# **Department of Health Care Services**









# **LEGISLATIVE SUMMARY 2022**

Michelle Baass DIRECTOR



# DEPARTMENT OF HEALTH CARE SERVICES LEGISLATIVE SUMMARY 2022

Compiled by the
Department of Health Care Services
Office of Legislative and Governmental Affairs
P.O. Box 997413, MS 0006
Sacramento, CA 95899-7413
(916) 440-7500

### **Deputy Director**

Carol Gallegos

### **Assistant Deputy Directors**

Melissa Rolland Michelle Touhey

### **Legislative Coordinators**

Alyssa Cervantes
Amber Garcia
Elizabeth Gutierrez
Tara Gutierrez
Kevin Sabo
Steven Tagawa

### **Legislative Analysts/Support Staff**

Virginia Allen Latoya Deon Jennifer Harrison Tina Johnson Chris Smith Libby Williams

# DEPARTMENT OF HEALTH CARE SERVICES LEGISLATIVE SUMMARY 2022 TABLE OF CONTENTS

2022-23 Budget Bills with Impact to the Department of Health Care Services.	ii
Index of Bills Signed by the Governor by Program Area	iii
Summaries of Bills Signed by the Governor by Primary Division:	
ADMINISTRATIVE HEARINGS & APPEALS	1
AUDITS & INVESTIGATIONS	
BEHAVIORAL HEALTH	1
BUDGET OFFICE	2
COMMUNITY SERVICES	3
FEE-FOR-SERVICE RATES DEVELOPMENT	5
INFORMATION MANAGEMENT	5
INTEGRATED SYSTEMS OF CARE	5
LEGISLATIVE & GOVERNMENTAL AFFAIRS, OFFICE OF	7
LICENSING & CERTIFICATION	11
MANAGED CARE	14
MEDI-CAL BENEFITS	18
MEDI-CAL ELIGIBILITY	20
OFFICE OF STRATEGIC PARTNERSHIPS	20
QUALITY & POPULATION HEALTH MANAGEMENT	21
THIRD PARTY LIABILITY & RECOVERY	21
Numeric Index of Enrolled Bills for Legislative Year 2022	22
Program Assignments and Acronyms	24
Governor Message Index(Followed by Governor's Signing and Veto Messages in numeric order)	25

### FISCAL YEAR 2022-23 BUDGET BILLS

BILL#	<u>AUTHOR</u>	CHAPTER #	<u>SUBJECT</u>
AB 0178	Ting	045	Budget Act of 2022
AB 0179	Ting	249	Budget Act of 2022
AB 0152	Committee on Budget	736	COVID-19 Relief: Supplemental Paid Sick Leave
AB 0180	Ting	044	Budget Act of 2021
AB 0186	Committee on Budget	046	Public Health
AB 0204	Committee on Budget	738	Budget Act of 2022: Health Omnibus
SB 0154	Skinner	043	Budget Act of 2022
SB 0184	Committee on Budget and Fiscal Review	047	Health
SB 0187	Committee on Budget and Fiscal Review	050	Human Services

# INDEX OF BILLS SIGNED BY THE GOVERNOR BY DHCS PROGRAM AREA

### **ADMINISTRATIVE HEARINGS & APPEALS**

AB 1502	Freestanding skilled nursing facilities	.1
AUDITS &	INVESTIGATIONS	
AB 2091	Disclosure of information: reproductive health and foreign penal civil actions	.1
BEHAVIOR	RAL HEALTH	
AB 0988 AB 1051 SB 1338	Mental health: 988 Suicide and Crisis Lifeline	.2
BUDGET (	OFFICE	
AB 0178 AB 0179 AB 0180 SB 0154	Budget Act of 2022. Budget Act of 2022. Budget Act of 2021. Budget Act of 2022.	3 3.
COMMUNI	ITY SERVICES	
AB 0666 AB 0738 AB 2242 AB 2365 SB 1035	Substance use disorder workforce development	.3 .4 .4
FEE-FOR-	SERVICE RATES DEVELOPMENT	
AB 2648	Air ambulance services	.5
INFORMA <sup>*</sup>	TION MANAGEMENT	
AB 2326	Lead poisoning prevention: laboratory reporting	.5

### **INTEGRATED SYSTEMS OF CARE**

AB 2483	Housing for individuals experiencing homelessness	5
AB 2604	Long-term care insurance	
SB 0281	Medi-Cal: Short-Term Community Transitions program	6
SB 0731	Criminal records: relief	6
SB 1260	State summary criminal history information	7
LEGISLA	TIVE & GOVERNMENTAL AFFAIRS, OFFICE OF	
AB 0152	COVID-19 Relief: Supplemental Paid Sick Leave	7
AB 0186	Public Health	
AB 0204	Budget Act of 2022: Health Omnibus	
SB 0184	Health	
SB 0187	Human Services	11
LICENSIN	IG & CERTIFICATION	
AB 1860	Substance abuse treatment: registration and certification	11
AB 2275	Mental health: involuntary commitment	12
AB 2317	Children's psychiatric residential treatment facilities	12
AB 2473	Substance use disorder: counselors	12
SB 0349	California Ethical Treatment for Persons with	4.0
00.000	Substance Use Disorder Act	
SB 0929	Community mental health services: data collection	13
SB 1165	Substance abuse and mental health services: advertisement	10
SB 1227	and marketingInvoluntary commitment: intensive treatment	
MANAGE		
AB 0498	Medi-Cal: county organized health system: Orange County	4.4
AD 1255	Health Authority Public social services: hearings	
AB 1355 AB 2724	Medi-Cal: alternate health care services plan	
SB 0225	Health care coverage: timely access to care	
SB 0245	Health care coverage: abortion services: cost sharing	
SB 0523	Contraceptive Equity Act of 2022	
SB 0987	California Cancer Care Equity Act	
SB 1019	Medi-Cal managed care plans: mental health benefits	
SB 1207	Health care coverage: maternal and pandemic-related mental health	
	conditions	
SB 1473	Health care coverage	17
MEDI-CA	L BENEFITS	
AB 0032	Telehealth	18

AB 1929	Medi-Cal benefits: violence prevention services	18
AB 2697	Medi-Cal: community health worker services	19
SB 0966	Federally qualified health centers and rural health clinics: visits	19
SB 1245	Los Angeles County Abortion Access Safe Haven Pilot Program	
<b>MEDI-CAL</b>	ELIGIBILITY	
AB 0305	Veteran services: notice	20
AB 2727	Medi-Cal: eligibility	
	<b>3</b> ,	
OFFICE O	F STRATEGIC PARTNERSHIPS	
SB 1184	Confidentiality of Medical Information Act: school-linked	
	services coordinators	20
QUALITY	& POPULATION HEALTH MANAGEMENT	
SB 0923	Gender-affirming care	20
3D 0923	Gender-anning care	.20
THIRD PA	RTY RECOVERY & LIABLITY	
AB 2216	The Qualified ABLE Program: tax-advantaged savings accounts	21

### SUMMARIES OF BILLS SIGNED BY THE GOVERNOR:

### **ADMINISTRATIVE HEARINGS & APPEALS**

AB 1502 Muratsuchi (Chapter 578)

FREESTANDING SKILLED NURSING FACILITIES

Assembly Bill (AB) 1502, sponsored by the author, effective July 1, 2023: 1) revises the licensure application and approval process for freestanding skilled nursing facilities; 2) prohibits a person from acquiring, operating, establishing, managing, conducting, or maintaining a freestanding skilled nursing facility without first applying for and obtaining a license from the California Department of Public Health (CDPH) for that purpose; and 3) applies this requirement to a change of ownership or a change in management of such a facility. CDPH is required to convene a workgroup by April 1, 2023 on revising the application fee for a freestanding skilled nursing facility license.

### **AUDITS & INVESTIGATIONS**

AB 2091 Bonta (Chapter 628)

DISCLOSURE OF INFORMATION: REPRODUCTIVE HEALTH AND FOREIGN CIVIL PENAL ACTIONS

AB 2091, sponsored by Planned Parenthood Affiliates of California and Equality California, generally prohibits the release of information about persons who have sought or obtained an abortion, in response to a subpoena or request based on another state's laws that restrict abortion. This prohibition extends to persons testifying in any kind of proceeding, health care providers and related entities, and prison staff.

#### BEHAVIORAL HEALTH

AB 0988 Bauer-Kahan (Chapter 747)

**MENTAL HEALTH: 988 SUICIDE AND CRISIS LIFELINE** 

AB 988, sponsored by the Contra Costa County Board of Supervisors, the Los Angeles County Board of Supervisors, NAMI California, NAMI Contra Costa County, the Steinberg Institute, the Kennedy Forum, and the Miles Hall Foundation, 1) requires CalHHS to appoint and convene a state 9-8-8 policy advisory group to advise CalHHS on the implementation and administration of the five-year implementation plan for the 9-8-8 Suicide Prevention System; 2) requires the Office of Emergency Services to appoint a 9-8-8 system director and convene an advisory board to guide how 9-8-8 is implemented and made interoperable with 911, including the creation of a new surcharge for 9-8-8 to fund the crisis services; 3) requires health plan and insurer coverage of 9-8-8 center services when medically necessary and without prior authorization; 4)

establishes a 9-8-8 surcharge for the 2023 and 2024 calendar years at \$0.08 per access line per month, and for years beginning January 1, 2025 at an amount based on a specified formula, but not greater than \$0.30 per access line per month; and 5) appropriates \$300,000 from the General Fund to the 9-8-8 State Suicide and Behavioral Health Crisis Services Fund (previously the State Mental Health and Crisis Services Special Fund) to the Department of Tax and Fee Administration for purposes of implementing this bill.

AB 1051 Bennett (Chapter 402)

# MEDI-CAL SPECIALTY MENTAL HEALTH SERVICES: FOSTER CHILDREN

AB 1051, sponsored by the County Behavioral Health Directors Association of California, prohibits presumptive transfer for specialty mental health services provided to foster children placed in group homes, community treatment facilities, Children's Crisis Residential Programs, or short-term residential therapeutic programs outside of their counties of original jurisdiction, unless a specified exception is invoked. It establishes notification requirements for specialty mental health services providers and county mental health plans, and places certain requirements on DHCS and the California Department of Social Services, including adopting regulations and analyzing data related to the presumptive transfer of foster children.

