



LEGISLATIVE SUMMARY 2023

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DEPARTMENT OF HEALTH CARE SERVICES LEGISLATIVE SUMMARY 2023

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ADMINISTRATIVE HEARINGS & APPEALS

AB 0048 Aguiar-Curry (Chapter 794)

NURSING FACILITY RESIDENT INFORMED CONSENT PROTECTION ACT OF 2023

Assembly Bill (AB) 48, sponsored by the California Advocates for Nursing Home Reform, establishes the Nursing Facility Resident Informed Consent Protection Act, which expands rules establishing a resident's right to provide or withhold informed consent relating to the use of psychotherapeutic drugs and chemical restraint. AB 48 would: 1) add new requirements that skilled nursing facilities and intermediate care facilities must follow when obtaining informed consent for psychotherapeutic drugs, as specified; 2) require the California Department of Public Health (CDPH) to develop a standardized informed consent form, in consultation with stakeholders, by December 31, 2025; and 3) require CDPH to inspect Skilled nursing facilities and Intermediate care facilities for compliance with AB 48's requirements only after the standardized form has been created. AB 48 would also clarify that all residents of skilled nursing facilities, intermediate care facilities, or hospice facilities have the right to appeal an involuntary transfer or discharge regardless of the resident's payment source or the Medi-Cal or Medicare certification status of the facility where the resident resides.

BEHAVIORAL HEALTH

AB 0665 Carrillo (Chapter 338)

MINORS: CONSENT TO MENTAL HEALTH SERVICES

AB 665, sponsored by California Alliance of Child and Family Services, The Children's Partnership, National Health Law Program, and National Center for Youth Law, amends section 6924 of the Family Code, to align with Section 124260 of the Health and Safety Code applicable to commercial insurance, to, effective July 1, 2024, remove requirements that a minor who seeks mental health services funded by a governmental agency and is 12 years of age or older must present a danger of serious physical or mental harm to themselves or others or be the alleged victim of incest or child abuse in order to consent to mental health

treatment, or counseling on an outpatient basis, or to residential shelter services. In addition to aligning the two statutes, the bill requires the professional person treating or counseling a minor 12 years of age or older to consult with the minor before determining whether involvement of the minor's parent or guardian would be inappropriate.

SB 0035 Umberg (Chapter 283)

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

Senate Bill (SB) 35, sponsored by the author, amends the Community Assistance Recovery and Empowerment (CARE) Act, which is intended to deliver mental health and substance use disorder (SUD) services to those experiencing a serious mental disorder as an alternative to incarceration in a jail or psychiatric facility, or placement under a conservatorship. This bill clarifies the requirements for the CARE process and makes technical and non-substantive changes to implement the CARE Act successfully. Additionally, the bill specifies the information that must be shared between behavioral health agencies and providers to support the determinations, conclusions, and recommendations for the written report submitted to the court to document the respondent's eligibility for the CARE process. SB 35 clarifies the submission dates of the preliminary and final reports on the CARE Act that the Department of Health Care Services (DHCS) is required to submit to the Legislature.

The bill includes an urgency clause and took effect immediately upon the Governor's signing on September 30, 2023 in alignment with the October 1, 2023, CARE Act implementation.

BENEFITS

AB 0425 Alvarez (Chapter 329)

MEDI-CAL: PHARMACOGENOMIC TESTING

AB 425, sponsored by Invitae Corporation, beginning July 1, 2024, and contingent upon federal approvals and financial participation, 1) adds pharmacogenomic testing (PGx) as a Medi-Cal covered benefit, subject to utilization controls and evidence-based clinical practice guidelines, 2) defines PGx, and 3) allows DHCS to implement and make specific

requirements through all-county letters or similar instructions without the need for regulatory action.

AB 0847 Rivas (Chapter 814)

MEDI-CAL PEDIATRIC PALLIATIVE CARE SERVICES

AB 847, sponsored by the California Children's Hospice and Palliative Care Coalition, allows an individual who is determined to be eligible to receive hospice or palliative care services prior to 21 years of age to continue to receive these services after 21 years of age when certified as eligible by a provider.

AB 1241 Weber (Chapter 172)

MEDI-CAL: TELEHEALTH

AB 1241, sponsored by Teledoc Health, states that a provider who furnishes services through video synchronous interaction or audio-only synchronous interaction and is not able to offer services in-person, is not required to schedule an appointment with a different provider on behalf of a patient.

SB 0496 Limon (Chapter 401)

BIOMARKER TESTING

SB 496, sponsored by the American Cancer Society Cancer Action Network, Inc., and the University of California, will 1) require a health care service plan contract or health insurance policy issued, amended, or renewed on or after July 1, 2024, to provide coverage for biomarker testing, as specified; 2) require a health insurance policy issued, amended, or renewed on or after July 1, 2024, to provide coverage for biomarker testing, as specified; and 3) make biomarker testing a covered Medi-Cal benefit, as specified.

SB 0779 Stern (Chapter 505)

PRIMARY CARE CLINIC DATA MODERNIZATION ACT

SB 779, sponsored by Service Employees International Union California, 1) sunsets existing reporting requirements for specified clinics types, effective January 1, 2027; 2) revises reporting requirements for these same clinic types effective January 1, 2027; 3) specifies descriptive information to be reported to the Department of Health Care Access and Information (HCAI); 4) adds an enforcement provision requiring HCAI to send a written notice of violation to clinics that fail to report on time; 5) requires HCAI to send a list of those clinics to the CDPH, and 6) requires violations to be posted on HCAI's website.

BUDGET OFFICE

AB 0100 Ting (Chapter 3)

BUDGET ACTS OF 2021 AND 2022

AB 100 amends the 2021 and 2022 Budget Acts to make changes associated with the Fiscal Year (FY) 2023-24 budget package.

AB 0102 Ting (Chapter 38)

BUDGET ACT OF 2023

AB 102 enacts the provisions of the Budget Act for 2023-2024.

AB 0103 Ting (Chapter 33)

BUDGET ACTS OF 2021 AND 2022

AB 103 amends the 2021 and 2022 Budget Acts to make changes associated with the FY 2023-24 budget package.

SB 0101 Skinner (Chapter 12)

BUDGET ACT OF 2023

SB 101 enacts the provisions of the Budget Act for 2023-2024.

SB 0104 Skinner (Chapter 189)

BUDGET ACTS OF 2022 AND 2023

SB 104 amends the 2021 and 2022 Budget Acts to make changes associated with the Fiscal Year (FY) 2023-24 budget package.

COMMUNITY SERVICES

AB 0033 Bains (Chapter 887)

FENTANYL MISUSE AND OVERDOSE PREVENTION TASK FORCE

AB 33, sponsored by the author, establishes the Fentanyl Misuse and Overdose Prevention Task Force (Task Force). The Task Force will be co-chaired by the Attorney General and the State Public Health Officer, or their designees, and comprised of 25 members, including the Director of DHCS or their designee. The Task Force will be responsible for undertaking various duties relating to addressing and mitigating fentanyl misuse and will be required to report findings and recommendations to the Governor and the Legislature by December 1, 2025, with an interim report to be submitted by July 1, 2025. The Task Force will meet at least once every two months, with the first meeting to take place no later than June 1, 2024. The bill has an urgency clause and will sunset on January 1, 2026. Implementation is subject to an appropriation.

AB 0289 Holden (Chapter 518)

MENTAL HEALTH SERVICES: REPRESENTATION

AB 289, sponsored by the Children's Partnership and Racial and Ethnic Mental Health Disparities Coalition, amends the Mental Health Services Act (MHSA) to add youths or youth mental health organizations to the list of stakeholders that must be included in developing MHSA three-year program and expenditure plans and updates. In addition, it specifies that stakeholders shall include sufficient participation of individuals representing diverse viewpoints.

