


LEGISLATIVE SUMMARY 2024

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CALIFORNIA DEPARTMENT OF
HEALTH CARE SERVICES

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LEGISLATIVE SUMMARY 2024

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SUMMARIES OF BILLS SIGNED BY THE GOVERNOR:

BEHAVIORAL HEALTH

AB 1316 Irwin (Chapter 632)

EMERGENCY SERVICES: PSYCHIATRIC EMERGENCY MEDICAL CONDITIONS

Assembly Bill (AB) 1316, sponsored by the California Hospital Association, updates the definition of "psychiatric emergency medical condition" to clarify that it applies to individuals who are voluntarily or involuntarily detained for evaluation and treatment pursuant to the Lanterman-Petris-Short (LPS) Act. This bill also codifies existing Department of Health Care Services (DHCS) policy regarding the responsibility of the Medi-Cal program to cover emergency services and care, and post-stabilization services, as necessary, to treat a psychiatric emergency medical condition. In addition, this bill clarifies that contractual agreements between Medi-Cal managed care plans (MCPs) and the hospitals shall not unreasonably delay or deny the provision of medically necessary care to Medi-Cal members experiencing a psychiatric emergency medical condition.

AB 2995 Jackson (Chapter 847)

PUBLIC HEALTH: ALCOHOL AND DRUG PROGRAMS

AB 2995, sponsored by the County Behavioral Health Director's Association, amends existing terminology and makes other similar technical amendments to language within the Health and Safety Code (HSC) and the Welfare and Institutions Code (WIC) used to describe individuals experiencing a substance use disorder (SUD) to instead use person-first terminology.

SB 0042 Umberg (Chapter 640)

COMMUNITY ASSISTANCE, RECOVERY, AND EMPOWERMENT (CARE) COURT PROGRAM: PROCESS AND PROCEEDINGS

Senate Bill (SB) 42, sponsored by the author, authorizes a facility, as defined, to refer an individual treated under an involuntary hold to the

county behavioral health agency of the county where the individual resides or the county where the individual is receiving involuntary treatment if they believe the individual meets or is likely to meet CARE Act criteria. The bill also requires DHCS to develop a standardized referral form for use by facilities, issue guidance and data reporting requirements for the referral process, and include the data it collects regarding referrals in its annual CARE Act report. Furthermore, SB 42 requires a court to provide notices about ongoing CARE court proceedings to qualifying petitioners and makes other technical amendments regarding CARE plan amendments, CARE system improvements, communication between courts, and temporary conservatorships. The bill included an urgency clause, so the bill took effect immediately upon the Governor's signing.

SB 1400 Stern (Chapter 647)

CRIMINAL PROCEDURE: COMPETENCE TO STAND TRIAL

SB 1400, sponsored by the author, expands the data required to be provided to DHCS as part of the CARE Act reporting to include 1) information on all active and former participants for a period of time after the conclusion of CARE program services, 2) outreach and engagement activities provided by county behavioral health departments, 3) the number of days between a petition and its disposition; and 4) the number, rates, and trends of contacts made to a county behavioral health agency about individuals potentially eligible for the CARE process, among other data elements. The bill requires DHCS, in consultation with county behavioral health agencies and the Judicial Council, to specify in guidance the form and manner of the data to be provided by the county behavioral health departments and the length of time that data on former participants must be reported. Further, the bill requires DHCS, beginning in 2026, to include the additional data collected in its annual CARE Act report to be posted on the DHCS website. SB 1400 also makes minor amendments related to defendants found incompetent to stand trial to provide opportunities for them to be referred to diversion programs such as the CARE Act program.

BENEFITS

AB 2132 Low (Chapter 951)

HEALTH CARE SERVICES: TUBERCULOSIS

AB 2132, cosponsored by Coalition for a Tuberculosis Free California, North East Medical Services, and SF Hep B Free - Bay Area, requires a Medi-Cal MCP to ensure 1) access to care for latent tuberculosis (TB) infection and active TB disease and 2) coordination with local health department TB control programs for Medi-Cal MCP members with active TB disease, as specified. The bill also requires that an individual 18 years or older who receives primary care services in a facility, as specified, be offered a TB risk assessment and TB screening test if specific risk factors are present.

AB 2340 Bonta (Chapter 564)

MEDI-CAL: EPSDT SERVICES: INFORMATIONAL MATERIALS

AB 2340, sponsored by the author, 1) requires DHCS to create informational materials that explain Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) services that are available under Medi-Cal in clear and nontechnical language, 2) requires DHCS to regularly review the informational materials and test the quality, clarity, and cultural concordance of translations, as specified, 3) requires Medi-Cal MCPs to provide to their members and DHCS to provide to fee-for-service (FFS) members the informational materials, as specified, 4) requires DHCS and Medi-Cal MCPs to provide materials specifically designed for Medi-Cal members ages 12 up to 21 years, as specified, and 5) defines "EPSDT services" and "medically necessary" by referencing existing laws within WIC and section 1396d of Title 42 of the United States Code.

AB 2703 Aguiar-Curry (Chapter 638)

FEDERALLY QUALIFIED HEALTH CENTERS AND RURAL HEALTH CLINICS: PSYCHOLOGICAL ASSOCIATES

AB 2703, cosponsored by California Primary Care Association Advocates and the California Psychological Association, adds a licensed professional clinical counselor to the list of reimbursable providers at Federally Qualified Health Centers (FQHC) and Rural Health Clinics (RHC). The bill removes the requirement for an FQHC or RHC that does not provide

marriage and family therapist services, but later elects to add those services and bill them as a separate visit, to file for a change in scope of service. The bill also requires DHCS to seek any necessary federal approvals and issue appropriate guidance to allow FQHCs and RHCs to bill for an encounter between a Medi-Cal member and a licensed professional clinical counselor, as well as encounters between a Medi-Cal member and a supervised psychological associate or an associate professional clinical counselor.

SB 1180 Ashby (Chapter 884)

HEALTH CARE COVERAGE: EMERGENCY MEDICAL SERVICES

SB 1180, sponsored by California Professional Firefighters, requires DHCS to add community paramedicine program, triage to alternate destination program, and mobile integrated health program as Medi-Cal benefits and requires that health care plans and insurers reimburse for the same programs by July 1, 2025. This bill also requires that DHCS develop reimbursement rates for each of these programs in consultation with these programs and make similar coverage requirements for health care service plans (HCSP) and health insurers. Lastly, the bill makes implementation for Medi-Cal contingent upon DHCS obtaining any necessary federal approvals, receiving federal financial participation, and an appropriation made by the Legislature.

SB 1385 Roth (Chapter 164)

MEDI-CAL: COMMUNITY HEALTH WORKERS: SUPERVISING PROVIDERS

SB 1385, sponsored by California Chapter of the American College of Emergency Physicians, requires Medi-Cal FFS and Medi-Cal MCPs to adopt policies and procedures that allow for supervising providers of Community Health Workers (CHW) to bill for services provided by a CHW during an emergency department visit and for an outpatient follow-up after an emergency department visit. Additionally, SB 1385 defines supervising providers as enrolled Medi-Cal providers authorized to supervise a CHW, ensures the CHW meets the qualifications required by DHCS, and directly or indirectly oversees CHWs and services they deliver to Medi-Cal members.