SB 1338 Umberg (Chapter 319)

# COMMUNITY ASSISTANCE, RECOVERY, AND EMPOWERMENT (CARE) COURT PROGRAM

Senate Bill (SB) 1338, sponsored by the author, establishes the Community Assistance, Recovery and Empowerment (CARE) Act, which allows civil courts to order those suffering from certain mental illnesses into treatment programs at the community level. The Counties of Glenn, Orange, Riverside, San Diego, San Francisco, Stanislaus, and Tuolumne Counties are required to implement CARE Court by October 1, 2023, and the remaining counties by December 1, 2024, subject to delays based on a state or local emergency, or discretionary approval by DHCS, until December 1, 2025. The CARE Act will only become operative upon DHCS, in consultation with county stakeholders, developing a CARE Act allocation to provide state financial assistance to counties to implement the CARE process.

### **BUDGET OFFICE**

AB 0178 Ting (Chapter 45)

**BUDGET ACT OF 2022** 

AB 178 enacts the provisions of the Budget Act for fiscal year (FY) 2022-23.

AB 0179 Ting (Chapter 249)

**BUDGET ACT OF 2022** 

AB 179 enacts the provisions of the Budget Act for FY 2022-23.

AB 0180 Ting (Chapter 44)

**BUDGET ACT OF 2021** 

AB 180 amends the 2021 Budget Act to make changes associated with the FY 2022-23 budget package.

SB 0154 Skinner (Chapter 43)

**BUDGET ACT OF 2022** 

SB 154 enacts the provisions of the Budget Act for FY 2022-23.

### **COMMMUNITY SERVICES**

AB 0666 Quirk-Silva (Chapter 7)

#### SUBSTANCE USE DISORDER WORKFORCE DEVELOPMENT

AB 666, sponsored by the California Consortium of Addiction Programs and Professionals and the California Council of Community Behavioral Health Agencies, 1) requires DHCS, on or before July 1, 2023, to develop a statewide substance use disorder (SUD) workforce needs assessment report that evaluates the current state of the SUD workforce, determines barriers to entry into the SUD workforce, and assesses the state's systems for regulating and supporting the SUD workforce; 2) requires DHCS to include, within the evaluation, an assessment of existing tuition, scholarship and grants available to students, and provide recommendations for expanding these programs; 3) requires DHCS to submit the SUD workforce needs assessment report to the Legislature and post the report on its internet website; 4) allows DHCS to enter into contract with a qualified individual, organization, or entity to develop the SUD workforce needs assessment; and 5) permits the Department of Health Care Access and Information to implement an SUD workforce development program, subject to an appropriation from the Legislature for these purposes.

AB 0738 Nguyen (Chapter 378)

#### COMMUNITY MENTAL HEALTH SERVICES: MENTAL HEALTH BOARDS

AB 738, sponsored by the author, requires each local mental health board in a county with a population over 100,000 to have at least one member that is a veteran or veteran advocate and requires each local mental board in a county with a population under 100,000 to give a strong preference to appointing at least one member that is a veteran or veteran advocate.

# AB 2242 Santiago (Chapter 867) MENTAL HEALTH SERVICES

AB 2242, sponsored by the author, does the following: 1) to the extent otherwise permitted by state and federal law, and consistent with the Mental Health Services Act (MHSA), explicitly permits specified funding, including MHSA funding, to be used to pay for the services for individuals on short-term holds pursuant to the Lanterman-Petris-Short (LPS) Act, and services in an acute or subacute setting for a person in a conservatorship, for as long as the conservatorship lasts; 2) requires DHCS, on or before December 1, 2023, to convene a stakeholder group to create a model care coordination plan to be followed when discharging individuals held under temporary holds or conservatorships; 3) requires LPS-designated facilities to develop care coordination plans for individuals who are set to be released immediately, without waiting for the model plan to be developed; and 4) places additional requirements on counties and facilities regarding the provision of resources to individuals exiting a hold or conservatorship.

### AB 2365 Patterson (Chapter 783)

#### **FENTANYL PROGRAM GRANTS**

AB 2365, sponsored by the author, contingent upon an appropriation in the annual Budget Act, requires CalHHS to establish a grant program to reduce fentanyl use and overdoses throughout the state by increasing local efforts to address fentanyl through education, testing, recovery, and support services. The program will provide six one-time grants, two each in northern California, the central valley, and southern California. The bill requires participating entities to provide program information and data to CalHHS, and requires CalHHS to submit a report detailing the efficacy of the grant programs to the Legislature and Governor's office by January 1, 2026. (While the bill refers to "the state agency," CalHHS will delegate implementation of this program to CDPH.) The bill sunsets on January 1, 2027.

### SB 1035 Eggman (Chapter 828)

#### MENTAL HEALTH SERVICES: ASSISTED OUTPATIENT TREATMENT

SB 1035, sponsored by the Big City Mayors Coalition, the California State Association of Psychiatrists, and the Psychiatric and Physicians Alliance of California, amends the Assisted Outpatient Treatment (AOT) Demonstration Act of 2002, commonly referred to as Laura's Law, to authorize the court to conduct status hearings with the subject of the AOT order and the treatment team to receive information on progress related to the categories of treatment listed in the treatment plan, and to authorize the court to inquire about the subject's medication adherence. The bill also requires the director of the outpatient treatment program to report to the court on adherence to prescribed medication when filing the affidavit affirming that the person who is the subject of the order continues to meet the criteria for AOT.

#### FEE-FOR-SERVICE RATES DEVELOPMENT

AB 2648 Wilson (Chapter 440)

AIR AMBULANCE SERVICES

AB 2648, sponsored by Air Methods, the California Association of Air Medical Services, Global Medical Response, and REACH Air Medical Services, extends the sunset date for the Emergency Medical Air Transportation Act from July 1, 2024 to July 1, 2025, without extending the assessment of penalties to fund the program beyond the current date of December 31, 2022. The bill extends the date by which any remaining funds from the Emergency Medical Air Transportation and Children's Coverage Fund are to be transferred to the General Fund from December 31, 2023 to June 30, 2024.

### INFORMATION MANAGEMENT

AB 2326 Reyes (Chapter 528)

LEAD POISONING PREVENTION: LABORATORY REPORTING

AB 2326, sponsored by Environmental Working Group, does the following: 1) effective July 1, 2023, requires that laboratories to report additional information to CDPH under its lead testing program, including a Medi-Cal identification number or other equivalent medical identification number of any person tested; 2) allows a health care provider to share blood lead level testing information for a Medi-Cal beneficiary with the beneficiary's managed care plan; and 3) expands the list of those entities with whom CDPH is authorized to share blood lead level testing information.

#### INTEGRATED SYSTEMS OF CARE

AB 2483 Maienschein (Chapter 655)

#### HOUSING FOR INDIVIDUALS EXPERIENCING HOMELESSNESS

AB 2483, sponsored by the Corporation for Supportive Housing requires the Department of Housing and Community Development, by December 31, 2023, to award reasonable priority points to Multifamily Housing Program project applicants that agree to set aside a specified percentage of units, for individuals that are experiencing homelessness and are eligible to receive specified Medi-Cal services; and requires the Department of Housing and Community Development to partner with DHCS to determine the most effective way to align qualifying Medi-Cal services in housing projects funded by the Multifamily Housing Program.

### AB 2604 Calderon (Chapter 534)

### LONG-TERM CARE INSURANCE

AB 2604, sponsored by the Association of California Life and Health Insurance Companies and the National Association of Insurance and Financial Advisors – California, places minimum requirements on the lower-cost inflation protection options that long-term care insurance (LTCI) providers certified by the California Partnership for Long-Term Care Program (Partnership) are required to provide. This bill also specifies a list of allowable lower-cost options and, if a premium increases, requires providers to offer at least one of these options which may be exercised without the policy losing Partnership certification. AB 2604 provides a different minimum level of inflation protection for policyholders who are at least 70 years old in specified circumstances. Finally, the bill provides that an insurer does not need to create new benefit levels or amend its approved rate schedule to implement its provisions, and clarifies certification requirements of LTCI policies and health care service plan contracts.

### SB 281 Dodd (Chapter 898)

#### MEDI-CAL SHORT-TERM COMMUNITY TRANSITIONS PROGRAM

SB 281, sponsored by East Bay Innovations and Disability Rights California, requires DHCS to cease enrolling beneficiaries in the temporary state-only California Community Transitions (CCT) program on January 1, 2026, and to cease providing services on January 1, 2027. This bill extends the sunset date of the CCT program from January 1, 2025, to January 1, 2028.

### SB 731 Durazo (Chapter 814)

#### **CRIMINAL RECORDS: RELIEF**

SB 731, sponsored by California for Safety and Justice, 1) expands discretionary expungement relief to include felonies where the defendant was sentenced to state prison, rather than just realigned felonies; 2) expands automatic arrest record relief to include arrests for felonies punishable by state prison, effective July 1, 2023, subject to an appropriation in the annual Budget Act: 3) grants the court discretion, in the interests of justice, to permit a defendant to withdraw their guilty plea, or plea of nolo contendere, and enter a plea of not guilty if the defendant has been convicted of a felony, provided that the defendant is not on parole or under supervision; and 4) expands automatic conviction relief to include felonies committed after January 1, 2005, where the defendant was not granted probation and did not complete probation without revocation excluding serious and violent felonies, and felonies requiring sex registration, effective July 1, 2023, subject to an appropriation in the annual Budget Act. Lastly, this bill clarifies specified conditions for expungement relief, including ineligibility to provide in-home support services.

#### SB 1260 Durazo (Chapter 842)

#### STATE SUMMARY CRIMINAL HISTORY INFORMATION

SB 1260, sponsored by the author, specifies that automatic conviction record relief does not make a person eligible to provide or receive payment for providing in-home supportive services or waiver personal care services if they are otherwise ineligible under federal law or regulation; and 2) makes additional changes to incorporate changes from AB 200 (Committee on Budget, Chapter 58, Statutes of 2022), the Public Safety Budget Trailer Bill which was chaptered out by the passage of SB 731 (Durazo, Chapter 814, Statutes of 2022).

### LEGISLATIVE & GOVERNMENTAL AFFAIRS, OFFICE OF

AB 0152 Committee on Budget (Chapter 736)

COVID-19 RELIEF: SUPPLEMENTAL PAID SICK LEAVE.

AB 152 enacts the provisions of the Budget Act for FY 2022-23, as it pertains to COVID-19 supplemental paid sick leave for DHCS.

**SEC. 3.** This section, as proposed by the Administration, amends Section 248.7 of the Labor Code to extend COVID-19 supplemental paid sick leave from September 30, 2022 to December 31, 2022.

AB 0186 Committee on Budget (Chapter 46)

**PUBLIC HEALTH** 

AB 186 enacts the provisions of the Budget Act for FY 2022-23, as it pertains to public health issues for DHCS.