AB 0531 Irwin (Chapter 789)

THE BEHAVIORAL HEALTH INFRASTRUCTURE BOND ACT OF 2023

AB 531, sponsored by the Department of Housing and Community Development, subject to voter approval, authorizes the issuance of \$6.38 billion in general obligation bonds to be issued to DHCS and the Department of Housing and Community Develop, as specified.

AB 1233 Waldron (Chapter 570)

SUBSTANCE ABUSE: NALOXONE DISTRIBUTION PROJECT: TRIBAL GOVERNMENTS

AB 1233, sponsored by the author, requires DHCS to: 1) provide outreach to each tribal government in California for the purpose of advising them and providing technical assistance related to the availability of naloxone hydrochloride or another opioid antagonist through DHCS' Naloxone Distribution Project, and 2) report to the Legislature on the results of the outreach annually, beginning March 31, 2025. The provisions in the bill sunset on March 31, 2027.

SB 0019 Seyarto (Chapter 857)

FENTANYL MISUSE AND OVERDOSE PREVENTION TASK FORCE

SB 19, sponsored by the author, upon appropriation by the Legislature, establishes the Fentanyl Misuse and Overdose Prevention Task Force (Task Force). The Task Force will be co-chaired by the Attorney General and the State Public Health Officer or their designees and will be comprised of 25 members, including the Director of DHCS or their designee. The Task Force is responsible for various duties relating to researching, addressing, and mitigating fentanyl misuse and is required to report findings and recommendations to the Governor, the Attorney General, and the Legislature by December 1, 2025, with an interim report to be submitted to the Governor and the Legislature by July 1, 2025. The Task Force will meet at least once every two months, with the first meeting to take place no later than June 1, 2024. The bill sunsets on January 1, 2026.

SB 0326 Eggman (Chapter 790)

THE BEHAVIORAL HEALTH SERVICES ACT

SB 326, sponsored by the Administration, recasts the MHSA as the Behavioral Health Services Act (BHSA) and allows BHSA funding to be used to provide services to individuals with SUDs, regardless of whether they have additional mental health diagnoses; modifies local spending priorities under the BHSA to require 30 percent of local BHSA funds to be spent on housing interventions, 35 percent to be spent on full-service partnership programs, and 35 percent to be spent on Behavioral Health Services and Supports programs; and eliminates allocations for local prevention programs and adds a state-level population-based prevention program and workforce program. This bill also requires counties to more comprehensively plan and report on behavioral health services, expenditures, and outcomes. The bill requires the state to establish statewide goals and outcome metrics for behavioral health services and authorizes DHCS to enforce county compliance with BHSA requirements through various specified mechanisms. This bill made most changes subject to voter approval on the March 2024 primary election ballot and contains an urgency clause.

FEE FOR SERVICE RATES

SB 0525 Durazo (Chapter 890)

MINIMUM WAGES: HEALTH CARE WORKERS

SB 525, sponsored by the Service Employees International Union California, establishes five different minimum wage schedules for various covered health care employees and facilities, effective June 1, 2024, with additional differences for county-owned, -affiliated, or -operated providers, and with varying dates for subsequent minimum wage increases. This bill makes the application of the health care worker minimum wage to most skilled nursing facilities contingent on the passage of a patient care minimum spending requirement. This bill requires the Department of Industrial Relations, in collaboration with DHCS and the Department of HCAI, to develop a waiver program applicable to specified community, rural health, and related clinics no later than March 1, 2024, and requires DHCS to evaluate waiver applications to determine whether

compliance with the minimum wage requirements would raise doubts about the clinics' ability to continue as a going concern under generally accepted accounting principles.

LEGAL SERVICES

SB 0487 Atkins (Chapter 261)

ABORTION: PROVIDER PROTECTIONS

SB 487, sponsored by the American College of Obstetricians and Gynecologists, Region IX, the California Medical Association, and Planned Parenthood Affiliates of California, allows DHCS, subject to federal approval, to elect not to terminate providers from enrollment in Medi-Cal due to loss of licensure or conviction in another state when the adverse action occurred due to the provision of healthcare services in that state which are found to constitute unprofessional conduct in that state, but that would not be deemed unprofessional conduct in California. This bill establishes protections against contract termination, discrimination, or suspension of enrollment for health care providers who contract with health plans and insurers when such adverse action is based solely on actions in other states for conduct that is not prohibited in California.

LEGISLATIVE & GOVERNMENTAL AFFAIRS

AB 112 Committee on Budget (Chapter 6)

DISTRESSED HOSPITAL LOAN PROGRAM

AB 112, as proposed by the Legislature, enacts provisions of the Budget Act of 2023, which establish the Distressed Hospital Loan Program, until January 1, 2032, which will provide interest free cashflow loans to not-for-profit hospitals and public hospitals, as defined, in significant financial distress, or to governmental entities representing closed hospitals. The bill requires HCAI to administer the Distressed Hospital Loan Program and to enter into an interagency agreement with the California Health Facilities Financing Authority to implement the Distressed Hospital Loan Program.

BUDGET ACT OF 2023: HEALTH

AB 118 enacted the provisions of the Budget Act for FY 2023-24, as it pertains to health issues for specified state departments under the California Health and Human Services Agency. Below describes the sections impacting DHCS.

SEC. 3. This section, as proposed by the Administration, amended Section 16531.1 of the Government Code, to set the Medi-Cal Provider Interim Payment loan authority at 10 percent of the amount appropriated from the General Fund and 6 percent of the amount appropriated from the Federal Trust Fund for Medi-Cal benefit costs in the Budget Act from the most recent FY, instead of a fixed \$2 billion, in the event there is a deficiency in budget authority or a signed budget is not in place at the beginning of a FY.

SEC. 4-8, 17, 56 & 59. These sections, as proposed by the Administration and modified by the Legislature, amended Sections 53123.1.5, 53123.3, 53123.4, and 53123.5 of the Government Code, Section 10144.57 of the Insurance Code, Section 41136 of the Revenue and Tax Code, Section 1374.724 of the Health and Safety Code and added Section 53123.6 of the Government Code, to make technical clean up to AB 988 (Bauer-Kahan, Chapter 747, Statutes of 2022). Changes include: 1) conforms the definition of AB 988 to with federal requirements, 2) extends the deadline for the five-year plan recommendations, end date for the advisory group to meet, and disbanding of the advisory group by one year, 3) allows the 988 surcharge revenue to be used to pay state departments for their costs in administering the 988 Suicide and Crisis Lifeline, 4) provides DHCS contract exemption, and 5) aligns commercial and Medi-Cal coverage.

SEC. 22-37. These sections, as proposed by the Administration and modified by the Legislature, amended Sections 11830, 11831.12, 11831.6, 11831.7, 11833.01 and 11833.05, added Chapters 7.1 (commencing with Section 11832) and 7.2 (commencing with Section 11833) to Part 2 of Division 10.5, and repealed Sections 11830.1, 11830.5, 11831.1, 11831.2, 11831.5, 11832, 11832.1, and 11833 of the Health and Safety Code, to require mandatory certification of outpatient alcohol or other drug (also known as SUD programs).

SEC 38. This section, as proposed by the Administration, amended Section 11836 of the Health and Safety Code, to clarify DHCS' authority to regulate Driving-Under-the-Influence programs offering services virtually.

SEC. 55, 137, 139-141 & 167-168. These sections, as proposed by the Administration and modified by the Legislature, amended Section 129385 of the Health and Safety Code and Section 14105.192 of the Welfare and Institutions Code, and added Sections 14105.200, 14105.201, and 14105.202 of the Welfare and Institutions Code, to require the reimbursement rates for primary care services, obstetric care services, doula services, and certain outpatient mental health services to be the greater of 87.5 percent of the lowest maximum allowance established by the federal Medicare Program for the same or similar services or the level of reimbursement, on the effective date of any necessary federal approvals and no sooner than January 1, 2024. These provisions are contingent on the enactment of AB 119 which authorizes the new Managed Care Organization Provider Tax.