BUDGET OFFICE

AB 0107 Gabriel (Chapter 22)

BUDGET ACT OF 2024

AB 107 enacts the provisions of the Budget Act for Fiscal Year (FY) 2024-2025.

AB 0157 Gabriel (Chapter 994)

BUDGET ACT OF 2024

AB 157 amends the 2024 Budget Act to make changes associated with the FY 2024-25 budget package.

AB 0158 Gabriel (Chapter 996)

BUDGET ACTS OF 2022 AND 2023

AB 158 amends the 2022 and 2023 Budget Acts to make changes associated with the FY 2024-25 budget package.

SB 0108 Wiener (Chapter 35)

BUDGET ACT OF 2024

SB 108 amends the 2024 Budget Act to make changes associated with the FY 2024-25 budget package.

SB 0109 Wiener (Chapter 36)

BUDGET ACT OF 2023

SB 109 amends the 2023 Budget Act to make changes associated with the FY 2024-25 budget package.

COMMUNITY SERVICES

AB 1841 Weber (Chapter 942)

STUDENT SAFETY: OPIOID OVERDOSE REVERSAL MEDICATION: STUDENT HOUSING FACILITIES

AB 1841, sponsored by Generation Up, Inc., requires each community college district and the Trustees of the California State University, and requests the Regents of the University of California, at the beginning of each semester or term, to email all students about the presence and location of opioid overdose reversal medication. In addition, it requires each community college district and the Trustees of the California State University to: 1) require each residential advisor, or equivalent, to receive opioid overdose prevention and treatment training, as provided, 2) email all students at the beginning of each semester or term notifying them that the residential advisor, or equivalent, has received opioid prevention and treatment training, 3) train all students who live on campus on the use of opioid overdose reversal medication , as specified, 4) distribute two doses of opioid overdose reversal medication obtained through the Naloxone Distribution Project to each residential advisor, or equivalent, working in a university or college-affiliated student-housing facility, with the same requirements for a university or college-affiliated fraternity or sorority that houses students, and 5) require such facilities to maintain unexpired doses of the medication in accessible locations, as specified. This bill prohibits imposing disciplinary actions for a violation of the student conduct policy for possession, use, or treatment if the medication is administered.

SB 1059 Bradford (Chapter 874)

CANNABIS: LOCAL TAXATION: GROSS RECEIPTS

SB 1059, sponsored by the author, prohibits a city or county from including in the definition of gross receipts, for purposes of any local tax or fee on a licensed cannabis retailer, the amount of any cannabis excise tax imposed under the Cannabis Tax Law or any sales and use taxes.

FAMILY PLANNING

SB 1131 Gonzalez (Chapter 880)

MEDI-CAL PROVIDERS: FAMILY PLANNING

SB 1131, cosponsored by Planned Parenthood Affiliates of California and the California Academy of Physician Associates: 1) authorizes DHCS to elect to not disenroll an individual or entity as a Family Planning, Access, Care, and Treatment (Family PACT) Program provider if a disciplinary hearing or the revocation, suspension, or loss of licensure in another state is based solely on conduct that is not deemed to be unprofessional conduct under California law, 2) does not allow DHCS to disenroll a Family PACT provider listed on DHCS's Suspended and Ineligible Provider List or any list by the federal Office of Inspector General if the sole basis of being on that list is conduct that is not deemed to be unprofessional conduct under California law, 3) conditions implementation of the disenrollment exceptions noted above upon receipt of federal approval and availability of federal participation, 4) requires a site certifier for a primary care clinic or affiliate primary care clinic to be a clinician, 5) allows a clinic corporation operating a primary care clinic to enroll multiple, but no more than ten, service sites under one site certifier, 6) requires DHCS to offer any required site certifier provider orientation or training at least once every other month, through a virtual platform, and update the orientation or training annually to be consistent with current laws, policies, and medical standards, and 7) defines a "site certifier" for an enrolled or enrolling Family PACT provider.

FEE FOR SERVICE RATES DEVELOPMENT

SB 1354 Wahab (Chapter 339)

LONG-TERM HEALTH CARE FACILITIES: PAYMENT SOURCE AND RESIDENT CENSUS

SB 1354, cosponsored by California Advocates for Nursing Home Reform and the Office of the Long-Term Care (LTC) Ombudsman, requires skilled nursing facilities participating as a Medi-Cal provider to make available to the public a current daily resident census, as specified. This bill modifies the written reasonable notice requirement for LTC facilities to give to residents in the event they are discharged by adding additional conditions to the written notice, as specified. This bill requires a LTC facility that participates as a provider under the Medi-Cal program to provide a similar

standard of care to Medi-Cal beneficiaries as to the general public, regardless of payment source.

LEGISLATIVE & GOVERNMENTAL AFFAIRS

AB 0160 Committee on Budget (Chapter 39)

MEDI-CAL: MANAGED CARE ORGANIZATION PROVIDER TAX

AB 160, as proposed by the Administration, modified the Managed Care Organization provider tax structure to account for Medicare revenue.

AB 0161 Committee on Budget (Chapter 46)

HUMAN SERVICES

AB 161 enacted the provisions of the Budget Act for FY 2024-25, as it pertains to human services issues for specified state departments under the California Health and Human Services Agency. Below describes the sections impacting DHCS.

SEC 3, 5-6, 8, 14, 16, 18-19, 22-40, 45-47, 51, 54-56 & 69. These sections, as proposed by the Administration and modified by the Legislature, amended Section 1505 of HSC, and Sections 706.6, 727.32, 4094.2, 11364, 11387, 11402, 11405, 11460, 11461, 11461.3, 11461.36, 11461.4, 11462, 11462.01, 11463, 11464, 11466, 11466.01, 11466.1, 11466.36, 11467, 11469, 16121, 16501, 16501.1, 16589, and 18254 of WIC, and added Chapter 6.5 of WIC, and amended and repealed Sections 11461.2, 11462.03, 11467.2, and 11468.6 of WIC, and uncodified language establishing an operative date for July 1, 2028 and a repealed date of January 1, 2029, and added and repealed Sections 18358.38 and 18360.36 of WIC, to implement foster care rate reform.

AB 0177 Committee on Budget (Chapter 999)

HEALTH

AB 177 enacted the provisions of the Budget Act for FY 2024-25, as it pertains to health issues for specified state departments under the California Health and Human Services Agency. Below describes the sections impacting DHCS.

SEC 3 & 5. These sections, as proposed by the Administration and modified by the Legislature, added Chapter 6 to Part 1 of Division 112 of HSC, and added Chapter 3.5 to Part 7 of Division 5 of WIC, to authorize the California Department of Public Health and DHCS to create a hospital and specified behavioral health facility bed data reporting solution.

SEC 4. This section, as proposed by the Administration, amended Section 10144.53 of the Insurance Code (INS), to require health insurers regulated by the California Department of Insurance to use the Children and Youth Behavioral Health Initiative Fee Schedule, which is administered by DHCS.

SEC. 7 & 8. These sections, as proposed by the Administration, amended Section 14165.50, and added Section 14165.51 of WIC, to establish a Medi-Cal managed care directed payment reimbursement methodology applicable to Martin Luther King, Jr. Community Hospital effective January 1, 2026.