**SEC. 1-4 & 7-14.** These sections, as proposed by the Administration, amend Sections 1324.29 and 1324.30 and add Section 1276.66 of the Health and Safety Code, amend Sections 14126.022, 14126.023, 14126.032, 14126.033, 1426.036, and 14197.2 and add Sections 14126.024 and 14126.026 of the Welfare & Institutions (W&I) Code to implement nursing facility financing reform.

**SEC. 5 & 6.** These sections, as proposed by the Administration, amend Sections 31005 of the Revenue and Tax Code and Section 14114 of the W&I Code to: 1) remove the January 1, 2026 sunset date of the Medi-Cal Physicians and Dentists Loan

AB 0204 Committee on Budget (Chapter 738)

**BUDGET ACT OF 2022: HEALTH OMNIBUS.** 

AB 204 enacts the provisions of the Budget Act for FY 2022-23, as it pertains to health issues for DHCS.

- **SEC. 15.** This section, as proposed by the Administration, amends Section 14005.13 (Chapter 47, Statutes of 2022) of the W&I Code to make technical changes related to share of cost.
- **SEC. 16 & 17.** These sections, as proposed by the Legislature, amend Sections 14134 and 14134.1 of the W&I Code to eliminate copayments in the Medi-Cal program.
- **SEC. 18.** This section, as proposed by the Administration, amends Section 14197.2 of the W&I Code to make technical changes related to the Medi-Cal Physician and Dentist Loan Program.
- **SEC. 19.** This section, as proposed by the Legislature, adds Article 7 (commencing with Section 14199.70) of the W&I Code, to require DHCS to establish a clinic workforce stabilization retention payment program to provide funds to eligible qualified clinics to make retention payments to their eligible employees
- **SEC. 20 & 21.** These sections, as proposed the Administration, amend and add Sections 15853 of the W&I Code to make technical changes related to the continuous coverage of zero to four year olds.
- SB 0184 Committee on Budget and Fiscal Review (Chapter 47) **HEALTH.**

SB 184 enacts the provisions of the Budget Act for FY 2022-23, as it pertains to health issues for DHCS.

- **SEC. 1.** This section, as proposed by the Administration, adds Section 12534 of the Government Code to establish the Opioid Settlements Fund and codify the State's administration of opioid settlements.
- **SEC. 8, 13, 17 & 18, 87, 140, & 143.** These sections, as proposed by the Administration, amend Sections 104395 and 120475 and add Sections 124024 and 124110.5 of the Health and Safety Code and amend Sections 14011.7 and 16501.3 and add Section 15849 of the W&I Code to sunset the Child Health and Disability Prevention program by July 1, 2024 in order to simplify and streamline the delivery of services to children and youth under the age of 21, in alignment with the goals of the California Advancing and Innovating Medi-Cal (CalAIM) initiative.
- **SEC. 9-11.** These sections, as proposed by the Administration, add Sections 11831.1, 11834.28, and 11839.6.1 of the Health and Safety Code to expand the Medication Assisted Treatment (MAT) Expansion Project by requiring residential facilities and certified programs to provide access to MAT services, either by directly providing MAT services to clients or having an effective referral process with MAT providers, no sooner than July 1, 2022. It also allows narcotic treatment programs to provide mobile MAT services.

- **SEC. 35-36, 78 & 137-139.** These sections, as proposed by the Legislature, amend Section 12693.74 and add Section 12693.74 of the Insurance Code, amend Sections 15832, add Sections 14005.255 and 15832, and add and amend Section 15840 of the W&I Code to provide continuous Medi-Cal eligibility for zero through four year olds.
- **SEC. 37.** This section, as proposed by the Administration, adds Division 2 of Part 4.6 (commencing with Section 1490) to the Labor Code to provide retention payments associated with COVID-19 to hospital and skilled nursing facility workers.
- **SEC. 58, 86, 89, & 94-95.** These sections, as proposed by the Administration, add Section 5325.3 and amend Sections 14011.66, 14105.075, 14105.48, and 14124.12 of the W&I Code to make specific flexibilities implemented during the COVID-19 public health emergency permanent in the Medi-Cal program.
- SEC. 61, 76-77, 81, 123, 126-131, & 134. These sections, as proposed by the Administration, amend Sections 5961.5, 14005.22, 14005.64, 14148, 14184.201, 14184.206, 14184.405, 14184.800, 14186.3, and 14197.2 and repealed Section 14005.225 of the W&I Code to: 1) make changes to the CalAIM Act to align with federal approvals from the federal Centers for Medicare and Medicaid Services; 2) authorizes DHCS to seek federal approval for an 1115 Serious Mental Illness/Serious Emotional Disturbance Waiver; and 3) delays the transition of Intermediate Care Facilities for the Developmentally Disabled and Subacute Care Facilities into Medi-Cal managed care from January 1, 2023 to July 1, 2023.
- **SEC. 72-73 & 74-75.** These sections, as proposed by the Legislature, add and amend Sections 14005.12 and 14005.13 of the W&I Code to implement share of cost reform.
- **SEC. 79, 83-84, 132, & 137-139.** These sections, as proposed by the Administration, add Sections 15849 and 15854.5 and amend Sections 14005.26, 14007.8 (Chapter 5, Statutes of 2009), 14197, 15826, 15854, and add and amend Section 14007.9 of the W&I Code to reduce premiums in the Medi-Cal programs.
- **SEC. 80.** This section, as proposed by the Administration, amends Section 14005.37 of the W&I Code to align Medi-Cal redeterminations with federal guidelines.
- **SEC 82.** This section, as proposed by the Administration, amends Section 14007.8 of the W&I Code to extend full-scope Medi-Cal coverage to individuals ages 26-49, regardless of immigration status.

- **SEC. 85.** This section, as proposed by the Administration, amends Section 14011.10 of the W&I Code to extend Medi-Cal suspensions for incarcerated adults.
- **SEC. 88.** This section, as proposed by the Administration, amends Section 14087.46 of the W&I Code to extend dental managed care in the Medi-Cal program.
- **SEC. 90-91 & 124.** These sections, as proposed by the Legislature, amend Sections 14105.192 and 14148.8 and add Section 14105.197 of the W&I Code to eliminate certain payment reductions to address the impacts of COVID-19 and improve access to services. It also authorizes DHCS to maintain certain reimbursement rates or payments using General Fund instead of the Healthcare Treatment Fund.
- **SEC. 92 & 93.** These sections, as proposed by the Administration, amend and add Section 14105.2 of the W&I Code to revise the definition of medical supplies under the pharmacy benefit to be inclusive of diabetic products, effective July 1, 2022. The change allows DHCS to implement a revised reimbursement methodology for continuous glucose monitoring from the current estimated acquisition cost, plus the pharmacy professional dispensing fee, to a Maximum Acquisition Cost plus 23 percent.
- **SEC. 96, 98-99, 100-101, & 132-133.** These sections, as proposed by the Administration, amend Sections 14132.100, 14197, and 14197.04, and add and repeal Sections 14132.725 and 14132.731 of the W&I Code to make changes within the Medi-Cal program with respect to Medi-Cal covered benefits and services provided, when clinically appropriate, via telehealth, including video synchronous interaction, audio-only synchronous interaction, and other virtual communication modalities. These changes apply beyond the COVID-19 public health emergency across various delivery systems and programs, including but not limited to medical/physical health, behavioral health, federal waivers (e.g., 1915(c)), Local Education Agency Billing Option Program, and Targeted Case Management.
- **SEC 97.** This section, as proposed by the Administration, adds Section 14132.57 of the W&I Code to establish qualifying community-based mobile crisis intervention as a Medi-Cal benefit.
- **SEC. 102.** This section, as proposed by the Administration, amends Section 14132.88 of the W&I Code to update existing law to align standards of dental care with evidence-based practices and nationally recognized guidelines for the Medi-Cal population.
- **SEC. 103.** This section, as proposed by the Administration, amends Section 14132.98 of the W&I Code to conform clinical trials in Medi-Cal to federal law.
- **SEC. 104-122.** These sections, as proposed by the Administration, amend the heading of Article 4.1 and Sections 14138.1, 14138.12, 14138.13,

14138.14, 14138.15, 14138.16, 14138.17, and 14138.23, and add and repeal Sections 14138.10, 14138.18, 14138.21 and 14138.22, of the W&I Code to update existing law that authorizes DHCS to implement an Alternative Payment Model reimbursement methodology for Federally Qualified Health Centers (FQHCs) to incentivize delivery system and practice transformation at FQHCs through flexibilities available by moving away from a volume-based reimbursement methodology no sooner than January 1, 2024.

**SEC. 125.** This section, as proposed by the Administration, amends Section 14170.8 of the W&I Code to align state law with the ten-year record retention requirements for Medi-Cal pharmacy providers in federal law.

### SB 0187 Committee on Budget and Fiscal Review (Chapter 50) HUMAN SERVICES

SB 187 enacts the provisions of the Budget Act for FY 2022-23, as it pertains to human services issues for DHCS.

**SEC. 58.** This section, as proposed by the Administration, adds Section 12300.6 of the W&I Code to establish a backup provider system for in-home supportive services and waiver personal care services providers, effective no sooner than October 1, 2022, and no later than 60 days after the date of the final all-county letter issued by the California Department of Social Services.

### LICENSING & CERTIFICATION

AB 1860 Ward (Chapter 523)

### SUBSTANCE ABUSE TREATMENT: REGISTRATION AND CERTIFICATION

AB 1860, sponsored by the California Association of Alcohol and Drug Executives, does the following 1) requires DHCS to exempt individuals meeting specified requirements from the counselor registration or certification requirements imposed by existing law; 2) requires exempted programs providing practicum to exempted graduate students to report to all DHCS-approved certifying organizations (COs) a graduate student who has been removed from practicum as a result of an ethical or professional conduct violation; 3) prohibits DHCS from approving a CO that does not, prior to registering or certifying a counselor, contact all other DHCS-approved COs to determine whether an individual has been removed from a postgraduate practicum for an ethical or professional violation; 4) requires a CO to deny an individual's request for registration if the individual has been removed from a postgraduate practicum for an ethical or professional violation; and 5) requires DHCS to adopt regulations by December 31, 2025.

### AB 2275 Wood (Chapter 960)

#### MENTAL HEALTH: INVOLUNTARY COMMITMENT

AB 2275, sponsored by the author, clarifies and revises processes for involuntary detentions under the Lanterman-Petris-Short Act, including specifying timeframes for conducting certification and judicial review. AB 2275 also requires that the detained person be informed of certain legal rights and that the certification review hearing be conducted in accordance with existing law.