SEC. 66. This section, as proposed by the Administration, amended Section 5402 of the Welfare and Institutions Code, to expand Lanterman-Petris-Short (LPS) Act data reporting requirements primarily by: 1) requiring counties to collect and report data quarterly to DHCS from their local entities implementing LPS involuntary holds rather than those entities reporting directly to DHCS, and 2) authorizing DHCS to levy civil money penalties against facilities and counties for failure to submit data timely. The civil money penalties would be subject to an appeals process and penalty revenue would be deposited into a new continuously appropriated special fund to support DHCS implementation of SB 929 (Eggman, Chapter 539, Statutes of 2022).

SEC. 67-74, 77-79, 84-86, 94-95, 103, 108-110, 112, 115-118, 124-126, 142-143, 145-147 & 152-154. These sections, as proposed by the Administration, amended Sections 14005.7, 14005.9, 14005.11, 14005.12 (as amended by Section 72 of Chapter 47 of the Statutes of 2022), 14005.12 (as added by Section 73 of Chapter 47 of the Statutes of 2022), 14005.13 (as amended by Section 74 of Chapter 47 of the Statutes of 2022), 14005.13 (as amended by Section 15 of Chapter 738 of the Statutes of 2022), 14005.21, 14005.26, 14005.32, 14005.41, 14005.42, 14006.4,

14009, 14011, 14011.65, 14011.8, 14015, 14015.12, 14016, 14019.4, 14054, 14110.8, 14132, 14132.56, 14132.95, 14132.99, 14148.5, and 14154.5 of the Welfare and Institutions Code and added Sections 14005.11, 14005.95, 14006.4, 14011, 14051.7, 14051.8, and 14148.5 of the Welfare and Institutions Code, to align DHCS' Long-Term Care policy with federal guidelines; specifically, how DHCS describes the cost sharing provisions for individuals subject to the Post-Eligibility Treatment of Income and spenddown of excess income to become eligible for Medi-Cal, and Notices of Action for individuals in Long Term Care facilities.

SEC. 69-70, 75-76, 80-83, 87-109, 113-115, 120-123 & 152-153. These sections, as proposed by the Legislature, amended Sections 14005.11, 14005.20, 14005.40, 14005.401, 14006, 14006.01, 14006.1, 14006.15, 14006.2, 14006.3, 14006.4, 14006.5, 14006.6, 14007.9 (as amended by Section 83 of Chapter 47 of the Statutes of 2022), 14009.6, 14009.7, 14011, 14013.3, 14015, 14051.5, and 14148.5 of the Welfare and Institutions Code and added Sections 14005.11, 14005.20, 14005.40, 14005.401, 14006.3, 14006.4, 14006.5, 14007.9, 14007.9, 14009.6, 14009.7, 14011, 14013.3, 14051, 14051.5, 14148.5 of the Welfare and Institutions Code, to make technical statutory cleanup with respect to the elimination of the Medi-Cal Asset Test.

SEC. 111, 150-151 & 162-163. These sections, as proposed by the Administration and modified by the Legislature, amended Sections 14011.7, 14148.04, 15832 (as amended by Section 136 of Chapter 47 of the Statutes of 2022) of the Welfare and Institutions Code and added Section 14148.04 of the Welfare and Institutions Code, to require all qualified Medi-Cal providers participating in presumptive eligibility programs to report the births of any Medi-Cal eligible infant born in their facilities, including hospitals and birthing centers or other birthing settings through the Newborn Hospital Gateway, as specified.

SEC. 119. This section, as proposed by the Administration, amended Section 14021.6 of the Welfare and Institutions Code, to change the Drug Medi-Cal claim timeliness from six months to twelve months to create parity and be consistent with the claim timeliness requirements for Medi-Cal fee-for-service, Specialty Mental Health Services, and federal regulations.

SEC. 127. This section, as proposed by the Administration, amended Section 14064 of the Welfare and Institutions Code, to eliminate the statutory provisions related to initial evaluation (7-10 days) and 14-day trial program for Acute Inpatient Intensive Rehabilitation Services.

SEC. 128-132 & 157. These sections, as proposed by the Administration and modified by the Legislature, amended Sections 14094.5, 14094.7, 14094.11, 14094.12, 14094.17, and 14184.200 of the Welfare and Institutions Code to: 1) implement the California Children's Services Whole-Child Model in the 12 counties converting to County Organized Health Systems as part of the county model change; and 2) mandatorily enroll Foster Care children in Single Plan counties in order to align policies in all Medi-Cal Managed Care Plan models where there is a single plan operating in the county.

SEC. 133-134. These sections, as proposed by the Administration and modified by the Legislature, amended Section 14100.5 and added Section 14100.5 of the Welfare and Institutions Code to update and conform statutory requirements related to the Medi-Cal Local Assistance Estimate with recent program changes in Medi-Cal and reorganize the estimate and budget act information.

SEC. 135-136, 138 & 155. These sections, as proposed by the Administration, amended Sections 14105.075, 14105.194, 14169.81 and added Section 14105.076 of the Welfare and Institutions Code, to shift reimbursement for specified Long-Term Care facilities from an August to July rate year basis to a calendar rate year basis, effective January 1, 2024.

SEC. 144. This section, as proposed by the Administration, amended Section 14132.24 of the Welfare and Institutions Code to extend the timelines for the workgroup to examine implementation of the doula benefit in the Medi-Cal program from April 1, 2022, until December 31, 2023, to April 1, 2023, until June 30, 2025, to align with implementation of the benefit one year later than originally anticipated. The date extension aligns with the associated evaluation report and sunset date.

SEC. 148 & 149. These sections, as proposed by the Administration, amended Sections 14146 and 14146.5 of the Welfare and Institutions Code to extend the expenditure authority of the Medical Interpreter Pilot Project for a period of 12 months, from June 30, 2024, to June 30, 2025. The

program's inoperative date was extended from July 1, 2024, to July 1, 2025, as well as the sunset date from January 1, 2025, to January 1, 2026.

SEC. 156 & 158. These sections, as proposed by the Administration, amended Sections 14184.102 and 14184.201 of the Welfare and Institutions Code to 1) authorize reimbursement levels for primary care, obstetric care, and behavioral health services to the extent required by the federal Centers for Medicare and Medicaid Services as a condition of claiming federal financial participation for Designated State Health Programs; and 2) delay the transition of Intermediate Care Facility, Developmentally Disabled and subacute services into the Medi-Cal managed care delivery system from July 1, 2023, to January 1, 2024.

SEC. 159. This section, as proposed by the Administration, amended Section 14184.403 of the Welfare and Institutions Code to establish a continuously appropriated special fund, titled Medi-Cal County Behavioral Health Fund, to support the non-federal share of behavioral health services provided by counties under the implementation of the California Advancing and Innovating Medi-Cal Behavioral Health Payment Reform initiative which transitions county behavioral health plans from a certified public expenditure protocol to intergovernmental transfers.

SEC 160 & 161. These sections, as proposed by the Legislature, amended Sections 14717.1 and 14717.2 of the Welfare and Institutions Code to 1) delay, from July 1, 2023, to July 1, 2024, the requirement on the county of original jurisdiction to retain responsibility and the limitation on the presumptive transfer provisions related to the presumptive transfer of responsibility for providing or arranging for specialty mental health services to a foster youth from the county of original jurisdiction to the county in which the foster youth resides; 2) extend the period during which a county agency is responsible for making determinations about presumptive transfer waivers; and 3) delay the deadline for any necessary federal approval requests to July 1, 2025.