SB 0136 Committee on Budget and Fiscal Review (Chapter 6)

MEDI-CAL: MANAGED CARE ORGANIZATION PROVIDER TAX

SB 136 modified the Managed Care Organization provider tax structure by increasing the tax amounts for Medi-Cal taxing tier II for the calendar year 2024, 2025, and 2026 tax periods.

SB 0159 Committee on Budget and Fiscal Review (Chapter 40)

HEALTH

SB 159 enacted the provisions of the Budget Act for FY 2024-25, as it pertains to health issues for specified state departments under the California Health and Human Services Agency. Below describes the sections impacting DHCS.

SEC. 1, 3, 4, 15, 36-52 & 73. These sections, as proposed by the Administration, added an uncodified section and amended Sections 7903, 16310, and 30026.5 of the Government Code, Section 51312 of HSC, and Sections 5014, 5349, 5813.5, 5840, 5840.6, 5845, 5845.1, 5847, 5849.35, 5886, 5890, 5891, 5892, 5892.5, 5893, 5895, 5899, and 14705 of WIC, to make technical statutory clean-up with respect to the Behavioral Health Services Act.

SEC. 11-12, 23 & 81-82. These sections, as proposed by the Administration and modified by the Legislature, amended Sections 1341.45 and 1389.25 of HSC, Section 10113.9 of INS, and Section 15893 of WIC, and added Section 15877 of WIC, to sunset the Major Risk Medical Insurance Program effective December 31, 2024, as specified.

SEC. 27-29. These sections, as proposed by the Administration, amended Sections 1182.14 and 1182.15 of the Labor Code, and added Section 1182.16 of the Labor Code, to specify when the effective date of the minimum wage increases for health care workers are required, which was established by SB 525 (Durazo, Chapter 890, Statutes of 2023).

SEC 62. This section, as proposed by the Administration, amended Section 14124.12 of WIC, to align the reimbursement of the COVID-19 vaccine administration payment with reimbursement structures for vaccines in the Medi-Cal program.

SEC 24-26, 55-61, 63, 64, 74-80. These sections, as proposed by the Administration and modified by the Legislature, added Section 12693.74 of INS, and Article 3.1 to Chapter 7 of Part 3 of Division 9, and Sections 14105.200, 14105.468, 14124.161, 14124.162, 14124.163, 14124.164, 14124.165, 14124.166, 14124.167, 14124.168, and 15832 of WIC, and repealed Section 14105.202 of WIC, and amended Section 12693.74 (Chapter 47, Statutes of 2022) of INS, and Sections 14105.192, 14105.200, 14105.201, 14105.467, 14131.05, 15840, 15853, and 14199.85 of WIC, to provide specified Medi-Cal provider rate increases and investments, effective January 1, 2025 and January 1, 2026. .

SEC 65. This section, as proposed by the Administration, amended Section 14154 of WIC, to freeze the cost-of-doing-business funding provided to the counties as part of the annual State budget allocation for county administration, for FY 2024-2025, 2025-2026, 2026-2027, and 2027-2028.

SEC 66-68. These sections, as proposed by the Administration, amended Sections 14184.10 and 14197.4 of WIC, and repealed Section 14165.58 of WIC, to modify existing law related to designated and non-designated public hospitals to streamline authorities, reflect updated hospital designations and create an administrative fee on the intergovernmental transfers for certain public hospital directed payment programs.

SEC 69. This section, as proposed by the Administration, added Section 14197.6 of WIC, to establish a directed payment reimbursement methodology for children's hospitals.

SEC 70 & 71. These sections, as proposed by the Administration and modified by the Legislature, amended Section 14197.7 of WIC, to provide flexibility for the use of the non-federal share of Medi-Cal MCP quality sanction penalty moneys.

SEC 72. These sections, as proposed by the Administration, amended Section 14199.72 of WIC, to revert the remaining Clinic Workforce Stabilization Retention Payment Program funds intended to be transferred to the Department of Health Care Access and Information to DHCS as a budget solution.

LICENSING & CERTIFICATION

AB 2081 Davies (Chapter 376)

SUBSTANCE ABUSE: RECOVERY AND TREATMENT PROGRAMS

AB 2081, sponsored by League of California Cities, requires an operator of a licensed alcoholism or drug treatment facility and/or certified alcohol or other drug treatment program licensed by DHCS to include on its website and intake form paperwork a disclosure and website link that an individual may use to check the DHCS website to confirm whether 1) the facility's license or program certification has been placed in probationary status, 2) its license or certification has been subject to a temporary suspension order, 3) its license or certification has been revoked, or 4) its operator has been given a notice of operation in violation of law. Additionally, this bill authorizes a violation of this requirement to be subject to a civil penalty imposed by DHCS.

AB 2115 Haney (Chapter 634)

CONTROLLED SUBSTANCES: CLINICS

AB 2115, sponsored by San Francisco Department of Public Health, 1) requires DHCS to amend state regulations to comply with the final rulemaking of federal statute that governs treatments for opioid use disorder and narcotic treatment program regulations, 2) provides DHCS the authority to implement, interpret, or specify any changes to the aforementioned state regulations in the form of information notices or similar instructions until DHCS promulgates regulations by April 30, 2029, 3) removes take-home methadone requirements that are currently more stringent than federal regulations, and 4) removes a statutory reference to

levo-alpha-acetylmethadol, among other requirements regarding practitioners dispensing take-home methadone at clinics. The bill included an urgency clause, so the bill took effect immediately upon the Governor's signing.

AB 2154 Berman (Chapter 635)

MENTAL HEALTH: INVOLUNTARY TREATMENT

AB 2154, sponsored by the author, requires a facility where a person is involuntarily detained for assessment, evaluation, or treatment pursuant to the LPS Act, to offer and provide a printed or digital copy of the DHCS-prepared patients' rights handbook to a family member of the detained person. The bill defines family members and the circumstances under which a family member is entitled to receive a patients' rights handbook. The bill also requires the facility to offer and provide a copy of the handbook to the person being involuntarily detained if the handbook has been provided to a family member. The bill allows the facility to also provide a referral to the Patients' Rights Advocacy Directory website or other relevant local, state, or national organizations with related expertise. Additionally, the bill prohibits the disclosure of patient information pursuant to applicable state and federal laws.

AB 2376 Bains (Chapter 637)

CHEMICAL DEPENDENCY RECOVERY HOSPITALS

AB 2376, sponsored by CA Bridge, adds medications for addiction treatment and medically supervised voluntary inpatient detoxification to the definition of chemical dependency recovery services as a supplemental service within a chemical dependency recovery hospital, as specified. The bill also allows for chemical dependency recovery services to be provided in a general acute care hospital or acute psychiatric hospital, without a distinct part or outside the distinct part, in beds licensed for other services, so long as they meet specific nursing staff ratios and that staff meet appropriate competency requirements. AB 2376 also requires general acute care hospitals, acute psychiatric hospitals, or a distinct part thereof that renders chemical dependency recovery services, to provide confidentiality protections, as specified. Lastly, the bill also allows the California Department of Public Health to implement, interpret, or make

specific the provisions of this bill through an All Facilities Letter or similar instruction.