### AB 2317 Ramos (Chapter 589)

### CHILDREN'S PSYCHIATRIC RESIDENTIAL TREATMENT FACILITIES

AB 2317, sponsored by the California Alliance of Child and Family Services establishes psychiatric residential treatment facilities as a new category of residential health facilities licensed by DHCS; defines "psychiatric residential treatment facility" as a licensed health facility, operated by a public agency or private organization, with a provider agreement with a state Medicaid agency, that provides inpatient services to individuals under 21 years of age in a nonhospital setting; and requires DHCS, in collaboration with the California Department of Social Services and other stakeholders, to establish regulations and certifications consistent with Medicare and Medicaid regulations to maximize federal financial participation. AB 2317 requires psychiatric residential treatment facilities to conform with existing laws pertaining to aftercare plans, confidential information sharing, background checks, seclusion and restraint, serious and unusual occurrences, and judicial review of placement of patients.

### AB 2473 Nazarian (Chapter 594)

#### SUBSTANCE USE DISORDER: COUNSELORS

AB 2473, sponsored by the Los Angeles County Board of Supervisors, 1) requires DHCS to determine the required core competencies for registered and certified substance use counselors working within an alcoholism or drug abuse (AOD) recovery and treatment program; 2) requires counselors who are registered with a department-approved CO to complete the educational hours that meet the core competency requirements within six months from the time of registration; 3) requires DHCS to establish standards for certified counselors and counselors who are registered with a department-approved CO prior to the effective date of the bill to ensure these counselors also gain proficiency in the core competencies within a reasonable time as determined by DHCS: 4) requires DHCS to implement the core competency requirements after July 1, 2025; 5) exempt counselors who are registered with a CO and have graduated with a master's degree in psychology, social work, marriage and family therapy, or counseling from completing the core competency educational hours; and 6) requires DHCS to adopt regulations by December 31, 2025.

SB 0349 Umberg (Chapter 15)

# CALIFORNIA ETHICAL TREATMENT FOR PERSONS WITH SUBSTANCE USE DISORDER ACT

SB 349, sponsored by the California Consortium of Addiction Programs & Professionals and the National Alliance for Model State Drug Laws, establishes the California Ethical Treatment for Persons with Substance Use Disorder Act, which: 1) defines unlawful marketing and advertising practices by treatment providers; 2) requires treatment providers to disclose specified information to prospective clients, maintain records of all referrals made to or from a recovery residence, and adopt and make available to all clients and prospective clients, a client bill of rights; and 3) authorizes DHCS to investigate any allegations of violations of the provisions in the bill and to take subsequent action, including, but not limited to, suspending or revoking the license or certification of the treatment provider, and assessing a civil penalty of up to \$20,000 for each violation.

### SB 929 Eggman (Chapter 539)

### COMMUNITY MENTAL HEALTH SERVICES: DATA COLLECTION

SB 929, sponsored by Big City Mayors, the California State Association of Psychiatrists, and the Psychiatric Physicians Alliance of California, 1) requires DHCS to collect data quarterly and publish, on or before May 1 of each year, a report including quantitative, de-identified information relating to persons admitted or detained pursuant to the Lanterman-Petris-Short Act; 2) requires the Judicial Council to provide DHCS, by October 1 of each year, specified data from each superior court that is necessary for DHCS to complete the report; 3) requires each county behavioral health director or other entity involved in implementing the provisions to provide data as prescribed by DHCS; and 4) authorizes DHCS to impose a plan of correction against a facility or county that fails to submit data timely or as required.

### SB 1165 Bates (Chapter 172)

# SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES: ADVERTISEMENT AND MARKETING

SB 1165, sponsored by the author, prohibits an operator of a licensed alcoholism or drug abuse recovery or treatment facility, a certified alcohol and/or other drug program, licensed mental health rehabilitation center, a licensed psychiatric health facility, or a licensed social rehabilitation facility from engaging in fraudulent marketing practices about products, goods, services, or geographical locations, along with any false or misleading statements or information about the entity's medical treatments or services offered in their marketing, advertising material, media, or social media presence or on internet websites. This bill authorizes the department responsible for the facility's licensure or certification to investigate allegations of violations of the provisions and, upon finding a violation, impose civil sanctions and other penalties pursuant to existing law.

### SB 1227 Eggman (Chapter 619)

### INVOLUNTARY COMMITMENT: INTENSIVE TREATMENT

SB 1227, sponsored by Big City Mayors, the California State Association of Psychiatrists, and the Psychiatric Physicians Alliance of California, authorizes the professional person in charge of a facility providing intensive treatment to an individual under the Lanterman-Petris-Short Act to file a petition in the superior court for the county in which the facility is located, seeking approval for up to an additional 30 days of intensive treatment. The bill requires the person to be released no later than the expiration of the original 30-day period if the court does not make all of the required findings. The bill also makes conforming changes to the evaluation requirements for determining whether the patient is likely to qualify for appointment of a conservator.

### **MANAGED CARE**

AB 0498 Quirk-Silva (Chapter 430)

### MEDI-CAL COUNTY ORGANIZED HEALTH SYSTEM: ORANGE COUNTY HEALTH AUTHORITY

AB 498, sponsored by the author, 1) amends provisions of the ordinance that prescribes the membership and duties of the commission governing the Orange County Health Authority (OCHA), which oversees CalOptima, a county organized health system Medi-Cal managed care health plan (MCP); 2) prohibits an individual who served a one-year term on the Board of Supervisors (BoS) of Orange County from being appointed to serve a 4-year term under any of the other categories within 12 months of the expiration of their term; 3) requires the BoS to consult with stakeholders in Orange County for purposes of identifying qualified individuals to be considered as members of the governing body; 4) requires the members of the governing body to ensure the provision of cost-effective behavioral health care services, rather than mental health care services, and would additionally require the members to address the needs of Medi-Cal members who are affected by homelessness and housing instability, improve quality outcomes, and manage the risk and needs of Medi-Cal members through whole-person care approaches and addressing social determinants of health; 5) requires a member of the governing board who has a financial interest in a decision of the governing board to, upon identifying a conflict of interest or a potential conflict of interest, take specified actions; 6) prohibits specified members of the governing board, for a period of one year after leaving office, from specified actions aimed to influence the commission or representing OCHA or any other entity that received Medi-Cal funds; and 8) eliminates the January 1, 2023, repeal date for the authority.

### AB 1355 Levine (Chapter 944)

#### **PUBLIC SOCIAL SERVICES: HEARINGS**

AB 1355, sponsored by the Western Center on Law and Poverty, requires the director of DHCS, when overturning (i.e., alternating) an Administrative Law Judge's proposed state fair hearing decision, to review the state fair hearing transcript or recording and provide a detailed reasoning, including references to applicable sections of law and regulations, to support divergence from the Administrative Law Judge's proposed ruling. The bill allows the director of DHCS to make a decision on a state fair hearing themselves without taking additional evidence, but requires the director to order a further hearing when taking additional evidence that affords the parties the opportunity to present and respond to the additional evidence.

### AB 2724 Arambula (Chapter 73)

### MEDI-CAL ALTERNATE HEALTH CARE SERVICES PLAN

AB 2724, sponsored by the author, authorizes DHCS to enter into one or more comprehensive risk contracts with an alternate health care service plan to serve as a primary Medi-Cal managed care plan for specified eligible beneficiaries in geographic regions designated by DHCS.

### SB 0225 Wiener (Chapter 601)

### **HEALTH CARE COVERAGE: TIMELY ACCESS TO CARE**

SB 225, sponsored by the author, requires a health care service plan (HCSP) or health insurer to incorporate timely access to care standards into its quality assurance systems and incorporate specified processes. The bill authorizes the Department of Managed Health Care (DMHC) to develop methodologies to demonstrate appointment wait time compliance and averages. This bill authorizes DMHC and the California Department of Insurance (CDI) to take compliance or disciplinary action, review and adopt standards concerning the availability of health care to ensure enrollees and insureds have timely access to care, and make recommendations to the Legislature if DMHC or CDI find that HCSPs or health insurers and providers have difficulty meeting the standards the departments develop. SB 225 requires the director of DMHC to consider, as an aggravating factor when assessing administrative penalties, if harm to an enrollee has occurred as a result of plan noncompliance. The bill clarifies that its provisions would not alter the requirements or standards for MCPs required by DHCS pursuant to state law, except as specified. For purposes of this bill, HCSPs include Knox-Keene licensed MCPs.

### SB 0245 Gonzalez (Chapter 11)

### **HEALTH CARE COVERAGE: ABORTION SERVICES: COST SHARING**

SB 245, sponsored by ACCESS Reproductive Justice, Black Women for Wellness Action Plan, NARAL Pro-Choice California, National Health Law Program, and Planned Parenthood Affiliates of California, 1) prohibits a health

care service plan contract or insurance policy/certificate that is issued, amended, renewed, or delivered on or after January 1, 2023, from imposing deductibles, coinsurance, copayments, or any other cost-sharing requirements on coverage for all abortion and abortion-related services, including pre-abortion and follow-up services; 2) prohibits HCSPs and insurers from imposing any utilization management or utilization review, including prior authorization and annual or lifetime limits consistent with state law, on the coverage for outpatient abortion services; and 3) requires for an HCSP contract or insurance policy that is a high deductible health plan, as defined, the cost-sharing prohibition to apply once the enrollee's or insured's deductible has been satisfied for the benefit year. The bill's requirements apply to all MCPs as well as their contracting network providers, independent practice associations, preferred provider groups, and all subcontractors that provide physician services, utilization management, or utilization review.

### SB 0523 Leyva (Chapter 630)

### **CONTRACEPTIVE EQUITY ACT OF 2022**

SB 523, sponsored by Essential Access Health, NARAL Pro Choice California, and the National Health Law Program, enacts the Contraceptive Equity Act of 2022, which, as it relates to DHCS, makes various changes to existing law to expand coverage of contraceptives by HCSPs and health insurers. These changes: 1) prohibit HCSPs and health insurers from requiring a prescription to trigger coverage of over-the-counter federal Food and Drug Administration (FDA)-approved contraceptive drugs, devices, and products, as defined in the bill, and would require the provision of point-ofsale coverage for over-the-counter FDA-approved contraceptive drugs, devices, and products as specified; 2) clarify requirements specific to therapeutic equivalents and would prohibit HCSPs and health insurers from infringing upon an enrollee's or insured's choice of contraceptive drug, device, or product and from imposing any restrictions or delays on coverage, including prior authorization, step therapy, or other utilization control techniques; 3) apply the provisions to all MCPs to the extent that the benefits are made the financial responsibility of the MCP under its contract with DHCS: 4) require an MCP contract to provide coverage for voluntary tubal ligation and other similar sterilization procedures, as well as clinical services related to the provision or use of contraception, patient education referrals, and counseling; and 5) specify those benefits that are determined as not being covered under the MCP's contract, would be made available to Medi-Cal beneficiaries on a fee-for-service basis.

