. Media Coverage Raises CalOptima Health's Visibility

- CalOptima Health's provider rate increase news garnered considerable coverage from a variety of outlets, including:
  - Fierce Healthcare — "CalOptima Health approves $430M rate increase to keep safety-net providers afloat" (June 9)
  - Orange County Business Journal — "CalOptima Invests $430M to Boost Provider Reimbursement" (June 10)
  - Becker's Payer Issues — "CalOptima approaches $1B in provider rate increases since 2024" (June 10)
  - Hospital Association of Southern California (HASC) — "CalOptima Health invests $429.6 million in rate increases for hospitals, specialists" (June 15)
  - Orange County Register — "CalOptima Invests $430 Million in Reserves to Boost Hospital, Specialist Payments" (July 15)
- Announced July 21, our entrance into Covered California for the 2027 benefit year drew attention from the media. Selected clips include:
  - Orange County Register
  - Becker's Payer Issues
  - LAist
  - KPCC
- Other media coverage included:
  - On July 8, KFF News published "California defends using Medicaid money for housing and food, as GOP cries fraud" The story included a quote from Chief Operating Officer Yunkyung Kim on the impact of CalAIM on members experiencing homelessness.
  - On July 9, New Santa Ana ran a story about the Youth Connected Program, a partnership among Orangewood, CalOptima Health and OC Probation Department.

CalOptima Health

Fast Facts
August 2026

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

Membership Data* (as of June 30, 2026)

Total CalOptima Health Membership

806,971

Prior month: 819,485

Program	Members
Medi-Cal	787,436
OneCare (HMO D-SNP)	18,958
Program of All-Inclusive Care for the Elderly (PACE)	577

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

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

	Dashboard	YTD Actual	Actual vs. Budget ($)	Actual vs. Budget (%)
Operating Income/(Loss)	●	$189.9M	$174.3M	1,117.3%
Non-Operating Income/(Loss)	●	$131.5M	$37.3M	39.7%
Covered California Start-up Expenses	●	($5.1M)	$5.6M	52.2%
Bottom Line (Change in Net Assets)	●	$316.3M	$217.3M	219.5%
Medical Loss Ratio (MLR) *(Percent of every dollar spent on member care)*	●	91.3%	---	(2.1%)
Administrative Loss Ratio (ALR) *(Percent of every dollar spent on overhead costs)*	●	5.2%	---	1.4%

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

Reserve Summary (as of June 30, 2026)

	Amount (in millions)
Board Designated Reserves*	$1,637.0
Statutory Designated Reserves	$141.6
Capital Assets (Net of depreciation)	$110.4
Unspent Balance of Allocated Resources	$335.6
Unspent Balance of Board Approved Provider Rate Increase	
Increase from 7/1/24 – 12/31/26	$105.2
Increase from 7/1/26 – 12/31/28	$429.6
Unallocated Resources*	$357.5
Total Net Assets	$3,116.8

* Total Designated Reserves and Unallocated Resources can support about 183 days of CalOptima Health's current operations.

Notes: 5/2/24 meeting: Board of Directors committed $526.2 million for provider rate increases from 7/1/24–12/31/26.
6/4/26 meeting: Board of Directors committed $429.6 million for provider rate increases from 7/1/26 – 12/31/28.

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

August 2026

Personnel Summary (as of July 11, 2026, pay period)

	Filled	Open	Vacancy Administrative	Vacancy Medical	Vacancy % Combined
Staff	1,345.5	87.25	48.5	38.75	6.09%
Supervisor	85	3	2	1	3.41%
Manager	116	9	8	1	7.2%
Director	86	3	2	1	3.37%
Executive	21	1	1	--	4.55%
Total FTE Count	1,653.5	103.25	61.5	41.75	5.88%

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

Provider Network Data (as of July 23, 2026)

	Number of Providers
Primary Care Providers	1,290
Specialists	8,617
Pharmacies	502
Acute and Rehab Hospitals	47
Community Health Centers	73
Long-Term Care Facilities	255

Treatment Authorizations (as of May 31, 2026)

	Mandated	Average Time to Decision
Inpatient Concurrent Urgent	72 hours	37.30 hours
Prior Authorization – Urgent	72 hours	6.44 hours
Prior Authorization – Routine	5 days	1.04 days