AB 2574 Valencia (Chapter 410)

ALCOHOLISM OR DRUG ABUSE RECOVERY OR TREATMENT PROGRAMS AND FACILITIES: DISCLOSURES

AB 2574, sponsored by League of California Cities, requires a program certified by DHCS, or a facility licensed by DHCS, to disclose to the department if any of its agents, partners, directors, officers, or owners (including a sole proprietor or member) has a financial interest in a recovery residence or whether it has contractual relationships with entities that provide recovery services to clients of certified programs or licensed facilities if the entity is not a part of a DHCS-certified program or a DHCS-licensed facility.

SB 1184 Eggman (Chapter 643)

MENTAL HEALTH: INVOLUNTARY TREATMENT: ANTIPSYCHOTIC MEDICATION

SB 1184, sponsored by California State Association of Psychiatrists, amends the LPS Act to expand the authority to involuntarily administer antipsychotic medications, until January 1, 2030, to individuals detained past the initial 72-hour and 14-day involuntary hold under exigent circumstances, as specified. The bill allows treating physicians to request an expedited hearing for a new determination of a patient's capacity to refuse medication at the end of a detention period, ensuring that treatment continues if necessary. Additionally, the bill mandates, beginning May 1, 2026, and sunsetting January 1, 2030, new data collection and reporting on these cases by the county behavioral health directors, who shall in turn report the data to DHCS, who shall compile the information and make it available on its internet website.

SB 1238 Eggman (Chapter 644)

HEALTH FACILITIES

SB 1238, cosponsored by Big City Mayors Coalition and the California State Association of Psychiatrists, adds mental health rehabilitation centers

(MHRCs) and psychiatric health facilities (PHFs) to the list of inpatient health facilities and community mental health facilities authorized to admit and treat individuals diagnosed with a severe SUD or co-occurring mental health and SUD pursuant to the LPS Act, and broadens the types of facilities, as specified, that may be designated by each county for the purposes of involuntary detainment and evaluation of individuals. SB 1238 also requires DHCS to develop designation requirements for facilities who are admitting and treating persons involuntarily pursuant to the LPS Act and to develop standards for approving Medication Assisted Treatment policies for MHRCs and PHFs providing SUD services. Additionally, SB 1238 requires DHCS to issue guidance regarding Medi-Cal reimbursement for covered Medi-Cal services provided to an individual receiving involuntary treatment for a severe SUD. The bill also authorizes DHCS to adopt, amend, or repeal regulations regarding the licensure of MHRCs. Lastly, the bill authorizes DHCS to use bulletin authority, as specified, to implement or interpret parts or all of this bill, until regulations are adopted by December 31, 2027.

MANAGED CARE

AB 0799 Rivas (Chapter 263)

INTERAGENCY COUNCIL ON HOMELESSNESS: FUNDING: STATE PROGRAMS

AB 799, sponsored by the author, adds the Governor's Tribal Advisor to the California Interagency Council on Homelessness (Cal-ICH), requires Cal-ICH to ensure that applicants eligible for funding are informed of opportunities to apply for funding, and requires Cal-ICH to develop and regularly maintain a strategic funding guide and a calendar of new or existing funding opportunities. Agencies and departments administering state programs are required to provide Cal-ICH with updated information on new or existing funding opportunities on a quarterly basis. AB 799 also requires Cal-ICH to collect fiscal and outcome data from grantees or entities operating state programs, as specified, and make the data publicly available on or before June 1, 2027, and annually thereafter.

AB 2105 Lowenthal (Chapter 822)

COVERAGE FOR PANDAS AND PANS

AB 2105, sponsored by California Coalition for PANS/PANDAS Advocacy, requires an HCSP contract or health insurance policy issued, amended, or renewed on or after January 1, 2025, to provide coverage for the prophylaxis, diagnosis, and treatment of Pediatric Autoimmune Neuropsychiatric Disorder Associated with Streptococcal Infections (PANDAS) and Pediatric Acute-onset Neuropsychiatric Syndrome (PANS) that is prescribed or ordered by a provider, and is medically necessary, as defined by current nationally recognized clinical practice guidelines by expert treating physicians published in peer-reviewed medical literature. The bill prohibits coverage for PANDAS and PANS from being subject to a copayment, coinsurance, deductible, or other cost-sharing that is greater than that applied to other benefits. The bill prohibits a plan or insurer from denying or delaying coverage for PANDAS or PANS therapies because the enrollee or insured previously received treatment for PANDAS or PANS or was diagnosed with or received treatment for the condition under a different diagnostic name. For purposes of this bill, HCSPs include Knox-Keene licensed Medi-Cal MCPs.

AB 3275 Soria (Chapter 763)

HEALTH CARE COVERAGE: CLAIM REIMBURSEMENT

Effective January 1, 2026, AB 3275, sponsored by the author, standardizes the requirements for HCSPs or health insurers and shortens the timeframes for claims payment and for interest payments for untimely claims reimbursement, as specified. Additionally, AB 3275 also requires HCSPs or insurers to treat a complaint by an enrollee about a delay or denial of a payment of a claim as a grievance. For purposes of this bill, HCSPs includes Knox-Keene licensed Medi-Cal MCPs and Dental Managed Care (DMC) plans. The bill separately applies the requirements in HSC sections 1371 and 1371.35 to Medi-Cal MCPs and DMC plans by reference to the addition of WIC section 14093.08.

SB 1120 Becker (Chapter 879)

HEALTH CARE COVERAGE: UTILIZATION REVIEW

SB 1120, sponsored by the California Medical Association, requires a HCSP or disability insurer, including a specialized HCSP or specialized health insurer, that uses an artificial intelligence algorithm, or other software tool for utilization review or utilization management functions, or that contracts with or otherwise works through an entity that uses that type of tool, to ensure compliance with specified requirements. For purposes of this bill, HCSPs include Knox-Keene licensed Medi-Cal MCPs and DMC plans.

MEDI-CAL ELIGIBILITY

AB 2297 Friedman (Chapter 511)

HOSPITAL AND EMERGENCY PHYSICIAN FAIR PRICING POLICIES

AB 2297, cosponsored by Western Center on Law & Poverty and Bet Tzedek Legal Services, allows, among other things, emergency physicians to offer discount payment policies to patients with incomes exceeding 400 percent of the federal poverty level and clarifies the definition of "high medical costs." The bill removes the existing ability of hospitals to consider a patient's monetary assets when determining eligibility for charity care or discount payment policies. The bill only allows a hospital to consider the availability of a patient's health savings account held by the patient or their family, as specified, and limits a determination of eligibility to income, based on receipt of, among other things, recent pay stubs or income tax returns. The bill also allows hospitals to require Medi-Cal eligibility screenings when screening for eligibility for a hospital's discount payment program. Furthermore, it prohibits hospitals or emergency physicians from imposing time limits for applying for charity care or discounted programs and prohibits hospitals or emergency physicians from denying eligibility based on the timing of a patient's applications. Additionally, the bill permits hospitals or emergency physicians to waive or reduce Medicare and Medi-Cal cost-sharing amounts, as specified. The bill eliminates the consideration of monetary assets in determining debt recovery and prohibits the use of liens or real property sales for collecting unpaid bills, among other requirements regarding hospital reimbursements and hospital enforcement authority for violations.