#### SB 0987 Portantino (Chapter 608)

### **CALIFORNIA CANCER CARE EQUITY ACT**

SB 987, sponsored by the American Cancer Society Cancer Action Network and City of Hope, requires an MCP to make a good faith effort to contract with at least one eligible cancer center within its contracted and subcontracted provider networks, in each county of operation, for the provision of medically necessary services to any eligible enrollee diagnosed with a "complex cancer"

diagnosis," which the bill would define. The bill sets forth referral and other rights of eligible enrollees. SB 987 requires DHCS, in consultation with stakeholders, to develop a process for updating and further defining the term "complex cancer diagnosis" on a periodic basis. Implementation of the bill is contingent on DHCS' receipt of any necessary federal approvals and federal financial participation.

### SB 1019 Gonzalez (Chapter 879)

### MEDI-CAL MANAGED CARE PLANS: MENTAL HEALTH BENEFITS

SB 1019 sponsored by the California Pan-Ethnic Health Network, requires an MCP to conduct annual outreach and education to their members and primary care providers regarding the mental health benefits that are covered by the MCP pursuant to state law, as specified; subject to the approval of DHCS. DHCS is also required to adopt survey tools and methodologies that meet specified conditions to assess member experience with MCP-covered mental health benefits and publish reports, on its website once every three years on consumer experience, with recommendations for improving access to MCP-covered mental health benefits.

### SB 1207 Portantino (Chapter 618)

# HEALTH CARE COVERAGE: MATERNAL AND PANDEMIC-RELATED MENTAL HEALTH CONDITIONS

SB 1207, sponsored by the author, extends the existing deadline for Knox-Keene licensed HCSPs and health insurers to develop a maternal mental health program from July 1, 2019 to July 1, 2023. The bill's requirements extend to all MCPs contracting with DHCS, including County Organized Health Systems that are not licensed by the Department of Managed Health Care, to the extent federal approvals are received and federal financial participation is not otherwise jeopardized. MCPs would be required to continue to comply with any quality measures required or adopted by DHCS, and the quality measures included in an MCPs maternal mental health program would need to be consistent with the quality measures required or adopted by DHCS.

### SB 1473 Pan (Chapter 545)

### **HEALTH CARE COVERAGE**

SB 1473, sponsored by the author, 1) prohibits a provider from reporting adverse information to a consumer credit reporting agency or commencing civil action against an enrollee for payment of SARS-COV-2 (COVID 19)-related items, services, or immunizations; 2) If a contract or policy covers therapeutics for COVID-19, extends these provisions to therapeutics approved or granted emergency use authorization (EUA) by the federal Food and Drug Administration (FDA) for COVID-19 when prescribed or furnished by a licensed health care provider; 3) requires a contract or policy to cover

therapeutics approved or granted EUA by the FDA for a disease that the Governor has declared a Public Health Emergency; 4) eliminates a health care service plan's criminal liability for a violation of COVID-19 testing and immunization coverage requirements that occurred before January 1, 2022; 5) provides that the requirements being added by the bill related to therapeutics do not apply to the beginning of the Governor's declared State of Emergency related to the COVID-19 pandemic on March 4, 2020; and 6) extends the requirements to all MCPs, including County Organized Health Systems, to the extent federal approvals are received and federal financial participation is not otherwise jeopardized.

### **MEDI-CAL BENEFITS**

AB 0032 Aguiar-Curry (Chapter 515)

**TELEHEALTH** 

AB 32, sponsored by the California Association of Public Hospitals and Health Systems, California Medical Association, CommunityHealth+ Advocates, Essential Access Health, and Planned Parenthood Affiliates of California, authorizes DHCS to allow under specified circumstances new patients to be established with health care providers, including Federal Qualified Health Centers (FQHCs), Rural Health Clinics (RHCs), in the Medi-Cal program using audio-only synchronous and other modalities, and permits exceptions from requirements to ensure beneficiary choice of modalities. The bill authorizes DHCS to take into consideration the availability of broadband access based on speed standards set by the Federal Communications Commission when considering exceptions to a current-law requirement that, no sooner than January 1, 2024, providers who offer audio-only telehealth services offer the option for video telehealth as well.

AB 1929 Gabriel (Chapter 154)

### **MEDI-CAL BENEFITS: VIOLENCE PREVENTION SERVICES**

AB 1929, sponsored by the Giffords Law Center, Youth ALIVE!, and the Health Alliance for Violence Intervention, adds violence preventive services (VPS) as a Medi-Cal benefit, subject to medical necessity and utilization controls, and contingent on federal approval and the availability of federal financial participation. The bill also defines VPS as evidence-based, trauma-informed, and culturally responsive preventive services provided to reduce the incidence of violent injury or reinjury, trauma, and related harm and promote trauma recovery, stabilization, and improved health outcomes. DHCS is required to post on its website the date VPS will be provided and billed pursuant to this bill.

AB 2697 Aguiar-Curry (Chapter 488)

**MEDI-CAL: COMMUNITY HEALTH WORKER SERVICES** 

AB 2697, sponsored by the California Pan-Ethnic Health Network and Latino Coalition for a Healthy California, codifies community health worker (CHW) services as a covered Medi-Cal benefit, subject to any necessary federal approvals and the availability of federal financial participation. AB 2697 requires Medi-Cal managed care plans (MCPs) to engage in outreach and education efforts and provide beneficiaries a description of the CHW benefit, including eligibility and coverage criteria, a list of providers authorized to refer (recommend) beneficiaries to CHW services and how to request a referral, and a list of contracted CHW entities, for beneficiaries to request additional information regarding CHW services. The bill also requires MCPs to notify providers regarding the CHW services benefit and requires DHCS to accept input from stakeholders on implementation of the CHW services benefit.

SB 0966 Limón (Chapter 607)

# FEDERALLY QUALIFIED HEALTH CENTERS AND RURAL HEALTH CLINICS: VISITS

SB 966, sponsored by California Health+ Advocates and the California Association of Marriage and Family Therapists, requires DHCS to seek federal approvals and issue appropriate guidance to allow a Federally Qualified Health Clinic or Rural Health Clinic to bill, under a supervising licensed behavioral health practitioner, for an encounter between a patient and an associate clinical social worker or associate marriage and family therapist when specified conditions are met.

SB 1245 Kamlager (Chapter 567)

# LOS ANGELES COUNTY ABORTION ACCESS SAFE HAVEN PILOT PROGRAM

SB 1245 sponsored by Planned Parenthood Affiliates of California and Planned Parenthood Affiliates of Los Angeles, establishes the Los Angeles County Abortion Access Safe Haven Pilot Program for the purpose of expanding and improving access to the full spectrum of sexual and reproductive health care, including abortion, in Los Angeles County. The county or a program administrator is required to maintain a system of financial reporting on all aspects of the funds and provide an annual report to the Legislature, summarizing the projects and collaborations funded. The bill authorizes DHCS to enter into exclusive or nonexclusive contracts, or amend existing contracts, on a bid or negotiated basis for purposes of implementing the pilot.

### **MEDI-CAL ELIGIBILITY**

AB 0305 Maienschein (Chapter 376)

**VETERAN SERVICES: NOTICE** 

AB 305 sponsored by the author, requires specified California state agencies, including DHCS, at the next scheduled update of their application forms, to: 1) include specified questions on any intake or application forms to determine whether an applicant is affiliated with the Armed Forces of the United States so they can be notified of eligibility for state and federal veteran benefits; 2) transmit to the California Department of Veteran Affairs the veteran contact information collected; and 3) require agencies to seek federal approvals if necessary.

AB 2727 Wood (Chapter 291)

**MEDI-CAL: ELIGIBILITY** 

AB 2727 sponsored by the author, updates existing legislative intent language to: 1) reflect future changes in Medi-Cal asset rules, specifically the elimination of the asset test for individuals whose eligibility is determined using the Non-Modified Adjusted Gross Income financial methodology, in response to AB 133 (Chapter 143, Statutes of 2021); and 2) broadens the legislative intent language from "aged and other persons" to "California residents," in recognition of the changes to Medicaid eligibility made by the Affordable Care Act.

### OFFICE OF STRATEGIC PARTNERSHIPS

SB 1184 Cortese (Chapter 993)

# CONFIDENTIALITY OF MEDICAL INFORMATION ACT: SCHOOL LINKED SERVICES COORDINATORS

SB 1184, sponsored by GenUp, authorizes a provider or health care service plan to disclose medical information, pursuant to a written authorization, to a school-linked services coordinator. The bill would define the term "school-linked services coordinator" as an individual located on a school campus or under contract by a county behavioral health provider agency for the treatment and health care operations and referrals of students and their families that holds one or more specified licenses or credentials. SB 1184 also requires that any school-linked services that are provided must be compliant with the Health Insurance Portability and Accountability Act (HIPAA) of 1996.

### **QUALITY & POPULATION HEALTH MANAGEMENT**

SB 0923 Wiener (Chapter 822)

**GENDER-AFFIRMING CARE** 

SB 923, sponsored by the California LGBTQ Health and Human Services Network, Break the Binary LLC, California Transcends, Equality California, Gender Justice LA, the National Health Law Program, Orange County Trans Latinas, Queer Works, the Rainbow Pride Youth Alliance, the SF Office of Trans Initiatives, the Trans Community Project, TransCanWork, the Transgender Health and Wellness Center, the TransPower Project, Tranz of Anarchii, Inc., the Unique Womens Coalition, Unity Hope, and the Western Center on Law and Poverty, 1) requires all health care service plans, including Medi-Cal managed care plans and Program of All-Inclusive Care for the Elderly (PACE) organizations, health insurers and delegated entities to require their staff to complete evidence-based cultural competency training for the purpose of providing trans-inclusive health care for individuals who identify as transgender, gender diverse, or intersex (TGI) as well as a refresher course, if needed; 2) requires DMHC, the California Department of Insurance (CDI), and DHCS to develop and implement procedures, and impose sanctions as necessary, to ensure compliance with the requirements of the bill; 3) requires DMHC, CDI, and DHCS to track and monitor complaints received related to trans-inclusive health care and publicly report this data; and 4) requires CalHHS to convene a working group to develop a quality standard for patient experience in order to measure cultural competency related to the TGI community and recommend training curriculum to provide trans-inclusive health care.