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

Member Demographics (as of June 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	28%
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	6%
Other	<1%
Long-Term Care	<1%

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CalOptima Health

Provider Network Trend

August 2026

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

CHCN and Health Networks

Total Providers [1]

Provider Type	2025 – Q2	2025 – Q3	2025 – Q4	2026 – Q1	2026 – Q2	YOY Net Δ
PCP [2]	1,301	1,281	1,306	1,337	1,327	26
Specialist (Physicians)	7,479	7,685	8,246	8,501	8,819	1,340
Hospitals [3]	41	43	42	41	46	5
Community Health Centers [4]	68	68	68	68	68	0
Long Term Care	207	225	241	242	250	43
Behavioral Health [5]	2,579	2,791	3,023	3,148	3,364	785
ECM	32	34	34	34	34	2
Community Support	103	107	107	106	106	3

Medi-Cal

Provider Type	2025 – Q2	2025 – Q3	2025 – Q4	2026 – Q1	2026 – Q2	YOY Net Δ
PCP [2]	1,076	1,057	1,090	1,126	1,131	55
Specialist (Physicians)	7,173	7,394	7,987	8,248	8,556	1,383
Hospitals [3]	37	40	39	38	43	6
Community Health Centers [4]	66	66	68	68	68	2
Long Term Care	203	221	237	238	246	43
Behavioral Health [5]	2,495	2,695	2,926	3,075	3,293	798
ECM	32	34	34	34	34	2
Community Support	103	107	107	106	106	3

OneCare

Provider Type	2025 – Q2	2025 – Q3	2025 – Q4	2026 – Q1	2026 – Q2	YOY Net Δ
PCP [2]	1,082	1,074	1,088	1,083	1,062	-20
Specialist (Physicians)	5,844	6,047	6,270	6,494	6,306	462
Hospitals [3]	36	40	39	39	43	7
Community Health Centers [4]	62	62	62	62	61	-1
Long Term Care	207	224	240	240	249	42
Behavioral Health [5]	713	851	952	1,020	1,159	446

PACE

Provider Type	2025 – Q2	2025 – Q3	2025 – Q4	2026 – Q1	2026 – Q2	YOY Net Δ
PCP [2]	4	3	3	3	6	2
Specialist (Physicians)	4,033	4,256	4,446	4,713	4,932	899
Hospitals [3]	29	31	30	30	34	5
Community Health Centers [4]	0	0	0	0	0	0
Long Term Care	69	76	91	96	106	37
Behavioral Health [5]	116	119	132	127	147	31

Provider Network Trend

August 2026

CHCN Only

Total Providers [1]

Provider Type	2025 – Q2	2025 – Q3	2025 – Q4	2026 – Q1	2026 – Q2	YOY Net Δ
PCP [2]	671	671	685	690	694	23
Specialist (Physicians)	6,841	7,058	7,330	7,602	7,949	1,108
Hospitals [3]	37	40	39	36	41	4
Community Health Centers [4]	58	58	59	60	60	2
Long Term Care	203	221	237	238	246	43
Behavioral Health [5]	2,541	2,767	2,975	3,098	3,318	777
ECM	32	34	34	34	33	1
Community Support	103	107	107	106	105	2

Medi-Cal

Provider Type	2025 – Q2	2025 – Q3	2025 – Q4	2026 – Q1	2026 – Q2	YOY Net Δ
PCP [2]	650	650	514	532	538	-112
Specialist (Physicians)	6,791	7,000	7,269	7,549	7,879	1,088
Hospitals [3]	34	38	37	36	41	7
Community Health Centers [4]	58	58	59	60	60	2
Long Term Care	203	221	237	238	246	43
Behavioral Health [5]	2,471	2,673	2,879	3,026	3,248	777
ECM	32	34	34	34	33	1
Community Support	103	107	107	106	105	2

OneCare

Provider Type	2025 – Q2	2025 – Q3	2025 – Q4	2026 – Q1	2026 – Q2	YOY Net Δ
PCP [2]	565	567	581	584	584	19
Specialist (Physicians)	5,136	5,359	5,575	5,789	5,412	276
Hospitals [3]	31	33	32	30	34	3
Community Health Centers [4]	48	48	49	51	50	2
Long Term Care	203	220	236	236	245	42
Behavioral Health [5]	699	836	936	1,006	1,143	444