AB 0119 Committee on Budget (Chapter 13)

MEDI-CAL: MANAGED CARE ORGANIZATION PROVIDER TAX

AB 119, as proposed by the Administration and modified by the Legislature, enacted provisions of the Budget Act of 2023, which

authorizes a new Managed Care Organization Provider Tax. The bill included an urgency clause.

SB 0131 Committee on Budget and Fiscal Review (Chapter 55)

TAXATION

SB 131 enacted the provisions of the Budget Act for FY 2023-24, as it pertains to taxation issues for specified state departments under the California Health and Human Services Agency. Below describes the sections impacting DHCS.

SEC 7. This section, as proposed by the Administration, amended Section 19551.3 of the Revenue and Taxation Code, to amend the data sharing requirements between the California Department of Social Services, DHCS, and the Franchise Tax Board to specify data elements to be shared on social services and health program participants for use in informing individuals of available tax credits.

SB 0137 Committee on Budget and Fiscal Review (Chapter 191)

HEALTH OMNIBUS TRAILER BILL

AB 118 enacted the provisions of the Budget Act for FY 2023-24, as it pertains to health issues for specified state departments under the California Health and Human Services Agency. Below describes the sections impacting DHCS.

SEC. 4 & 5. These sections, as proposed by the Administration and modified by the Legislature, amended Sections 11833.02 and 11833.04 of the Health and Safety Code, to authorize DHCS to approve licensing and certification fee increases on residential and outpatient SUD treatment facilities of up to five percent without approval by the Legislature, beginning no sooner than July 1, 2027.

SEC. 8-10. These sections, as proposed by the Administration and modified by the Legislature, amended Sections 4081 and 5328 of the Welfare and Institutions Code and Section 1 of Chapter 589 of the Statutes of 2022, to make technical cleanup amendments to AB 2317 (Ramos, Chapter 589, Statutes of 2022), including the membership of interdisciplinary teams in psychiatric residential treatment facilities and conditions authorizing disclosure of information or other records to ensure

a dependent or ward receives all necessary services or referrals for transition to a lower level of care.

SEC. 11. This section, as proposed by the Administration, added this uncodified section, to authorize federal fund expenditure authority of \$56.2 million for DHCS to expend federal Substance Abuse Prevention and Treatment Block Grant awards.

SB 770 Wiener (Chapter 412)

HEALTH CARE: UNIFIED HEALTH CARE FINANCING

SB 770, sponsored by Healthy California Now, directs the Secretary of the California Health and Human Services Agency to research, develop, and pursue discussions of a waiver framework in consultation with the federal government. The Secretary is required to engage specified stakeholders to provide input on topics related to discussions with the federal government and key design issues. The bill requires the Secretary, no later than January 1, 2025, to 1) provide an interim report to the chairs of specified committees of the Legislature that details the agency's policy priorities, a preliminary analysis of issues related to the federal discussions, and a summary of the input received through the stakeholder engagement process, and 2) propose statutory language to the committee chairs authorizing the development and submission of application to the federal government for waivers necessary to implement a unified health care financing system. The bill requires the Secretary to, by no later than June 1, 2025, complete drafting the waiver framework, make the draft available to the public on the agency's internet website, and hold a public comment period thereafter. Finally, the bill requires the Secretary, by no later than November 1, 2025, to provide the Legislature and the Governor with a report that communicates the finalized waiver framework, as specified, and sets forth the specific elements to be included in a formal waiver application to establish a unified health care financing system, as specified.

LICENSING & CERTIFICATION

AB 0816 Haney (Chapter 456)

MINORS: CONSENT TO MEDICAL CARE

AB 816, sponsored by the American Academy of Pediatrics, California: 1) replaces “abuse treatment” to the less stigmatizing “therapy;” 2) allows a minor 16 years of age or older, without parent or guardian consent, to receive medications for opioid use disorder, also known as replacement narcotic therapy, in a licensed narcotic treatment program to the extent expressly permitted by federal law; and 3) allows a minor, 16 years or older, to consent to opioid use disorder treatment via buprenorphine at a physician’s office, clinic, or health facility by a licensed physician, surgeon, or other health care provider acting within their scope of practice, whether or not the minor also has the consent of their parent or guardian.

AB 1130 Berman (Chapter 21)

SUBSTANCE USE DISORDER

AB 1130, sponsored by the author, replaces the term “addict” with “person with a SUD” in various sections of Business and Professions Code and Health and Safety Code.

AB 1360 McCarty (Chapter 685)

HOPE CALIFORNIA: SECURED RESIDENTIAL TREATMENT PILOT PROGRAM

AB 1360, sponsored by the Yolo County District Attorney, authorizes Sacramento and Yolo Counties to participate in a pilot program known as “Hope California,” which offers residential SUD treatment services in a secured facility until July 1, 2029. The program allows individuals suffering from an SUD who have been convicted of drug-motivated felonies to voluntarily participate in a treatment program within a secure facility licensed by DHCS to provide SUD services. This bill requires the participating counties to contract with an independent contractor, who may be provided with criminal offender information, if necessary, to collect

and perform an outcomes assessment and report specified data annually to DHCS and the Legislature.

SB 0043 Eggman (Chapter 637)

BEHAVIORAL HEALTH

SB 431, sponsored by Big City Mayors Coalition, California State Association of Psychiatrists, National Alliance of Mental Illness California, and Psychiatric Physicians Alliance of California: 1) amends the LPS Act to include in the definition of “gravely disabled” new criteria related to an individual’s inability to provide for “personal safety” or “necessary medical care” due to a severe SUD, as defined, or a co-occurring mental health disorder and a severe SUD; 2) allows counties to defer implementation of this revised definition until January 1, 2026; 3) applies the new definition of “gravely disabled” to existing provisions in law that protect certain providers from civil or criminal liability for detaining individuals with a grave disability; 4) creates a hearsay exception, as it relates to conservatorship hearings, that would allow statements in a medical record, as defined, to be used to establish a person’s health condition without having to call the health practitioner who wrote in the medical record as a witness; 5) aligns the conservatorship process statutes with the updated “gravely disabled” definition; 6) includes options for assisted outpatient treatment pursuant to Section 5346 and the Community Assistance, Recovery, and Empowerment Act program when investigating alternatives to conservatorship; 7) adds, effective May 1, 2024, data to be collected to the annual report the DHCS publishes relating to involuntary holds and conservatorships; and, 8) requires reimbursement to local agencies if it contains costs mandated by the state.

LOCAL GOVERNMENTAL FINANCING

AB 0483 Muratsuchi (Chapter 527)

LOCAL EDUCATIONAL AGENCY: MEDI-CAL BILLING OPTION

AB 483, sponsored by State Superintendent of Public Instruction Tony Thurmond, California Association of School Psychologists, California County Superintendents, California School Boards Association, California

School Nurse Organization, Los Angeles Unified School District, and Santa Clara County Office of Education, requires DHCS to reform the audit process for the Local Education Agency Medi-Cal Billing Option Program (LEA BOP) to provide either an interim or final settlement within 12 months of March 1 following the immediately preceding state FY, which is the required due date for the Cost and Reimbursement Comparison Schedule submission. When a final audit settlement is not completed within 12 months of the submitted Cost and Reimbursement Comparison Schedule, the bill requires the DHCS to complete the final settlement and notify the LEA no later than 18 months after the Cost and Reimbursement Comparison Schedule is submitted. The bill requires DHCS to update, as specified, and distribute the LEA BOP program guide to all participating LEAs by July 1, 2024. The bill requires DHCS to, on or before December 31 each year, provide the Legislature with an annual report and publish the report on the DHCS website, as specified. The bill raises the funding for the administration of the LEA BOP from two percent with a cap of one million dollars to a five percent withholding of total Medicaid payments made to the program.