SB 1289 Roth (Chapter 792)

MEDI-CAL: CALL CENTERS: STANDARDS AND DATA

SB 1289, cosponsored by the Coalition of California Welfare Rights Organizations and the Western Center on Law & Poverty, requires counties with a Medi-Cal applicant or beneficiary call center to collect and submit call center data on a monthly basis to DHCS commencing on January 1, 2026. The data points counties are required to collect and report to DHCS include total call volume, average call wait times by language, and average call abandonment rate. This bill also requires DHCS to report this data to the public on a quarterly basis, with the initial report posted publicly no later than May 15, 2026. This bill allows DHCS to implement this bill through all-county letter authority, or similar instruction, until DHCS adopts regulations.

PHARMACY BENEFITS

SB 0339 Wiener (Chapter 1)

HIV PREEXPOSURE PROPHYLAXIS AND POSTEXPOSURE PROPHYLAXIS

SB 339, cosponsored by Equality California, California Pharmacists Association, and San Francisco AIDS Foundation, expands on coverage of human immunodeficiency virus (HIV) preexposure prophylaxis (PrEP) and postexposure prophylaxis (PEP) furnished by a pharmacist. The bill 1) extends the authority of a pharmacist to furnish HIV PrEP from a 60-day supply to a 90-day supply, with the possibility to stretch beyond a 90-day course under certain conditions, 2) eliminates the quantity restriction of a 60-day supply every two years under Medi-Cal pharmacist services, and 3) requires an HCSP and health insurer to cover the costs of PrEP and PEP furnished by a pharmacist, including the pharmacist's services and related testing ordered by the pharmacist. SB 339 exempts Medi-Cal MCPs from this requirement to the extent that the services described in this section are carved out of Medi-Cal MCP contracts. This bill included an urgency clause, so it took effect immediately upon the Governor's signing.

PROVIDER ENROLLMENT

SB 0819 Eggman (Chapter 448)

MEDI-CAL: CERTIFICATION

SB 819, sponsored by the author, allows clinics which are exempted from licensure to enroll their affiliated intermittent sites and mobile health care units, also referred to as mobile clinics, as Medi-Cal providers without submitting a full application package. Instead, the exempt from licensure clinic will be required to submit a notice to DHCS reporting the new intermittent site or an affiliated mobile health care unit, which is the same process currently in place for intermittent sites and mobile health care units operated by licensed clinics.

THIRD PARTY RECOVERY & LIABILITY

SB 1511 Committee on Health (Chapter 492)

HEALTH OMNIBUS

SB 1511 is the annual omnibus bill authored by the Senate Committee on Health. The sections below affect DHCS as specified:

Section 2 clarifies that the definition for "group contract" for HCSPs does not include a Medi-Cal managed care contract between an HCSP and DHCS to provide benefits to beneficiaries of the Medi-Cal program.

Section 4 extends the deadline for a skilled nursing facility to have an alternative source of power to protect resident health and safety for no fewer than 96 hours during any type of power outage from January 1, 2024 to January 1, 2026.

Section 6 makes death record indices available to HCSPs, Medi-Cal MCPs, health insurers, physician organizations, and health facilities for the sole purpose of verifying a death.

Sections 12,13, 14, and 15 makes changes to existing statutes concerning gravely disabled individuals to use gender-neutral language.

Section 16 1) aligns state law with federal law for prior authorizations and prompt payment to bring California into compliance with the Consolidated Appropriations Act of 2021, 2) updates the statute to capture other delivery systems where DHCS is recovering funds, and 3) establishes a time limit for carrier refunds to provide fiscal stability.

Section 17 allows federal funding withheld from payments allocatable to local education agencies (LEA) to be used for all aspects of LEA Medi-Cal Billing Option Program administration, not just those items referenced in WIC 14115.8(k)(1).

PROGRAM ASSIGNMENTS AND ACRONYMS

PROGRAM	CODE
Behavioral Health	MCBHD
Benefits	BD
Budget Office	BO
Capitated Rates Development Division	CRDD
Community Services	CSD
Office of Family Planning	OFP
Fee-For-Service Rates Development	FFSRD
Office of Legislative & Governmental Affairs	LGA
Licensing & Certification	LCD
Managed Care	MC
Medi-Cal Eligibility	MCED
Medi-Cal Dental Services	MDSD
Office of Strategic Partnerships	OSP
Pharmacy Benefits	PBD
Provider Enrollment	PED
Safety Net Financing Division	SNFD
Third Party Recovery & Liability	TPLRD

2024 ENROLLED BILLS

Bill #	Author	Statu	Chaptr	Program	Page #
AB 0799	Rivas	S	263	MC	20
AB	Irwin	S	632	MCBHD	7
AB	Quirk-Silva	V	--	MCBHD	--
AB	Quirk-Silva	V	--	OSP	--
AB	Weber	S	942	CSD	12
AB	Weber	V	--	MC	--
AB	Bonta	V	--	BD	--
AB	Davies	S	376	LCD	17
AB	Lowenthal	S	822	MC	21
AB	Haney	S	634	LCD	17
AB 2132	Low	S	951	BD	9
AB 2154	Berman	S	635	LCD	18
AB 2237	Aguiar-Curry	V	--	MCHBD	--
AB 2250	Weber	V	--	BD	--
AB 2297	Friedman	S	511	MCED	22
AB 2339	Aguiar-Curry	V	--	BD	--
AB 2340	Bonta	S	564	BD	9
AB	Bains	S	637	LCD	18
AB	Calderon	V	--	CRDD	--
AB	Ortega	V	--	PBD	--
AB 2574	Valencia	S	410	LCD	19
AB 2703	Aguiar-Curry	S	638	BD	9
AB 2773	Kalra	V	--	FFSRD	--
AB 2995	Jackson	S	847	MCBHD	7
AB 3156	Patterson	V	--	MC	--
AB	Soria	S	763	MC	21

SB 0042	Umberg	S	640	MCBHD	7
SB 0339	Wiener	S	1	PBD	23
SB 0819	Eggman	S	448	PED	24
SB 1059	Bradford	S	874	CSD	12
SB 1120	Becker	S	879	MC	22
SB 1131	Gonzalez	S	880	OFP	13
SB 1180	Ashby	S	884	BD	10
SB 1184	Eggman	S	643	LCD	19
SB 1213	Atkins	V	--	MCED	--
SB 1220	Limón	V	--	MDSD	--
SB 1238	Eggman	S	644	LCD	19
SB 1289	Roth	S	792	MCED	23
SB 1319	Wahab	V	--	CSD	--
SB 1354	Wahab	S	339	FFSRD	13
SB 1385	Roth	S	164	BD	10
SB 1400	Stern	S	647	MCBHD	8
SB 1423	Dahle	V	--	SNFD	--
SB 1511	Committee on Health	S	492	TPLRD	24