PACE

Provider Type	2025 – Q2	2025 – Q3	2025 – Q4	2026 – Q1	2026 – Q2	YOY Net Δ
PCP [2]	4	3	3	3	6	2
Specialist (Physicians)	4,033	4,256	4,446	4,713	4,932	899
Hospitals [3]	29	31	30	30	34	5
Community Health Centers [4]	0	0	0	0	0	0
Long Term Care	69	76	91	96	106	37
Behavioral Health [5]	116	119	132	127	147	31

Footnotes:

[1] Unique count of Provider by NPI (does not include count of each practice location per provider)

[2] Includes Primary Care Physicians, FQHCs and Long Term Care facilities acting as Primary Care Providers

[3] Includes Acute, Rehab and Long Term Acute Care Hospitals. Removed LOA Hospitals, effective Q1 2026

[4] Community Health Centers includes FQHCs, FQHC look-alike and Community Clinics

[5] Includes Practitioners and Behavioral Health Groups

Fiscal Year 2026–27 Enacted State Budget
Impact Analysis
July 15, 2026

Background

On January 9, 2026, Governor Gavin Newsom released the Fiscal Year (FY) 2026–27 Proposed State Budget, reflecting a minor $2.9 billion budget shortfall 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 still be particularly affected as policy changes from federal H.R. 1 legislation, enacted on July 4, 2025, and the previous FY 2025–26 enacted state budget continue to be implemented.

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 proposed $349.4 billion in total funding ($246.6 billion General Fund [GF]). Revenues are projected to be $16.5 billion higher than estimated in January's 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.

On June 15, the State Senate and State Assembly both passed a counterproposal — Assembly Bill (AB) 109 — as a placeholder budget to meet the June 15 constitutional deadline while negotiations with the governor on a final budget continued.

On June 26, Gov. Newsom and legislative leaders announced a final budget agreement. After both houses of the State Legislature passed the agreed-upon revisions as Senate Bill (SB) 111 on June 29, Gov. Newsom signed both AB 109 and SB 111 into law that same day. Additionally, the Legislature passed and the governor signed the consolidated Health Trailer Bill (SB 164), which contains policy changes needed to implement health-related budget expenditures. Together, these bills — along with additional trailer bills covering other policy areas — represent the FY 2026–27 Enacted State Budget.

Summary

The FY 2026–27 Enacted State Budget includes $351.7 billion in total spending ($251.1 billion GF) to support a balanced budget for FY 2026–27 and positive year-end balances and reserves over the next two FYs through a combination of revenue and spending solutions. New revenue streams include a sales tax on pre-written software projects, limits on business tax credits and a new Managed Care Organization (MCO) tax, as discussed later. However, the final budget agreement mitigates several spending reductions proposed in the May Revision by rejecting or delaying them until the following budget year. Still, significant cutbacks in the Medi-Cal program remain included, in part due to new federal Medicaid requirements under H.R. 1 and ongoing guidance from the U.S. Centers for Medicare & Medicaid Services (CMS). Both the State Senate and the State Assembly aim to revisit any included reductions and consider additional delays, restorations or modifications of those reductions as part of the FY 2027–28 budget process, consistent with the state's fiscal condition at that time.

The following are significant provisions in the FY 2026–27 Enacted State Budget that may impact CalOptima Health and its members, providers and stakeholders:

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.
    - The California Department of Health Care Services (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.
    - Program of All-Inclusive Care for the Elderly (PACE) participants are exempt from the transition and are therefore allowed to maintain enrollment in PACE.
    - $39 million has been appropriated to support the transition, including $31 million for care coordination, such as language access, integrated care planning, member outreach, and provider coordination, as well as $8 million for contracts with clinics and community-based organizations to provide navigation services.
    - In total, approximately 117,000 CalOptima Health members will be transitioned, including 295 vulnerable children enrolled in the Whole Child Model program.
- 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.
- Require the next governor's FY 2027–28 May Revision to set a Medi-Cal premium between $30 and $50 per month for UIS adults ages 19–59, effective July 1, 2027. A $30-per-month premium was already set to take effect on the same date, pursuant to the FY 2025–26 enacted state budget.
- Further reduce the asset limit for seniors and disabled adults to $21,000 per individual or $31,000 per couple, effective July 1, 2027. An asset limit of $130,000 per individual was recently implemented on January 1, 2026.
- Augment funding by $197 million GF in FY 2026–27 to support increased county workload as a result of H.R. 1 changes to Medi-Cal eligibility and enrollment.
- Appropriate $1.5 million GF in FY 2026–27 to clear the Medi-Cal Home and Community Based Alternatives (HCBA) Waiver waitlist and serve all eligible individuals seeking enrollment in the HCBA Waiver program.

Medi-Cal Benefits

- Renew the California Advancing and Innovating Medi-Cal (CalAIM) initiative from January 1, 2027, through December 31, 2031, with the following new components subject to federal approval:
    - **Employment Supports**: A county opt-in benefit to provide employment support services, including job readiness assessments, individualized employment planning, job placement assistance, and post-employment retention services.
    - **BridgeCare Pilots**: A county opt-in benefit to provide home- and community-based services and caregiver supports to individuals enrolled in Medicare who meet the near-dual eligibility criteria.
- Delay the elimination of UIS adult dental benefits until July 1, 2027.
- Maintain the community-based mobile crisis services benefit until July 1, 2027, despite 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

- Delay the elimination of Proposition 56 dental supplemental payments until July 1, 2027.
- Delay elimination of Prospective Payment System (PPS) rates to community clinics for UIS beneficiaries until July 1, 2027.
- Submit a new 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 remaining MCO Tax revenues into the GF to support existing Medi-Cal costs, rather than additional provider rate increases as intended by Proposition 35.
- Appropriate $90 million GF to the California Department of Health Care Access and Information (HCAI) in FY 2026–27 to provide one-time grants to hospitals in immediate and significant financial distress, and authorize the California Department of Finance to augment up to an additional $50 million.
- Appropriate $250 million GF to DHCS in FY 2026–27 to support designated public hospitals.
- Appropriate $30 million GF in FY 2026–27 to support rate increases for private duty nursing.
- Appropriate $26 million to maintain access to gender affirming care through a provider network stabilization program.
- Appropriate $40 million to support uncompensated care and continued access for reproductive health services.

Miscellaneous

- Initiate process to develop and release a proposed "fair share" tax on large corporations whose employees are enrolled in Medi-Cal by April 1, 2027.
- Appropriate $800,000 annually ongoing to hire additional DHCS nursing staff to evaluate PACE enrollment applications and make level-of-care determinations more timely.
- 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.

- Augment funding by $223 million GF in FY 2026–27 to support increased county workload as a result of H.R. 1 changes to CalFresh eligibility and enrollment.
- 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 managed care plans that fall below the minimum 85% MLR requirement must remit the difference to DHCS.
- Appropriate additional one-time funding of $100 million to food banks in FY 2026–27 as part of the CalFood program.
- Appropriate one-time funding of $16.5 million for diaper banks.

Rejected Proposals

The following notable proposals in the May Revision were ***not*** included in the final budget:

- Eliminate the adult acupuncture benefit, effective January 1, 2027.
- 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 is 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 have resulted in an effective rate cut to CalOptima Health.
- Shift the costs of growth in In-Home Supportive Services (IHSS) to counties, eliminate the IHSS Backup Provider System and align IHSS termination with Medi-Cal termination.

Next Steps

State agencies, including DHCS, will begin implementing the policies included in the enacted budget. In addition, the Legislature may consider additional clean-up budget bills and will continue to advance policy bills through the legislative process. The Legislature has until August 31, 2026, to pass legislation, and Gov. Newsom has until September 30, 2026, to either sign or veto that passed legislation. Policy bills with funding allocated in the enacted budget are more likely to be passed and signed into law.

Government Affairs staff will continue to monitor policies included in the enacted budget, engage in any additional necessary advocacy efforts and provide updates on issues that have a significant impact on CalOptima Health. If you have any questions, please contact GA@caloptima.org.