MANAGED CARE

AB 0614 Wood (Chapter 266)

MEDI-CAL

AB 614, sponsored by the author, prohibits DHCS from entering into Medi-Cal managed care contracts with entities that are not licensed under the Knox-Keene Health Care Service Plan Act of 1975, except as otherwise authorized pursuant to Chapter 7 of the Welfare and Institutions Code. In addition, this bill requires DHCS to solicit stakeholder input before issuing a new proposal request or entering into new contracts with Medi-Cal managed care plans for this purpose. This bill eliminates redundant or obsolete provisions of law and renames the County Children Health Initiative Matching Fund to instead refer to the County Children's Health Initiative Program, which is the name commonly used.

MEDI-CAL ELIGIBILITY

AB 1163 Rivas (Chapter 832)

LESBIAN, GAY, BISEXUAL, AND TRANSGENDER DISPARITIES REDUCTION ACT

AB 1163, sponsored by the author, amends Section 8310.8 of the Government Code to require specified state agencies and departments, including DHCS, to modify their collection of voluntary self-identification information. The bill requires DHCS to collect voluntary self-identification of intersexuality from applicants for various state programs DHCS administers. AB 1163 requires implementation of the requirements for departments not initially included in this section of law as early as possible following January 1, 2025, but no later than July 1, 2026. However, because it does not specify a different implementation date for departments that were already subject to the requirements of this section, DHCS would be required to comply with the new provisions proposed by this bill by January 1, 2024.

AB 1481 Boerner (Chapter 372)

MEDI-CAL: PRESUMPTIVE ELIGIBILITY

AB 1481, sponsored by the author, amends the statutory language related to the Presumptive Eligibility for Pregnant Women program by renaming the program "Presumptive Eligibility for Pregnant People (PE4PP)." The bill requires DHCS to ensure that a pregnant person receiving coverage under PE4PP who applies for full-scope Medi-Cal benefits receives coverage under PE4PP until their full-scope Medi-Cal application is approved or denied, as specified. Additionally, the bill requires DHCS to require providers participating in the PE4PP program to provide information to pregnant persons enrolled in the PE4PP on how to contact the person's county to expedite the county's determination of a Medi-Cal application.

SB 0502 Allen (Chapter 487)

MEDI-CAL CHILDREN: MOBILE OPTOMETRIC OFFICE

SB 502, sponsored by Vision To Learn, requires the DHCS to file all necessary State Plan Amendments to exercise the Health Service Initiative (HSI) option made available under the Children's Health Insurance Program (CHIP) to cover vision services provided to low-income children statewide through a mobile optometric office. The bill conditions implementation on receiving any necessary federal approvals and the availability of federal financial participation, as specified. The bill requires DHCS to implement the provisions by meeting the state share of cost with funding other than General Fund. The bill also establishes the Vision Services CHIP-HSI Special Fund, appropriated annually, and requires all state revenues and applicable federal financial participation to be deposited to the fund to cover vision services provided to low-income children statewide through mobile optometric offices. Additionally, the bill requires implementation of these provisions by January 1, 2025, or the date that any necessary federal approvals have been obtained, whichever is later.

OFFICE OF COMMUNICATIONS

SB 0544 Laird (Chapter 216)

BAGLEY-KEENE OPEN MEETING ACT: TELECONFERENCING

SB 544, sponsored by the California Commission on Aging, amends the Bagley-Keene Open Meeting Act for meetings or proceedings of state bodies and enacts an additional, alternative set of provisions under which a state body advisory board or commission may hold a teleconference meeting or proceeding. These changes allow public members to remotely listen, observe, and address the body and also allow state body members to join from a remote location without posting a physical address as long as certain requirements are met. These new guidelines for teleconference meetings will remain in effect until January 1, 2026 (and are repealed on that date) and will be replaced with a modified set of requirements that apply to state bodies and advisory boards and commissions equally.

QUALITY & POPULATION HEALTH MANAGEMENT

AB 0904 Calderon (Chapter 349)

HEALTH CARE COVERAGE: DOULAS

AB 904, sponsored by the author, requires health care service plans, and health insurers to develop a maternal and infant health equity program that addresses racial health disparities in maternal and infant health outcomes through the use of doulas on or before January 1, 2025. This bill also requires the Department of Managed Health Care, in consultation with the Department of Insurance, to collect data and submit a report describing the doula coverage and programs established to the Legislature by January 1, 2027.

THIRD PARTY RECOVERY & LIABILITY

AB 0494 Arambula (Chapter 333)

ROBERT F. KENNEDY FARM WORKERS MEDICAL PLAN

AB 494, sponsored by the Robert F. Kennedy Medical Plan, extends the repeal date of the annual \$3,000,000 maximum reimbursement from DHCS to the Robert F. Kennedy Farm Workers Medical Plan from January 1, 2026, to January 1, 2031.

SB 0311 Eggman (Chapter 707)

MEDI-CAL: PART A BUY-IN

California operates as a group payer state for Medicare Part A, which means it pays Part A premiums only for eligible Medi-Cal members who complete all steps of the complex enrollment process with their county Medi-Cal office. SB 311, sponsored by Justice in Aging, requires DHCS to enter into a Medicare Part A "Buy-In" agreement with the Centers for Medicare and Medicaid Systems by January 1, 2025, or the date DHCS communicates to the Department of Finance in writing that systems have been programmed for implementation of Medicare Part A Buy-in, whichever date is later.

2023 ENROLLED BILLS

Bill #	Author	Status	Chapter	Program	Page #
AB 0033	Bains	S	887	CSD	11
AB 0048	Aguiar-Curry	S	794	OAHA	7
AB 0085	Weber	V	--	BD	--
AB 0100	Ting	S	3	BO	10
AB 0102	Ting	S	38	BO	10
AB 0103	Ting	S	33	BO	10
AB 0112	Committee on Budget	S	6	BO	14
AB 0118	Committee on Budget	S	42	LGA	14
AB 0119	Committee on Budget	S	13	LGA	20
AB 0289	Holden	S	518	CSD	11
AB 0425	Alvarez	S	329	BD	8
AB 0469	Fong	V	--	OLS	--
AB 0483	Muratsuchi	S	527	LGFD	24
AB 0494	Arambula	S	333	TPLRD	27
AB 0531	Irwin	S	789	CSD	11
AB 0576	Weber	V	--	BD	--
AB 0608	Schiavo	V	--	BD	--
AB 0614	Wood	S	266	MC	25
AB 0665	Carrillo	S	338	MCBHD	7
AB 0719	Boerner	V	--	MC	--
AB 0816	Haney	S	456	LCD	22
AB 0847	Rivas	S	814	BD	9
AB 0904	Calderon	S	349	QPHM	27
AB 0907	Lowenthal	V	--	MC	--

AB 0912	Jones-Sawyer	V	--	OSP	--
AB 1060	Ortega	V	--	PBD	--
AB 1085	Maienschein	V	--	MC	--
AB 1130	Berman	S	21	LCD	22
AB 1163	Rivas	S	832	MCED	25
AB 1202	Lackey	V	--	MC	--
AB 1233	Waldron	S	570	CSD	12
AB 1241	Weber	S	172	BD	9
AB 1360	McCarty	S	685	LCD	23
AB 1437	Irwin	V	--	PBD	--
AB 1451	Jackson	V	--	MC	--
AB 1479	Garcia	V	--	OSP	--
AB 1481	Boerner	S	372	MCED	25
AB 1696	Sanchez	V	--	MCBHD	--
SB 0019	Seyarto	S	857	CSD	12
SB 0035	Umberg	S	283	MCBHD	8
SB 0043	Eggman	S	637	LCD	23
SB 0101	Skinner	S	12	BO	10
SB 0104	Skinner	S	189	BO	10
SB 0131	Committee on Budget and Fiscal Review	S	55	LGA	20
SB 0137	Committee on Budget and Fiscal Review	S	191	LGA	21
SB 0271	Dodd	V	--	BD	--
SB 0311	Eggman	S	707	TPLRD	27
SB 0326	Eggman	S	790	CSD	12
SB 0487	Atkins	S	261	OLS	14
SB 0496	Limon	S	401	BD	9