### THIRD PARTY LIABILITY & RECOVERY DIVSION

AB 2216 Irwin (Chapter 896)

### THE QUALIFIED ABLE PROGRAM: TAX-ADVANTAGED SAVINGS ACCOUNTS

AB 2216, sponsored by State Treasurer Fiona Ma, deletes the ability to transfer funds from an Achieving a Better Life Experience (ABLE) account, upon the designated beneficiary's death, to an ABLE account for another designated beneficiary; and repeals the requirement that the California ABLE Act Board notify all designated beneficiaries of potential tax consequences prior to such a transfer. It instead permits, in those circumstances, the designated beneficiary of their ABLE account to be changed to a successor beneficiary. The bill also: 1) adjusts the aggregate contribution limit for all ABLE accounts; 2) explicitly defines a "CalABLE account" as an ABLE account administered by the California ABLE Act Board; and 3) for accounts established on or after January 1, 2023, provides explicit protection against the direct recovery of Medi-Cal payments, otherwise allowable under federal and state law, only to CalABLE accounts, not to other ABLE accounts (subject to approval by the federal Centers for Medicare & Medicaid Services).

### **2022 ENROLLED BILLS**

BILL NUMBER	AUTHOR	FINAL STATUS	CHAPTER	PROGRAM*	PAGE NUMBER
AB 0032	Aguiar-Curry	S	515	MB	18
AB 0152	Committee on Budge		736	LA	07
AB 0178	Ting	S	045	ВО	02
AB 0179	Ting	S	249	ВО	03
AB 0180	Ting	S	044	ВО	03
AB 0186	Committee on Budge		046	LA	07
AB 0204	Committee on Budge		738	LA	07
AB 0305	Maienschein	S	376	ME	20
AB 0498	Quirk-Silva	S	430	MC	14
AB 0499	Rubio, B.	V		IS	
AB 0552	Quirk-Silva	V		BH	
AB 0666	Quirk-Silva	S	007	CS	03
AB 0738	Nguyen	S	378	CS	03
AB 0988	Bauer-Kahan		747	BH	01
AB 1051	Bennett	S	402	BH	02
AB 1355	Levine	S S S	944	MC	15
AB 1502	Muratsuchi	S	578	AH	01
AB 1860	Ward	S	523	LC	11
AB 1929	Gabriel	S	154	MB	18
AB 1930	Arambula	V		MB	
AB 1999	Arambula	V		BH	
AB 2077	Calderon	V		ME	
AB 2079	Wood	V		FR	
AB 2091	Bonta	S	628	Al	01
AB 2144	Ramos	V		LC	
AB 2216	Irwin	S	896	TR	21
AB 2242	Santiago	S	867	CS	04
AB 2275	Wood	S	960	LC	12
AB 2281	Lackey	V		CS	
AB 2317	Ramos	S	589	LC	12
AB 2326	Reyes	S	528	IM	05
AB 2365	Patterson	S	783	CS	04
AB 2426	Gibson	V		RD	
AB 2473	Nazarian	S S	594	LC	12
AB 2483	Maienschein		655	IS	05
AB 2516	Aguiar-Curry	V		FP	
AB 2604	Calderon	S	534	IS	06
AB 2648	Wilson	S	440	FR	05
AB 2677	Gabriel	V		LG	
AB 2697	Aguiar-Curry	S S	488	MB	19
AB 2724	Arambula	S	073	MC	15
AB 2727	Wood	S	291	ME	20
SB 0154	Skinner	S	043	ВО	03

SB 0184	Committee on Budget And Fiscal Review	S	047	LA	08
SB 0187	Committee on Budget And Fiscal Review	S	050	LA	11
SB 0225	Wiener	S	601	MC	15
SB 0245	Gonzalez	S	011	MC	15
SB 0281	Dodd	S	898	IS	06
SB 0349	Umberg	S S	015	LC	13
SB 0523	Leyva	S S	630	MC	16
SB 0731	Durazo	S	814	IS	06
SB 0912	Limon	V		MB	
SB 0923	Wiener	S	822	QO	20
SB 0929	Eggman	S	539	LC	13
SB 0966	Limon	S	607	MB	19
SB 0987	Portantino	S S S S S S S S	608	MC	16
SB 1019	Gonzalez	S	879	MC	17
SB 1035	Eggman	S	828	CS	04
SB 1165	Bates	S	172	LC	13
SB 1184	Cortese		993	SP	20
SB 1191	Bates	V		MB	
SB 1207	Portantino	S	618	MC	17
SB 1227	Eggman	S	619	LC	14
SB 1234	Pan	V		FP	
SB 1238	Eggman	V		LC	
SB 1245	Kamlager	S	567	MB	19
SB 1260	Durazo	S	842	IS	07
SB 1302	Portantino	V		CS	
SB 1338	Umberg	S	319	BH	02
SB 1446	Stern	V		BH	
SB 1473	Pan	S	545	MC	17

### PROGRAM ASSIGNMENTS AND ACRONYMS

PROGRAM	CODE
Administrative Hearings & Appeals	AH
Audits & Investigations	Al
Behavioral Health	BH
Budget Office	ВО
Community Services	CS
Family Planning	FP
Fee-For-Service Rates Development	FR
Health Care Financing	HC
Information Management	IM
Integrated Systems of Care	IS
Legal Services, Office of	LG
Legislative & Governmental Affairs, Office of	LA
Licensing &Certification	LC
Managed Care	MC
Medi-Cal Eligibility	ME
Office of Strategic Partnerships	SP
Quality & Population Health Management	QO
Third Party Recovery & Liability	TR

### **SIGNING MESSAGES**

BILL#	<u>AUTHOR</u>	SUBJECT	DIV
AB 0988	Bauer-Kahan	Mental health: 988 Suicide and Crisis Lifeline	ВН
AB 2242	Santiago	Mental health services	CS
		VETO MESSAGES	
BILL#	<u>AUTHOR</u>	SUBJECT	DIV
AB 0499	Rubio, B.	Referral source for residential care facilities for the elderly: duties	IS
AB 0552	Quirk-Silva	Integrated School-Based Behavioral Health Partnership Program	ВН
AB 1930	Arambula	Medi-Cal: comprehensive perinatal services	MB
AB 1999	Arambula	Medi-Cal behavioral health: individuals with vision loss	ВН
AB 2077	Calderon	Medi-Cal: monthly maintenance amount: personal and incidental needs	ME
AB 2079	Wood	Skilled nursing facilities: direct care spending requirements.	FR
AB 2144	Ramos	Mental health: information sharing	LC
AB 2281	Lackey	Early Childhood Mental Health Services Act.	CS
AB 2426	Gipson	Martin Luther King, Jr. Community Hospital	RD
AB 2516	Aguiar-Curry	Health care coverage: human papillomavirus	FP
AB 2677	Gabriel	Information Practices Act of 1977	LG
SB 0912	Limon	Biomarker Testing	MB
SB 1191	Bates	Medi-Cal: Pharmacogenomic Testing	MB
SB 1234	Pan	Family Planning, Access, Care, and Treatment Program	FP

SB 1238	Eggman	Behavioral health services: existing and projected needs	LC
SB 1302	Portantino	Pupil health: school-based health centers: grant program: Mental Health Services Act: Mental Health Services Fund	CS
SB 1446	Stern	Behavioral health-related treatment, housing that heals, and other services or supports	ВН

(Messages are also available on the California Legislative Information website:

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



### OFFICE OF THE GOVERNOR

SEP 2 9 2022

To the Members of the California State Assembly:

I am signing Assembly Bill 988, which enacts the Miles Hall Lifeline and Suicide Prevention Act to establish 9-8-8 centers in California for the purpose of connecting individuals experiencing a behavioral health crisis with suicide prevention and mental health services. Importantly, this bill also provides a dedicated revenue source to fund a 9-8-8 system in California.

The 9-8-8 Lifeline represents an unprecedented opportunity to design and build a robust behavioral health crisis prevention, response, and care system. Following the federal passage of the National Suicide Prevention Lifeline Network, my Administration wasted no time to begin implementing this system in California. The last two budget cycles dedicated resources for this purpose, and the California Health and Human Services Agency has launched efforts to develop a plan to connect behavioral health efforts like 9-8-8 call centers with other behavioral health initiatives.

While the work of my Administration is ongoing, dedicated resources supporting a comprehensive 9-8-8 system are needed, as are clear policies for how this system will interact with the overall behavioral health continuum. While this bill attempts to provide those needed resources and policy direction, as drafted, the use of revenue generated is unduly restricted. This creates considerable confusion about how certain services will be financed, and could severely limit the full potential of the behavioral health crisis response promised by the bill.



GOVERNOR GAVIN NEWSOM • SACRAMENTO, CA 95814 • (916) 445-2841

Without refinements to these provisions and others, our effort to establish a comprehensive suicide and behavioral health crisis response system – one that can help prevent avoidable tragedies and increase access to the right kind of care – will fall short. Therefore, I am directing the California Health and Human Services Agency to propose cleanup language as part of the 2023-24 Governor's Budget to ensure this bill delivers on its promise to build a fully operational and comprehensive 9-8-8 system in California.

Sincerely

Gavin



### OFFICE OF THE GOVERNOR

SEP 3 0 2022

To the Members of the California State Assembly:

I am signing Assembly Bill 2242, which would require that individuals who have been detained for mental health evaluation and treatment and who are not referred for further voluntary care and treatment receive, upon their release, a care coordination plan, which facilities would be required to develop immediately; and require the Department of Health Care Services (DHCS) to convene a stakeholder workgroup to develop a model care coordination plan, which facilities would be required to adopt by August 2024.

Improved coordination of care is a top priority for my administration, and I am appreciative of our partnership with the Legislature this year to pass CARE Court. This bill will benefit a similar population – those with complex behavioral health needs – by ensuring that they are appropriately transitioned to voluntary community-based care and treatment settings after a conservatorship placement. I also agree that the specific care coordination supports outlined in this bill should be provided without delay. This is an important first step towards improving and strengthening resources provided through the Mental Health Services Act (MHSA), and I look forward to working with the author and stakeholders on further reform beforts in the future.

Sincerely

Gavin Newsorr



# SEP 2 7 2022

To the Members of the California State Assembly:

I am returning Assembly Bill 499 without my signature.

This bill would recast existing law governing entities providing referrals to Residential Care Facilities for the Elderly (RCFEs) and impose certain requirements, including that the referral entity provide specified disclosures to a consumer or their representative, conduct background checks on referral sources, and carry liability insurance.

It is important that individuals have access to objective, independent, comprehensive, and free information about RCFEs. The Budget Act of 2022 appropriated \$1 million to the California Department of Aging to facilitate the display of this information on CalLongTermCareCompare.org.

While I appreciate the author's attempts to enact consumer protections for older adults and their loved ones looking for a RCFE, I am concerned this bill may serve to reduce consumer options in instances where referral entities are only providing referrals to those RCFEs with whom they are contracted to receive compensation. While there is no cost to the consumer, there are equity concerns that the financial arrangements favor those facilities that can best afford remuneration fees, unfairly limiting consumer information, access, and choice.