SIGNING MESSAGES

BILL#	AUTHOR	SUBJECT	DIV
NONE			

VETO MESSAGES

BILL#	AUTHOR	SUBJECT	DIV
AB 1470	Quirk-Silva	Medi-Cal: behavioral health services: documentation standards.	MCBHD
AB 1788	Quirk-Silva	Mental health multidisciplinary personnel team.	OSP
AB 1895	Weber	Public health: maternity ward closures.	MC
AB 1975	Bonta	Medi-Cal: medically supportive food and nutrition interventions.	BD
AB 2237	Aguiar-Cu	Children and youth: transfer of specialty mental health services.	MCBHD
AB 2250	Weber	Social determinants of health: screening and outreach.	BD
AB 2339	Aguiar-Cu	Medi-Cal: telehealth.	BD
AB 2428	Calderon	Medi-Cal: Community-Based Adult Services.	CRDD
AB 2446	Ortega	Medi-Cal: diapers.	PBD
AB 2773	Kalra	Elders and dependent adults: abuse or neglect.	FFSRD
AB 3156	Patterson	Medi-Cal managed care plans: enrollees with other health care coverage.	MC

SB 1213	Atkins	Health care programs: cancer.	MCED
SB 1220	Limón	Public benefits contracts: phone operator jobs.	MDSD
SB 1319	Wahab	Skilled nursing facilities: approval to provide therapeutic behavioral health programs.	CSD
SB 1423	Dahle	Medi-Cal: Rural Hospital Technical Advisory Group.	SNFD

Messages are also available on the California Legislative Information website:

(http://leginfo.legislature.ca.gov/)

OFFICE OF THE GOVERNOR

SEP 14 2024

To the Members of the California State Assembly:

I am returning Assembly Bill 1470 without my signature.

This bill would require the Department of Health Care Services (DHCS) to consult with stakeholders on the standardization of data elements and forms for behavioral health services provided under the Medi-Cal program. The department would also be required to conduct regional training on the use of the forms, complete an analysis of the utilization, and prepare reports to the Legislature with the findings.

While I agree with the author's intent to improve documentation standards and reduce administrative burdens, this bill is duplicative. The Behavioral Health Documentation Redesign effort, implemented as part of the California Advancing and Innovating Medi-Cal (CalAIM) initiative, included a stakeholder engagement process that resulted in updated documentation guidance that became effective January 1, 2024. This bill would, therefore, negate existing efforts to engage with stakeholders and address documentation standardization challenges.

For this reason, I cannot sign this bill.

Sincerely,

Gavin Newsom

OFFICE OF THE GOVERNOR

SEP 28 2024

To the Members of the California State Assembly:

I am returning Assembly Bill 1788 without my signature.

This bill would authorize counties to establish a mental health multidisciplinary personnel team to serve justice-involved individuals with mental illness and allow provider agencies to share information to coordinate supportive services.

My Administration is supportive of policies that can improve equity and supportive services to justice-involved (JI) individuals. The Department of Health Care Services (DHCS) is currently implementing the CalAIM JI Initiative, which provides pre-release Medi-Cal enrollment to ensure JI individuals have continuity of coverage upon release and access essential health services that will help them successfully return to their communities. For this reason, this bill is premature and may be duplicative. It would be more timely to assess this proposal following the full implementation of the DHCS CalAIM JI Initiative and the ability to evaluate data and identify any remaining gaps.

For this reason, I cannot sign this bill.

Sincerely,

Gavin Newsom

OFFICE OF THE GOVERNOR

SEP 29 2024

To the Members of the California State Assembly:

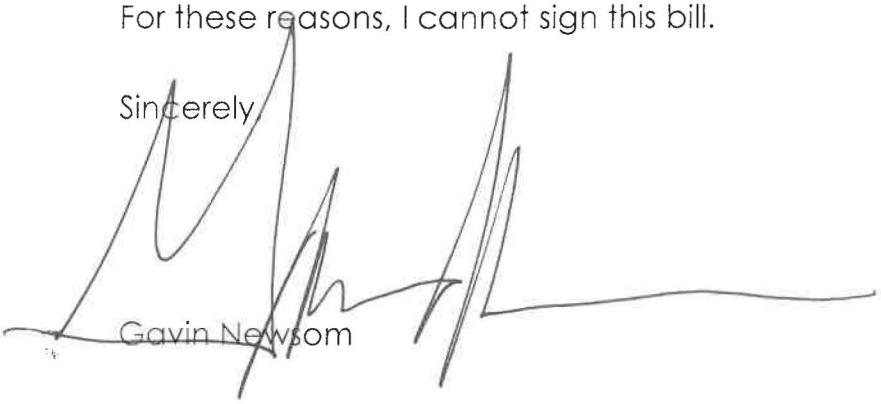
I am returning Assembly Bill 1895 without my signature.

This bill would require a hospital to report specified information to the Department of Health Care Access and Information (HCAI) if it expects challenges in the next six months that could result in a reduction or loss of perinatal services, and would require HCAI, the Department of Public Health (CDPH), and Department of Health Care Services (DHCS) to conduct a community impact assessment using the reported information.

I share the author's concern for communities that may lose access to perinatal care, as labor and delivery unit closures have become more common in recent years and this availability is important for positive pregnancy outcomes. For this reason, working with the Legislature, we have taken many steps to assist these units in remaining open. For example, we provided $300 million for the Distressed Hospital Loan Program to offer interest-free loans to hospitals in financial distress and directed billions of dollars from the managed care organization (MCO) tax towards Medi-Cal provider rate increases. However, current law already requires hospitals to provide public notice in advance of a supplemental service elimination, and much of the information in the proposed community impact report is duplicative. Further, this bill creates costly administrative burdens for the state that are unlikely to change hospitals' business decisions.

For these reasons, I cannot sign this bill.

Sincerely,



Gavin Newsom

OFFICE OF THE GOVERNOR

SEP 25 2024

To the Members of the California State Assembly:

I am returning Assembly Bill 1975 without my signature.

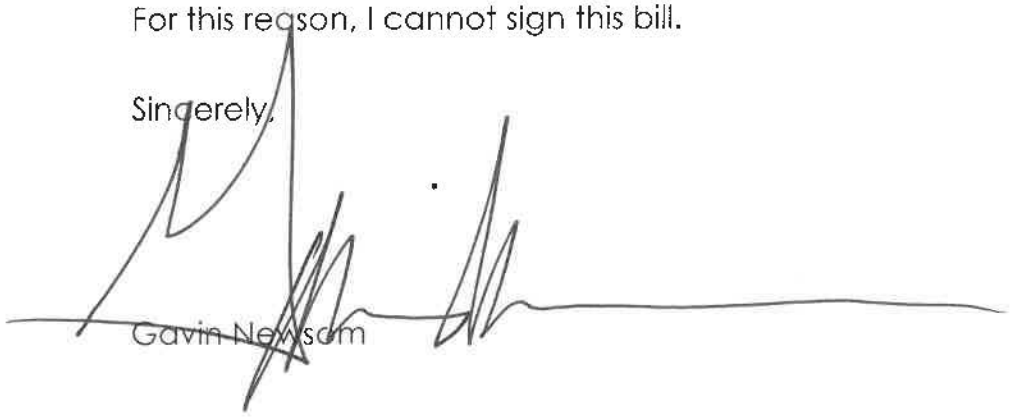
This bill would require the Department of Health Care Services (DHCS) to make medically supportive food and nutrition interventions a permanent covered benefit under the Medi-Cal program, and to establish a medically supportive food and nutrition benefit stakeholder advisory workgroup.