SB 0502	Allen	S	487	MCED	26
SB 0525	Durazo	S	890	FFSRDD	13
SB 0544	Laird	S	216	OC	26
SB 0635	Menjivar	V	--	MC	--
SB 0641	Roth	V	--	CSD	--
SB 0694	Eggman	V	--	PBD	--
SB 0770	Wiener	S	412	LGA	21
SB 0779	Stern	S	505	BD	9

PROGRAM ASSIGNMENTS AND ACRONYMS

PROGRAM	CODE
Administrative Hearings & Appeals	OAHA
Behavioral Health	MCBHD
Benefits	BD
Budget Office	BO
Community Services	CSD
Fee-For-Service Rates Development	FFSRD
Office of Legal Services	OLS
Office of Legislative & Governmental Affairs	LGA
Licensing & Certification	LCD
Local Governmental Financing	LGFD
Managed Care	MC
Medi-Cal Eligibility	MCED
Office of Communications	OC
Office of Strategic Partnerships	OSP
Pharmacy Benefits	PBD
Quality & Population Health Management	QPHM
Third Party Recovery & Liability	TPLRD

SIGNING MESSAGES

BILL#	AUTHOR	SUBJECT	DIV
AB 665	Carrillo	Minors: Consent to Mental Health Services.	MCBHD

VETO MESSAGES

BILL#	AUTHOR	SUBJECT	DIV
AB 85	Weber	Social determinants of health: screening and outreach.	BD
AB 469	Fong	California Public Records Act Ombudsperson.	OLS
AB 576	Weber	Medi-Cal: reimbursement for abortion.	BD
AB 608	Schiavo	Medi-Cal: comprehensive perinatal services.	BD
AB 719	Boerner	Medi-Cal: nonmedical and nonemergency medical transportation.	MC
AB 907	Lowenthal	Coverage for PANDAS and PANS.	MC
AB 912	Jones-Sawyer	Strategic Anti-Violence Funding Efforts Act.	OSP
AB 1060	Ortega	Health care coverage: naloxone hydrochloride.	PBD
AB 1085	Maienschein	Medi-Cal: housing support services	MC
AB 1202	Lackey	Medi-Cal: health care services data: children and pregnant or postpartum persons	MC
AB 1437	Irwin	Medi-Cal: serious mental illness.	PBD
AB 1451	Jackson	Urgent and emergency mental health and substance use disorder treatment.	MC
AB 1479	Garcia	Pupil health: social-emotional, behavioral, and mental health supports.	OSP
AB 1696	Sanchez	Sober Living Accountability Act.	MCBHD
SB 271	Dodd	Powered wheelchairs: repairs.	BD
SB 635	Menjivar	Health care coverage: hearing aids.	MC

SB 641	Roth	Public health: alcohol and drug programs: naloxone.	CSD
SB 694	Eggman	Medi-Cal: self-measured blood pressure devices and services.	PBD

Messages are also available on the California Legislative Information website:

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



OFFICE OF THE GOVERNOR

OCT 07 2023

To the Members of the California State Assembly:

I am signing Assembly Bill 665, which will allow youth 12 years of age or older to consent to mental health care services, whether covered by Medi-Cal or private health plans.

Youth ages 12 and older with private health insurance already have the right to consent to their own mental health services, but youth with Medi-Cal coverage do not. This bill extends that right so that minors in Medi-Cal may also consent to their mental health care services. This bill eliminates an eligibility disparity which places lower-income youth who do not have private health insurance at a disadvantage, improving access to lifesaving care for young people.

Sincerely,

A handwritten signature in black ink, appearing to read "Gavin Newsom", written over a horizontal line.

Gavin Newsom



OFFICE OF THE GOVERNOR

OCT 07 2023

To the Members of the California State Assembly:

I am returning Assembly Bill 85 without my signature.

This bill would require health plans to provide coverage and reimbursement to health care providers for social determinants of health screenings, beginning January 1, 2027. The bill would also require the Department of Health Care Access and Information to convene a working group to inform policies on social determinants of health and to submit a report to the Legislature with findings and recommendations by January 1, 2026.

My Administration has made significant investments in policies that contemplate and improve social determinants of health, such as housing, social services, community engagement, economic development, and public education. While I support the overall goal of this proposal, it is duplicative of existing efforts, such as Adverse Childhood Experiences (ACEs) screenings and the work the Department of Health Care Services is doing through California Advancing and Innovating Medi-Cal (CalAIM). Further this bill may be premature; a standardized social determinants of health screening tool does not yet exist, though there are federal efforts ongoing. Our state policy should align with these national efforts to avoid conflicting policies.

For these reasons, I cannot sign this bill.

Sincerely,

Gavin Newsom



OFFICE OF THE GOVERNOR

OCT 07 2023

To the Members of the California State Assembly:

I am returning Assembly Bill 469 without my signature.

This bill, subject to appropriation, would create the Office of the California Public Records Act Ombudsperson within state government. The ombudsperson would be appointed by the Governor, and would be tasked with determining whether denials of public records requests by state agencies complied with the California Public Records Act.

State agencies diligently comply with the Public Records Act, and relief is currently available through the courts for those who feel an agency's decision was incorrect. This bill would create an unnecessary layer of review by an official who would interpret the law in a manner that may or may not be consistent with case law. Additionally, establishment of this office would result in tens of millions of dollars in cost pressures not considered in the annual budget process.

In partnership with the Legislature, we enacted a budget that closed a shortfall of more than \$30 billion through balanced solutions that avoided deep program cuts and protected education, health care, climate, public safety, and social service programs that are relied on by millions of Californians. This year, however, the Legislature sent me bills outside of this budget process that, if all enacted, would add nearly \$19 billion of unaccounted costs in the budget, of which \$11 billion would be ongoing.

With our state facing continuing economic risk and revenue uncertainty, it is important to remain disciplined when considering bills with significant fiscal implications, such as this measure.



OFFICE OF THE GOVERNOR

OCT 07 2023

To the Members of the California State Assembly:

I am returning Assembly Bill 576 without my signature.

This bill would require the Department of Health Care Services (DHCS) to update Medi-Cal coverage for medication abortion to align with evidence-based clinical guidelines by March 1, 2024.

This bill is well intentioned, but unnecessary. In July 2023, DHCS updated its medication abortion policies for Medi-Cal to reflect current evidence-based clinical guidelines to reimburse providers for care through 77 gestational days. This aligns with the goal of AB 576 and the priority of this Administration to ensure that abortion care is safe, legal, and accessible.

For this reason, I cannot sign this bill.

Sincerely,



Gavin Newsom





OFFICE OF THE GOVERNOR

OCT 07 2023

To the Members of the California State Assembly:

I am returning Assembly Bill 608 without my signature.

This bill would require the Department of Health Care Services (DHCS) to cover additional services as part of Medi-Cal's Comprehensive Perinatal Services Program (CPSP) and allow non-licensed perinatal health workers to provide services in a beneficiary's home or community setting, upon federal approval.

I support the author's goal to improve maternal health outcomes and reduce disparities. However, Medi-Cal already provides full-scope coverage for one year after pregnancy, and DHCS is actively working on a "Birthing Care Pathway" proposal to improve services provided during the perinatal period, reduce maternal mortality, and address disparities in maternal health outcomes. Given the significant ongoing General Fund costs of over \$20 million annually to implement this bill, it should be evaluated as part of the annual budget process.

In partnership with the Legislature, we enacted a budget that closed a shortfall of more than \$30 billion through balanced solutions that avoided deep program cuts and protected education, health care, climate, public safety, and social service programs that are relied on by millions of Californians. This year, however, the Legislature sent me bills outside of this budget process that, if all enacted, would add nearly \$19 billion of unaccounted costs in the budget, of which \$11 billion would be ongoing.