This bill seeks to advance some important provisions and further conversation is needed to ensure consumers and their loved ones are provided with sufficient



protections. I am directing the California Elder and Disability Justice Coordinating Council within the California Health and Human Services Agency to work with the author on a revised concept that includes stronger and more equitable consumer protections.

For these reasons, I cannot sign this bill.

Sincerely,

Gavin A



SEP 19 2022

To the Members of the California State Assembly:

I am returning Assembly Bill 552 without my signature.

This bill would permit local educational agencies and county behavioral health agencies to enter into partnerships to provide prevention and early intervention, and access to behavioral health and substance use disorder services for pupils at appropriate school-based locations.

While I share the author's goal of addressing the mental health needs of children and youth, the partnership programs proposed under this bill would duplicate requirements for school-based behavioral health services being developed pursuant to the Children and Youth's Behavioral Health Initiative (CYBHI), which take effect in 2024. Implementation of the CYBHI's statewide all-payer fee schedule will provide a solution to the issue that this bill attempts to address. Additionally, I am concerned that this bill could create significant one-time and ongoing costs in the millions of dollars for the departments that would play a role in implementing these programs.

With our state facing lower-than-expected revenues over the first few months of this fiscal year, it is important to remain disciplined when it comes to spending, particularly spending that is ongoing. We must prioritize existing obligations and priorities, including education, health care, public safety and safety-net programs.

The Legislature sent measures with potential costs of well over \$20 billion in one-time spending commitments and more than \$10 billion in ongoing commitments not accounted for in the state budget. Bills with significant fiscal impact, such as this measure, should be considered and accounted for as part of the annual budget process.

For these reasons, I am unable to sign this bill.

Sincerely

Gavin Newsom



SEP 2 7 2022

To the Members of the California State Assembly:

I am returning Assembly Bill 1930 without my signature.

This bill would require the Department of Health Care Services (DHCS) to provide Medi-Cal's Comprehensive Perinatal Services Program (CPSP) benefit, which is currently available during the initial 60-day postpartum period, for one-year post-pregnancy. DHCS would be required to work with the California Department of Public Health and stakeholders to determine the number of comprehensive perinatal assessments and individualized care plans and additional visits that are at least proportional to those available on July 27, 2021, during pregnancy and 60 days postpartum period. In addition, this bill establishes new requirements related to services offered by comprehensive perinatal services workers.

I support the author's efforts to improve maternal health outcomes and ensure Medi-Cal offers appropriate care for beneficiaries during and after their pregnancy. DHCS already provides full-scope coverage for all individuals for one year after pregnancy, which offers a range of services above and beyond the services provided by CPSP. However, this bill attempts to expand the services offered by comprehensive perinatal workers and make these services a Medi-Cal benefit apart from CPSP. This bill would result in millions of dollars in ongoing General Fund costs that are not accounted for in the budget.

With our state facing lower-than-expected revenues over the first few months of this fiscal year, it is important to remain disciplined when it comes to spending,



particularly spending that is ongoing. We must prioritize existing obligations and priorities, including education, health care, public safety and safety-net programs.

The Legislature sent measures with potential costs of well over \$20 billion in one-time spending commitments and more than \$10 billion in ongoing commitments not accounted for in the state budget. Bills with significant fiscal impact, such as this measure, should be considered and accounted for as part of the annual budget process.

For these reasons, I cannot sign this bill.

Sincerely

Gavin Nev



# SEP 182022

To the Members of the California State Assembly:

I am returning Assembly Bill 1999 without my signature.

This bill would require the Department of Health Care Services to establish a pilot project in at least six counties to provide funding for targeted outreach to Medi-Cal beneficiaries who are blind or have low vision regarding Medi-Cal-covered behavioral health services.

I agree with the author's goal of helping people who are experiencing vision loss and the desire to have appropriately targeted behavioral health services.

Although the bill proposes a pilot program subject to appropriation, the proposed pilot could cost up to \$85 million over a three year period that was not included in the budget.

With our state facing lower-than-expected revenues over the first few months of this fiscal year, it is important to remain disciplined when it comes to spending, particularly spending that is ongoing. We must prioritize existing obligations and priorities, including education, health care, public safety and safety-net programs.

The Legislature sent measures with potential costs of well over \$20 billion in one-time spending commitments and more than \$10 billion in ongoing commitments not accounted for in the state budget. Bills that create significant General Fund cost pressure, such as this measure, should be considered and



accounted for as part of the annual budget process. For these reasons, I cannot sign this bill.

Sincerely,

Cavin Newson



SEP 2 7 2022

To the Members of the California State Assembly:

I am returning Assembly Bill 2077 without my signature.

This bill would increase the personal needs allowance (PNA) from \$35 to \$80 per month for Medi-Cal beneficiaries residing in medical institutions, nursing facilities, or receiving services from a Program of All-Inclusive Care for the Elderly (PACE). The increase would begin no earlier than July 1, 2024 and would be contingent on any necessary federal approval and that federal financial participation (FFP) is available.

I am sympathetic to the author's efforts to increase the amount a Medi-Cal beneficiary in Long-Term Care is able to retain each month to meet their personal or incidental needs to reflect the rising cost of personal goods. However, this bill could result in ongoing costs of approximately \$23.8 million (\$11.9 million General Fund) and these costs were not accounted for in the budget.

With our state facing lower-than-expected revenues over the first few months of this fiscal year, it is important to remain disciplined when it comes to spending, particularly spending that is ongoing. We must prioritize existing obligations and priorities, including education, health care, public safety and safety-net programs.

The Legislature sent measures with potential costs of well over \$20 billion in one-time spending commitments and more than \$10 billion in ongoing



commitments not accounted for in the state budget. Bills with significant fiscal impact, such as this measure, should be considered and accounted for as part of the annual budget process.

For these reasons, I am returning AB 2077 without my signature.

Sincerely,

Gavin Newso



SEP 2 5 2022

To the Members of the California State Assembly:

I am returning Assembly Bill 2079 without my signature.

AB 2079 would establish, no later than July 1, 2023, a direct patient related services spending, reporting, and rebate requirement for skilled nursing facilities (SNFs), as specified, which would be reported to the Department of Health Care Services (DHCS).

As part of the Budget Act of 2022 and AB 186 (Committee on Budget, Chapter 46, Statutes of 2022), a new Medi-Cal reimbursement rate structure for SNFs was established to focus on quality and includes a per patient per day penalty for not meeting quality metrics in addition to a quality award for meeting certain patient quality metrics. Unfortunately, AB 2079's takeback methodology does not align with the quality payments under this new program and may result in instances where a facility's quality payment is recouped because it does not meet the specific benchmarks noted in the bill. It is unclear how DHCS would successfully operationalize a system of simultaneous takebacks and quality payments.

Efforts to incentivize direct patient care and quality through SNF financing should leverage the existing framework and be considered in the annual budget process. Therefore, I cannot sign this bill.

Sincerely,

Gavin Newson



SFP 2 9 2022

To the Members of the California State Assembly:

I am returning Assembly Bill 2144 without my signature.

The bill would require the Department of Justice to furnish to the Department of Health Care Services with data for individuals detained on a 72-hour hold and who are, therefore, subject to firearm restrictions.

We must do more to address data quality for involuntary holds. This is why I signed SB 929 (Eggman), Community mental health services: data collection, which will improve data quality for involuntary holds.

AB 2144, however, fails to establish a workable framework for exchanging information between local entities and state agencies. Without provisions ensuring enough data are being gathered to sufficiently identify the counties in which individuals reside, as well as data to identify Medi-Cal beneficiaries from among those subject to firearm restrictions, this bill will not achieve its intended purpose.

For these reasons, I cannot sign this bill.

Gavin Newsá

Sincer ely



SEP 182022

To the Members of the California State Assembly:

I am returning Assembly Bill 2281 without my signature.

This bill would establish the Early Childhood Mental Health Services Act, a grant program administered by the Mental Health Services Oversight and Accountability Commission for the purpose of improving access to, and quality of, care, services, and supports for children up to five years of age, with an emphasis on prevention and early intervention and addressing disparities.

I share the author's concern about supporting youth mental health. Together with the Legislature, California has taken urgent action to address this crisis by investing over \$4.7 billion in the Children and Youth Behavioral Health Initiative to ensure all California kids, parents and communities have increased access to mental health and substance use services. While the goal of this proposed grant program is laudable, it requires tens to hundreds of millions of dollars that were not appropriated in this year's Budget Act.

Furthermore, with our state facing lower-than-expected revenues over the first few months of this fiscal year, it is important to remain disciplined when it comes to spending, particularly spending that is ongoing. We must prioritize existing obligations and priorities, including education, health care, public safety and safety-net programs.

The Legislature sent measures with potential costs of well over \$20 billion in one-time spending commitments and more than \$10 billion in ongoing commitments not accounted for in the state budget. Bills with significant fiscal

impact, such as this measure, should be considered and accounted for as part of the annual budget process. For these reasons, I cannot sign this bill.

Sincerely,

Gavin Newsø



SEP 2 5 2022

To the Members of the California State Assembly:

I am returning Assembly Bill 2426 without my signature.

This bill would require the Department of Health Care Services to create a directed payment program in Medi-Cal managed care for Martin Luther King, Jr. Community Hospital's outpatient hospital services so that reimbursement received by the hospital is approximately equal to the hospital's costs for those services.

Although I appreciate the author's goal of supporting critical safety net care provided by this important hospital in his district, the bill imposes a reimbursement structure that conflicts with federal regulations, creating significant implementation challenges. Furthermore, this proposal would require tens of millions of dollars to implement which were not included in the budget.

With our state facing lower-than-expected revenues over the first few months of this fiscal year, it is important to remain disciplined when it comes to spending, particularly spending that is ongoing. We must prioritize existing obligations and priorities, including education, health care, public safety and safety-net programs.

The Legislature sent measures with potential costs of well over \$20 billion in one-time spending commitments and more than \$10 billion in ongoing commitments not accounted for in the state budget. Bills with significant fiscal



GOVERNOR GAVIN NEWSOM • SACRAMENTO, CA 95814 • (916) 445-2841

impact, such as this measure, should be considered and accounted for as part of the annual budget process. For these reasons, I cannot sign this bill.

Sincerely,

Gavin Newson



SFP 2 5 2022

To the Members of the California State Assembly:

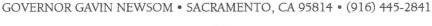
I am returning Assembly Bill 2516 without my signature.