I appreciate the author's goal to provide low-income Californians on Medi-Cal with nutritious meals. Increasing access to nutritious foods and encouraging healthy eating habits contributes to the prevention and treatment of chronic conditions. However, this bill would result in significant and ongoing General Fund costs for the Medi-Cal program that are not included in the budget. I encourage the Legislature to explore this policy next year as a part of the annual budget process.

In partnership with the Legislature this year, my Administration has enacted a balanced budget that avoids deep program cuts to vital services and protected investments in education, health care, climate, public safety, housing, and social service programs that millions of Californians rely on. It is important to remain disciplined when considering bills with significant fiscal implications that are not included in the budget, such as this measure.

For this reason, I cannot sign this bill.

Sincerely,



Gavin Newsom

OFFICE OF THE GOVERNOR

SEP 27 2024

To the Members of the California State Assembly:

I am returning Assembly Bill 2237 without my signature.

This bill would require the Department of Health Care Services (DHCS) to coordinate and expedite the transfer of specialty mental health services from one county to another when a child or youth 21 years old or younger moves counties and would require DHCS to collect and publish related data.

I support efforts to ensure continuity of care for all children and youth when they have a change in county residence. However, this bill is unnecessary. DHCS has multiple policies in place to facilitate a smooth transition of care and to prevent any gaps in the provision of specialty mental health services during an inter-county transfer of Medi-Cal eligibility.

For these reasons, I cannot sign this bill.

Sincerely,

Gavin Newsom

OFFICE OF THE GOVERNOR

SEP 22 2024

To the Members of the California State Assembly:

I am returning Assembly Bill 2250 without my signature.

This bill would require commercial health plans and Medi-Cal to provide coverage for social determinants of health screenings, and to provide physicians with adequate access to community health workers that may perform these screenings.

My Administration has made significant investments in policies that contemplate and improve social determinants of health, such as housing, social services, community engagement, economic development, and public education. While I support the goal of this proposal, it is duplicative of existing efforts at the state and federal level, including the work the Department of Health Care Services (DHCS) is doing through CalAIM and the newly created federal billing code for social determinants of health risk assessments, which DHCS is currently considering. Further, this bill lacks clarity regarding "adequate access" to community health workers, which would be difficult to operationalize.

For these reasons, I cannot sign this bill.

Sincerely,

Gavin Newsom

OFFICE OF THE GOVERNOR

SEP 20 2024

To the Members of the California State Assembly:

I am returning Assembly Bill 2339 without my signature.

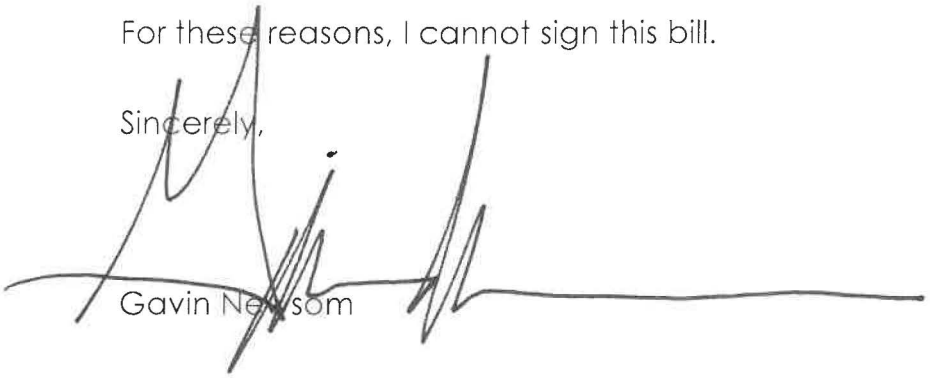
This bill would authorize Medi-Cal providers to establish a new patient using an asynchronous store-and-forward interaction, including through a mobile application, when the visit is related to sensitive services.

My Administration, in collaboration with the Legislature and the Telehealth Advisory Workgroup, worked to develop and implement one of the strongest telehealth policies in the country. Under the current Medi-Cal telehealth policy, licensed providers have substantial flexibility to make clinically appropriate decisions regarding the use of both synchronous and asynchronous telehealth modalities, and Medi-Cal pays the same rate for services provided via telehealth as services provided in-person.

I believe that robust telehealth policies increase access and reduce barriers to health care, including the use of asynchronous telehealth. However, there are details of a patient's medical history and personal health information that are best gathered during a synchronous appointment. For example, this bill would allow a patient to receive treatment and medications for reproductive and behavioral health services without ever seeing or talking directly to a provider. I believe that there are consumer protections provided through a live interaction between a patient and provider.

For these reasons, I cannot sign this bill.

Sincerely,



Gavin Newsom

OFFICE OF THE GOVERNOR

SEP 14 2024

To the Members of the California State Assembly:

I am returning Assembly Bill 2428 without my signature.

This bill would require Medi-Cal managed care plans to reimburse Community-Based Adult Service (CBAS) providers at a rate that is equal to or greater than the amount paid in the Medi-Cal fee-for-service (FFS) delivery system.

I support the intent of this bill to ensure that CBAS providers of adult day health care services to older and disabled adults receive the FFS rate. However, codifying this requirement is unnecessary to achieve this goal. This year's Budget Act included $16 million in annual payment increases for CBAS providers, effective January 1, 2025. These payment increases are intended to accomplish the same goal, without creating a precedent in the law for one provider type. I have directed the Department of Health Care Services to work with managed care plans to modify their contracts to ensure that CBAS providers caring for older and disabled Californians are receiving these rate increases.

For these reasons, I cannot sign this bill.

Sincerely,

Gavin Newsom

OFFICE OF THE GOVERNOR

SEP 27 2024

To the Members of the California State Assembly:

I am returning Assembly Bill 2446 without my signature.

This bill would expand existing Medi-Cal coverage of diapers to include individuals greater than 3 years old with a physical, mental, neurological, or behavioral health condition that contributes to incontinence, and members less than 21 years old to correct or ameliorate a condition pursuant to the Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) standards.

I deeply appreciate and share the author's commitment to assisting low-income Californians with access to affordable diapers for their families and thank the author for her focus on this important issue. However, diapers are already covered under existing Medi-Cal benefits when used for the management of a medical condition that causes incontinence. Specifically, children under 5 years old may receive medically necessary diapers as a covered EPSDT benefit, and diapers for youth 5 years to 21 years old with a chronic condition that causes incontinence are also covered.

While this bill largely overlaps with existing coverage, the standards applied would expand coverage to include conditions that contribute to incontinence. This change results in significant and ongoing General Fund costs for the Medi-Cal program that should be evaluated as a part of the annual budget process.

In partnership with the Legislature this year, my Administration has enacted a balanced budget that avoids deep program cuts to vital services and

protected investments in education, health care, climate, public safety, housing, and social service programs that millions of Californians rely on. It is important to remain disciplined when considering bills with significant fiscal implications that are not included in the budget, such as this measure.

For these reasons, I cannot sign this bill.

Sincerely,

Gavin Newsom

OFFICE OF THE GOVERNOR

SEP 29 2024

To the Members of the California State Assembly:

I am returning Assembly Bill 2773 without my signature.

This bill would require the applicable standard of proof in cases brought under the Elder Abuse and Dependent Adult Civil Protection Act to be reduced if the defendant is found to have spoliated evidence.