With our state facing continuing economic risk and revenue uncertainty, it is important to remain disciplined when considering bills with significant fiscal implications, such as this measure.

For these reasons, I cannot sign this bill.

Sincerely,

Gavin Newsom

A handwritten signature in dark ink, appearing to be "Gavin Newsom", is written over the printed name. The signature is stylized with a large, sweeping initial "G" and a long, horizontal line extending to the right.



OFFICE OF THE GOVERNOR

OCT 07 2023

To the Members of the California State Assembly:

I am returning Assembly Bill 719 without my signature.

This bill would require Medi-Cal managed care plans that provide nonemergency or nonmedical transportation to contract with public paratransit service operators for the purpose of establishing reimbursement rates, if federal approvals are obtained.

I support efforts to encourage more public paratransit service operators to enroll as nonmedical transportation providers in Medi-Cal, which is permitted under existing law. It would be beneficial to have more options for nonmedical transportation in the Medi-Cal system. This bill takes a different approach, however, requiring the Department of Health Care Services (DHCS) to pursue a series of federal approvals that are not currently allowable under federal guidance. It would not be prudent to use state resources for this purpose.

For these reasons, I cannot sign this bill.

Sincerely,

A handwritten signature in black ink, appearing to read "Gavin Newsom", written over a horizontal line.

Gavin Newsom



OFFICE OF THE GOVERNOR

OCT 07 2023

To the Members of the California State Assembly:

I am returning Assembly Bill 907 without my signature.

This bill would require health plans to cover specific prophylaxis, diagnosis, and treatment of Pediatric Autoimmune Neuropsychiatric Disorder Associated with Streptococcal Infections (PANDAS) and Pediatric Acute-onset Neuropsychiatric Syndrome (PANS) with limited cost sharing.

While I support the author's goal of ensuring that children with PANS and PANDAS receive the treatment they need in a timely manner, this bill creates a disease-specific mandate and contains provisions that would be duplicative of existing laws for timely access standards and grievance processes through the Department of Managed Health Care and Department of Insurance. Further, this bill removes the medical necessity requirement, which is a standard condition for health plans in determining coverage of specific services.

For these reasons, I cannot sign this bill.

Sincerely,

Gavin Newsom



OFFICE OF THE GOVERNOR

OCT 08 2023

To the Members of the California State Assembly:

I am returning Assembly Bill 912 without my signature.

This bill would, subject to an appropriation, establish the Violence Reduction Grant Program to be administered by the Department of Justice, re-establish the Youth Reinvestment Grant Program to be administered by the Office of Youth and Community Restoration, and create additional grant programs designed to improve the health and well-being of youths in the State.

While I appreciate the author's commitment to early interdiction and violence reduction efforts, this bill creates new additional cost pressures and must be considered in the annual budget in the context of all state funding priorities.

In partnership with the Legislature, we enacted a budget that closed a shortfall of more than \$30 billion through balanced solutions that avoided deep program cuts and protected education, health care, climate, public safety, and social service programs that are relied on by millions of Californians. This year, however, the Legislature sent me bills outside of this budget process that, if all enacted, would add nearly \$19 billion of unaccounted costs in the budget, of which \$11 billion would be ongoing.

With our state facing continuing economic risk and revenue uncertainty, it is important to remain disciplined when considering bills with significant fiscal implications, such as this measure.



For this reason, I cannot sign this bill.

Sincerely,

Gavin Newsom

A handwritten signature in black ink, appearing to be "Gavin Newsom", is written over the printed name. The signature is stylized with a large, sweeping initial "G" and a long horizontal line extending to the right.



OFFICE OF THE GOVERNOR

OCT 07 2023

To the Members of the California State Assembly:

I am returning Assembly Bill 1060 without my signature.

This bill would require health plans to cover prescription and over the counter naloxone and all other U.S. Food and Drug Administration (FDA) approved drugs for opioid overdose reversal, with a maximum of \$10 cost sharing.

Combating the opioid crisis is one of my top priorities. I appreciate the author's shared commitment to this critical public health and public safety imperative. Together with the Legislature, we have invested more than \$1 billion to combat overdoses, support those with opioid use disorder, raise awareness, and crack down on trafficking. Further, the 2023 Budget Act included \$30 million for the CalRx Naloxone Access Initiative, to support partners in developing, manufacturing, procuring, and distributing a low-cost naloxone nasal product.

While I support providing access to opioid antagonists to individuals with opioid use disorder or other risk factors, this bill would exceed the state's set of essential health benefits, which are established by the state's benchmark plan under the provisions of the federal Affordable Care Act (ACA). As such, this bill's mandate would require the state to defray the costs of coverage in Covered California. This would not only increase ongoing state General Fund costs, but it would set a new precedent by adding requirements that exceed the benchmark plan. A pattern of new coverage mandate bills like this could open the state to millions to billions of dollars in new costs to cover services relating to other health conditions. This creates uncertainty for our healthcare system's affordability.

For these reasons, I cannot sign this bill.



Sincerely,

A handwritten signature in black ink, appearing to read "Gavin Newsom". The signature is stylized with a large, sweeping initial "G" and a long, horizontal flourish extending to the right.

Gavin Newsom



OFFICE OF THE GOVERNOR

OCT 07 2023

To the Members of the California State Assembly:

I am returning Assembly Bill 1085 without my signature.

This bill would require the Department of Health Care Services (DHCS) to establish a Medi-Cal benefit to cover housing support services for individuals experiencing or at risk of homelessness, subject to an appropriation and federal approval.

My Administration has made significant investments to combat homelessness and provide housing supports. While I appreciate and share the author's goal to support those who are experiencing homelessness, new Medi-Cal benefits must be considered as part of the annual budget process. For example, the 2023 Budget Act establishes coverage for CalAIM transitional rent, beginning in 2024-25, allowing for up to six months of rent or temporary housing for vulnerable Californians, including those who are or are at risk of becoming homeless.

DHCS estimates additional annual costs to the Medi-Cal program in the range \$18.3 million to \$40.4 million General Fund to implement this bill. These costs must be considered alongside other budgetary priorities.

In partnership with the Legislature, we enacted a budget that closed a shortfall of more than \$30 billion through balanced solutions that avoided deep program cuts and protected education, health care, climate, public safety, and social service programs that are relied on by millions of Californians. This year, however, the Legislature sent me bills outside of this budget process that, if all enacted, would add nearly \$19 billion of unaccounted costs in the budget, of which \$11 billion would be ongoing.

With our state facing continuing economic risk and revenue uncertainty, it is important to remain disciplined when considering bills with significant fiscal implications, such as this measure.

For this reason, I cannot sign this bill.

Sincerely,

A handwritten signature in black ink, appearing to be "Gavin Newsom", written over a horizontal line. The signature is stylized with a large initial "G" and a long horizontal stroke at the end.

Gavin Newsom



OFFICE OF THE GOVERNOR

OCT 08 2023

To the Members of the California State Assembly:

I am returning Assembly Bill 1202 without my signature.

This bill would require the Department of Health Care Services (DHCS) to prepare a public report including information on each Medi-Cal managed care plan's network adequacy of pediatric primary care, data on beneficiaries, and reporting on DHCS' efforts to improve access.

I am a proponent of transparency; however, this bill's data collection and reporting requirements are largely duplicative of existing efforts. DHCS currently publicly reports on managed care and fee for service adequacy. Each year, DHCS also publishes a Health Disparities Report. Further, DHCS is currently developing the CalAIM dashboard, which will include additional data that aligns with what this bill calls for. The existing data that is available should be evaluated and leveraged before adding new administrative requirements.

For this reason, I cannot sign this bill.