This bill would expand the definition of "comprehensive family planning services" under the Family Planning, Access, Care and Treatment (Family PACT) program to include the human papillomavirus (HPV) vaccine as a covered benefit for children and adolescents ages 9 to 18 years of age. For this age group, the HPV vaccine is available through Medi-Cal and the Vaccines for Children (VFC) programs. As a result, AB 2516's proposal to provide the HPV vaccine in the Family PACT program to individuals who are already covered through the VFC program would result in millions of dollars in General Fund expenditures not included in the Budget Act of 2022 and would not be available for federal reimbursement.

The 2022 Budget Act includes \$8 million (\$4.6 million General Fund) to add the HPV vaccine under the FamilyPACT program for individuals ages 19 through 45. While I support the author's efforts to address STI prevention, proposals with an ongoing fiscal impact should be considered through the annual budget process.

With our state facing lower-than-expected revenues over the first few months of this fiscal year, it is important to remain disciplined when it comes to spending, particularly spending that is ongoing. We must prioritize existing obligations and priorities, including education, health care, public safety and safety-net programs.

The Legislature sent measures with potential costs of well over \$20 billion in one-time spending commitments and more than \$10 billion in ongoing commitments not accounted for in the state budget. Bills with significant fiscal



impact, such as this measure, should be considered and accounted for as part of the annual budget process.

For these reasons, I cannot sign this bill.

Sincerely,

Gavin Newsom



SEP 1 9 2022

To the Members of the California State Assembly:

I am returning Assembly Bill 2677 without my signature. This bill makes several changes to the Information Practices Act of 1977, including expanding the definition of personal information, limiting certain disclosures, and applying data minimization principles.

I commend the author for his commitment to data privacy and am supportive of expanding security protocols to further protect personal information collected by state agencies and businesses. However, I am concerned this bill is overly prescriptive and could conflict with the State's goal to provide person-centered, data driven, and integrated services. Additionally, this bill would cost tens of millions of dollars to implement across multiple state agencies that were not accounted for in the budget.

With our state facing lower-than-expected revenues over the first few months of this fiscal year, it is important to remain disciplined when it comes to spending, particularly spending that is ongoing. We must prioritize existing obligations and priorities, including education, health care, public safety and safety-net programs.

The Legislature sent measures with potential costs of well over \$20 billion in one-time spending commitments and more than \$10 billion in ongoing commitments not accounted for in the state budget. Bills with significant fiscal

impact, such as this measure, should be considered and accounted for as part of the annual budget process. For these reasons, I cannot sign this bill.

Sincerely,

Gavin Ne



SEP 2 9 2022

To the Members of the California State Senate:

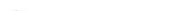
I am returning Senate Bill 912 without my signature.

This bill would require health care service plans, including the Medi-Cal program, to provide coverage for biomarker testing for the purposes of diagnosis, treatment, appropriate management, or ongoing monitoring of a person's disease or condition, as long as the test is supported by medical and scientific evidence, as defined in the bill.

While I appreciate the author's efforts to provide biomarker testing coverage, these services are already covered by Medi-Cal. Furthermore, biomarker testing is valuable when it can inform a condition's diagnosis and treatment, but this bill would require Medi-Cal to cover unnecessary testing that may not inform the best treatment to care for the beneficiary.

For example, this bill would require the Department of Health Care Services (Department) to cover biomarker testing supported by local coverage determinations, which can contradict each other, and tests supported by "nationally recognized clinical practice guidelines and consensus statements," which may not be evidenced-based. In contrast, Medi-Cal policy is based upon the gold standard of guidelines with standards set by the National Academy of Medicine.

This bill would establish broad and contradictory coverage requirements that go beyond the Department's evidence-based policies, which would unnecessarily





increase costs without increasing the quality of coverage. I believe the Department should retain its current flexibility to establish evidence-based policies in light of the dynamic and changing nature of medicine.

For these reasons, I cannot sign this bill.

Sincerely,

Gavin Nowsom



SEP 19 2022

To the Members of the California State Senate:

I am returning Senate Bill 1191 without my signature.

This bill would add pharmacogenomic (PGx) testing as a Medi-Cal covered benefit.

I appreciate the author's interest in facilitating access to PGx testing, which is currently available in Medi-Cal with prior approval when medically necessary. I have worked with the Legislature to add covered benefits such as continuous glucose monitoring, community health workers, and doula services to the Medi-Cal program through the annual budget process. Although this bill is contingent upon an appropriation, it creates tens of millions of dollars in General Fund cost pressures not accounted for in the budget.

With our state facing lower-than-expected revenues over the first few months of this fiscal year, it is important to remain disciplined when it comes to spending, particularly spending that is ongoing. We must prioritize existing obligations and priorities, including education, health care, public safety and safety-net programs.

The Legislature sent measures with potential costs of well over \$20 billion in one-time spending commitments and more than \$10 billion in ongoing commitments not accounted for in the state budget. Bills with significant fiscal

impact, such as this measure, should be considered and accounted for as part of the annual budget process. For these reasons, I cannot sign this bill.

Sinderely,

Gavin No



# SEP 2 5 2022

To the Members of the California State Senate:

I am returning Senate Bill 1234 without my signature.

SB 1234 would, subject to an appropriation by the Legislature and any potential draw down of federal matching funds, expand eligibility for the Family Planning, Access, Care and Treatment (Family PACT) program's sexually transmitted disease (STD)-related services to individuals who are not at risk for pregnancy, and those who are not in need of contraceptive services. The bill would require the Department of Health Care Services to report on utilization, costs and other information to the Legislature on or before January 1, 2026. Lastly, the bill would remove the requirement that a STD home test kit be sent by the enrolled Medi-Cal or Family PACT provider to a Medi-Cal-enrolled laboratory.

While I support the author's efforts to reduce STDs and reinfections in California, SB 1234 would expand Family PACT services beyond the federal definition of family planning thereby creating a state-only program that creates significant ongoing General Fund cost pressure not accounted for in the budget.

With our state facing lower-than-expected revenues over the first few months of this fiscal year, it is important to remain disciplined when it comes to spending, particularly spending that is ongoing. We must prioritize existing obligations and priorities, including education, health care, public safety and safety-net programs.



The Legislature sent measures with potential costs of well over \$20 billion in one-time spending commitments and more than \$10 billion in ongoing commitments not accounted for in the state budget. Bills with significant fiscal impact, such as this measure, should be considered and accounted for as part of the annual budget process. For these reasons, I cannot sign this bill.

Sincerely,

<del>Gavin News</del>g



#### SEP 2 7 2022

To the Members of the California State Assembly:

I am returning Senate Bill 1238 without my signature.

This bill would require the Department of Health Care Services (DHCS), in consultation with local governments, to conduct a review of and prepare a report regarding current and projected behavioral health care infrastructure and service needs in each region of the state every five years. The bill also requires local governments to provide behavioral health service access and utilization data for their region.

I appreciate the author's intent to identify the existing and projected behavioral health care infrastructure and service needs, which is why DHCS recently updated an assessment of California's behavioral health system in the Assessing the Continuum of Care for Behavioral Health Services in California report, published in January 2022, which presents an analysis of data gathered from surveys and focus groups and includes many of the data sets and service categories specified in SB 1238. Additionally, the Statewide Needs Assessment and Planning Report, which is published biennially, and the Mental Health and Substance Use System Needs Assessment and Service Plan, which was developed for California's section 1115 Bridge to Reform waiver approval, also provide assessments of our needs. This bill lacks detail regarding data collection, reporting timeframes, and funding which would result in significant implementation challenges. Furthermore, this bill would create a large mandate, potentially costing the state tens of millions of dollars that are not accounted for in the budget.





With our state facing lower-than-expected revenues over the first few months of this fiscal year, it is important to remain disciplined when it comes to spending, particularly spending that is ongoing. We must prioritize existing obligations and priorities, including education, health care, public safety and safety-net programs.

The Legislature sent measures with potential costs of well over \$20 billion in one-time spending commitments and more than \$10 billion in ongoing commitments not accounted for in the state budget. Bills with significant fiscal impact, such as this measure, should be considered and accounted for as part of the annual budget process.

For these reasons, I cannot sign this bill.

Sincerely

Gavin Newsom



# SEP 2 7 2022

To the Members of the California State Senate:

I am returning Senate Bill 1302 without my signature.

This bill would appropriate \$250 million from the Mental Health Services Fund (MHSF) to provide grants of up to \$250,000 to local educational agencies serving high school pupils to establish or improve school-based health centers that provide mental health services.

My Administration remains committed to addressing the comprehensive needs of the whole child, which is why in working with the Legislature, we have dedicated more than \$8 billion to transforming schools across the state into community schools and implementing the Master Plan for Kids Mental Health. Our youth are best served by programs that are intentionally designed to serve children of all ages and support their comprehensive needs, including mental health.

While the author's intent is commendable, this grant program is duplicative of more comprehensive initiatives already underway. Furthermore, appropriating \$250 million from the MHSF to fund grants for school-based health centers circumvents the Mental Health Services Act's (MHSA) local planning process and inappropriately establishes MHSA-funded grant programs outside of the budget process. Directing MHSA funding to activities which address a specific set of statutorily defined goals, rather than local needs which have been identified by counties and community stakeholders, would be contrary to the intent of the MHSA.

For these reasons, I am unable to sign this bill.



Sincerely,

Gavin Newson



SEP 2 7 2022

To the Members of the California State Senate:

I am returning Senate Bill 1446 without my signature.

This bill would require the California Department of Health Care Services (DHCS), when revising its relevant policies, regulations, and grant program criteria, to ensure that an individualized range of services and supports, including "housing that heals," is provided to an individual with a severe mental disorder. The bill also prohibits the expansion of any state obligation to provide access to behavioral health-related treatment, housing that heals, or other services and supports.

I share the author's concern regarding the need for increased behavioral health services and housing supports, especially for individuals who need it the most. This is why my Administration has invested more than \$8 billion to ensure that California's most vulnerable populations have access to timely, necessary, and life-saving prevention, early intervention, treatment, recovery, housing, and harm reduction behavioral health services, including \$4.7 billion for the Children and Youth Behavioral Health Initiative, \$2.2 billion for the Behavioral Health Continuum Infrastructure Program, \$1.5 billion for the Behavioral Health Bridge Housing Project, \$100 million for the Medication Assisted Treatment Expansion Project, and \$175 million for grants to Support Wellness and Build Resilience of Children, Youth, and Parents. These activities are in addition to the hundreds of local and statewide programs California has developed through the use of more than \$2 billion in federal grant funds.



The bill provides two conflicting directives: expanding access to behavioral health services to "any individual" in need, regardless of Medi-Cal eligibility while not expanding DHCS' current obligations to provide access. Increasing the availability and access to behavioral health services can only be accomplished through thoughtful, substantive and adequately-funded policy initiatives.

For these reasons, I cannot sign this bill.

Sincerely

Gavin New