While I share the author's goals of deterring defendants from concealing, damaging, or destroying evidence and preventing elder and dependent abuse, we should not completely remove a judge's discretion to craft appropriate remedies in response to spoliation. A more nuanced approach would be to specify that a judge may reduce the standard of proof under these circumstances.

For this reason, I cannot sign this bill.

Sincerely,

Gavin Newsom

OFFICE OF THE GOVERNOR

SEP 20 2024

To the Members of the California State Assembly:

I am returning Assembly Bill 3156 without my signature.

This bill would require the Department of Health Care Services (DHCS) to ensure that providers do not face administrative requirements that significantly exceed Medi-Cal fee-for-service system requirements when billing for services provided to Medi-Cal managed care plan enrollees who have other health care coverage and for whom Medi-Cal is the payer of last resort.

I am supportive of policies that allow Medi-Cal members with other health coverage to continue to see their providers. However, the timelines specified in this bill are not feasible. DHCS has worked extensively to educate Medi-Cal managed care plans (MCPs) on enrollee rights and how providers who are not enrolled in Medi-Cal can still bill Medi-Cal for appropriate services. DHCS will continue to work with MCPs, stakeholders, and patient advocates to address administrative barriers to ensure continuity of care for Medi-Cal enrollees.

For these reasons, I cannot sign this bill.

Sincerely,

Gavin Newsom

OFFICE OF THE GOVERNOR

SEP 27 2024

To the Members of the California State Senate:

I am returning Senate Bill 1213 without my signature.

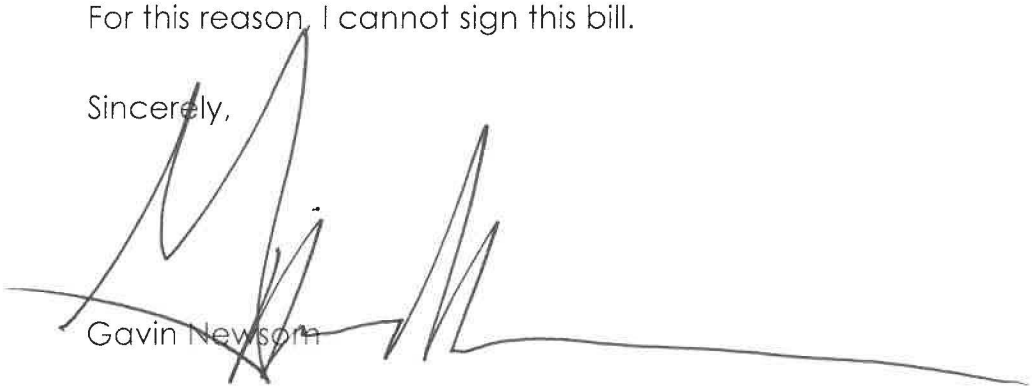
This bill would increase the income eligibility limit from 200 to 250 percent of the Federal Poverty Level for services provided through the Every Woman Counts Program and the Breast and Cervical Cancer Treatment Program, beginning July 1, 2026.

I am supportive of the intent of this bill, which is to increase eligibility for no-cost, breast and cervical cancer screenings, diagnostic services, and treatment. However, while I commend the author for her continued work to increase access to women's health care, this bill would require ongoing expenditures of millions of dollars from the General Fund that should be considered in the annual budget process.

In partnership with the Legislature this year, my Administration has enacted a balanced budget that avoids deep program cuts to vital services and protected investments in education, health care, climate, public safety, housing, and social service programs that millions of Californians rely on. It is important to remain disciplined when considering bills with significant fiscal implications that are not included in the budget, such as this measure.

For this reason, I cannot sign this bill.

Sincerely,



Gavin Newsom

OFFICE OF THE GOVERNOR

SEP 22 2024

To the Members of the California State Senate:

I am returning Senate Bill 1220 without my signature.

This bill prohibits state and local agencies from using public benefit-related call center services that use artificial intelligence (AI) or automated decision-making systems (ADS) that eliminate or automate the core job function of a worker. This bill also extends to local governments an existing state requirement that public benefit-related call center services be performed solely by workers employed in California.

Technology can and should enhance the experience of the workforce – by making work more efficient and pushing us to attain new heights of achievement and innovation. At the same time, we must consider appropriate guardrails and control the risks posed by this technology.

On September 6, 2023, I signed Executive Order (EO) N-12-23 to underscore our commitment to developing a responsible process for the evaluation and deployment of AI within state government. Through the implementation of this EO, the state will soon issue criteria to evaluate the impact of AI on the state workforce, as well as guidelines on how state agencies and departments can support their employees.

Further, thanks to legislation enacted last year, my Administration is developing a comprehensive inventory of high-risk ADS that assist or replace human

decision-making and significantly impact individuals. Analyzing these systems will help guide future actions and policies regarding the use of AI across the state, including in call centers for public benefit programs.

Given that my Administration is actively undergoing efforts to identify, inventory, and analyze these systems, in addition to the efforts underway in my EO, imposing a prohibition on AI or ADS at this stage would be premature.

For these reasons, I cannot sign this bill.

Sincerely,

Gavin Newsom

OFFICE OF THE GOVERNOR

SEP 20 2024

To the Members of the California State Senate:

I am returning Senate Bill 1319 without my signature.

This bill would authorize a licensed skilled nursing facility (SNF) that applies to provide therapeutic behavioral health programs to submit an application and receive approval from the Department of Health Care Services (DHCS), the Department of Public Health (CDPH), and the Department of Health Care Access and Information (HCAI) simultaneously.

I share the author's goal to make the government review process more efficient for SNFs seeking to provide therapeutic behavioral health programs. However, a simultaneous application process, as proposed by this bill, would not shorten the application approval timeline as intended. HCAI, CDPH, and DHCS must sequence their reviews in the approval process. A facility must first meet the physical requirements for approval, then it can be reviewed for licensure, and only once licensed, may it be considered for Medi-Cal reimbursement. As such, requiring simultaneous review would result in the departments reviewing incomplete information, which could actually result in additional delays.

Though the simultaneous application process proposed in this bill is not feasible, I have directed HCAI, CDPH, and DHCS to identify any opportunities to improve communication and interaction during the review process.

For this reason, I cannot sign this bill.

Sincerely,

Gavin Newsom

OFFICE OF THE GOVERNOR

SEP 22 2024

To the Members of the California State Senate:

I am returning Senate Bill 1423 without my signature.

This bill would require the Department of Health Care Services (DHCS) to convene a Rural Hospital Technical Advisory Group in 2025 to analyze the fiscal viability of small, rural, and critical access hospitals under existing Medi-Cal reimbursement methodologies and to provide a report to the Legislature.

The viability of our state's hospitals, especially in rural communities, is of the utmost importance. For this reason, together with the Legislature, we authorized $300 million for the Distressed Hospital Loan Program to offer zero-interest loans to eligible financially distressed hospitals. Further, DHCS is already examining how to address hospital financing in a manner that is greater in scope than what this bill proposes. Though well-intended, this bill would also result in new costs to implement an advisory body that is duplicative of ongoing efforts.

For these reasons, I cannot sign this bill.

Sincerely,

Gavin Newsom