Sincerely,

Gavin Newsom



OFFICE OF THE GOVERNOR

OCT 08 2023

To the Members of the California State Assembly:

I am returning Assembly Bill 1437 without my signature.

This bill would require the Medi-Cal program to automatically approve any prescription refill for serious mental illness (SMI) for a period of 365 days after the initial prescription is dispensed for a beneficiary 18 years or older.

I appreciate the author's intent to increase Medi-Cal beneficiaries' access and adherence to SMI drugs. However, this approach does not address the underlying obstacles with medication adherence and would remove clinical safeguards. Currently most medications used for an SMI are covered without prior authorization, and if prior authorization is needed, DHCS provides a response within 24 hours and allows emergency coverage of a drug up to 14 days. In instances where prior authorization is required, it is in place for patient safety. Maintaining utilization control is important to contain health care costs, protect patients, and ensure medically necessary care.

For these reasons, I cannot sign this bill.

Sincerely,

Gavin Newsom





OFFICE OF THE GOVERNOR

OCT 07 2023

To the Members of the California State Assembly:

I am returning Assembly Bill 1451 without my signature.

This bill would require health plans to cover treatment for urgent and emergency mental health and substance use disorders without prior authorization, upon appropriation by the Legislature for administrative costs.

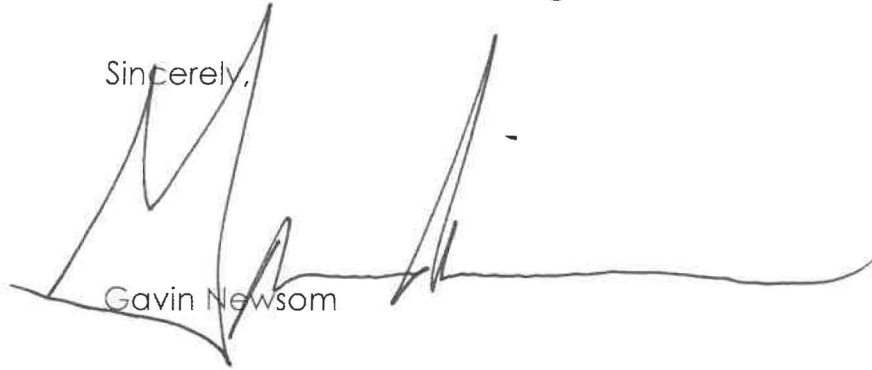
I share the author's concern regarding the importance of accessible behavioral health services statewide, as evidenced by the billions of dollars we have invested to enhance access to timely and necessary behavioral health care, as well as the programs and reforms implemented to improve our delivery system. Existing law already prohibits prior authorization for emergency care, and requires mental health and substance use disorder services to meet timely access standards. The requirements in this bill would result in significant costs in the tens of millions of dollars, to the state General Fund and to consumers through health plan premium increases. These impacts should be considered as part of the annual budget process.

In partnership with the Legislature, we enacted a budget that closed a shortfall of more than \$30 billion through balanced solutions that avoided deep program cuts and protected education, health care, climate, public safety, and social service programs that are relied on by millions of Californians. This year, however, the Legislature sent me bills outside of this budget process that, if all enacted, would add nearly \$19 billion of unaccounted costs in the budget, of which \$11 billion would be ongoing.

With our state facing continuing economic risk and revenue uncertainty, it is important to remain disciplined when considering bills with significant fiscal implications, such as this measure.

For these reasons, I cannot sign this bill.

Sincerely,

A handwritten signature in black ink, appearing to be "Gavin Newsom", written over a horizontal line. The signature is stylized with a large, sharp initial "G" and a long, sweeping horizontal stroke at the end.

Gavin Newsom



OFFICE OF THE GOVERNOR

OCT 08 2023

To the Members of the California State Assembly:

I am returning Assembly Bill 1479 without my signature.

The bill, contingent upon an appropriation, establishes the Pupil Social-Emotional, Behavioral, and Mental Health Program to be administered by the Department of Education. The Program seeks to provide grants to eligible local educational agencies to deliver evidence-based social-emotional, behavioral, and mental health supports to students and families.

Unfortunately, this specific proposal creates additional significant ongoing Proposition 98 General Fund cost pressures up to tens of millions of dollars that are not accounted for in the state budget plan and may be duplicative of other investments made in prior budgets. The 2021 Budget Act provided \$50 million to support the Scale Up Multi-Tiered System of Support (MTSS) Statewide Initiative, which provides grants to support schools in implementing services or practices aligned to the MTSS framework. Additionally, the Children and Youth Behavioral Health Initiative is a \$4.7 billion investment towards ensuring that every Californian aged 0-25 has increased access to behavioral health supports.

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With our state facing continuing economic risk and revenue uncertainty, it is important to remain disciplined when considering bills with significant fiscal implications, such as this measure.

For these reasons, I cannot sign this bill.

Sincerely,

Gavin Newsom

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OFFICE OF THE GOVERNOR

JUL 21 2023

To the Members of the California State Assembly:

I am returning Assembly Bill 1696 without my signature.

This bill would require any privately-owned recovery residence that contracts with a government entity to provide documented policies and procedures related to its operations, code of ethics, and patient access to medications.

Privately-owned recovery residences, as defined by this bill, are not subject to state licensure or certification. Therefore, AB 1696 would conflate requirements in existing law for licensed and certified programs providing substance use disorder recovery services with new requirements for privately-owned recovery residences, which the California Department of Health Care Services does not oversee or enforce. This may create confusion among people seeking recovery services from licensed or certified programs or treatment facilities.

For these reasons, I cannot sign this bill.

Sincerely,

Gavin Newsom





OFFICE OF THE GOVERNOR

OCT 07 2023

To the Members of the California State Senate:

I am returning Senate Bill 271 without my signature.

This bill would outline right to repair requirements for businesses that repair complex rehabilitation technology (CRT) powered wheelchairs and would prohibit the Department of Health Care Services (DHCS) from requiring prior authorization for the repair of a CRT powered wheelchair if the cost of the repair does not exceed \$1,250.

While I appreciate the author's efforts to increase accessibility and affordability for CRT wheelchair users, prior authorization is a key safeguard for cost containment and prevention of abuse in the Medi-Cal program. Further, setting a monetary threshold for prior authorization in statute creates an additional barrier, should the amount need adjustment in the future.

While I am unable to sign this bill, I am directing DHCS to review the current treatment authorization request policies for complex rehabilitative technology powered wheelchairs and make any necessary adjustments administratively.

Sincerely,

Gavin Newsom

working with stakeholders on the implementation of related efforts, and I encourage the author and stakeholders to continue working with my administration on the overarching goals of this bill, while addressing accountability concerns.

For these reasons, I cannot sign this bill.

Sincerely,



Gavin Newsom



OFFICE OF THE GOVERNOR

OCT 07 2023

To the Members of the California State Senate:

I am returning Senate Bill 635 without my signature.

This bill would require health plans to cover medically necessary hearing aids for individuals under 21 years of age, up to \$3,000 per individual hearing aid without any cost sharing, beginning January 1, 2025.

I am committed to ensuring that hearing impaired children have access to the services and supports they need, including hearing aids. Today, children can receive hearing aids and related services through the California Children's Services (CCS) program or through Medi-Cal. In July 2021 we launched the Hearing Aid Coverage for Children Program (HACCP) within the Department of Health Care Services (DHCS) for those who do not qualify for hearing aids through CCS or Medi-Cal.

HACCP was created to improve access and coverage for children's hearing aids, a shared goal of this proposed bill. Unlike HACCP, however, SB 635 would exceed the state's set of essential health benefits, which are established by the state's benchmark plan under the provisions of the federal Affordable Care Act (ACA). As such, this bill's mandate would require the state to defray the costs of coverage in Covered California. This would not only increase ongoing state General Fund costs, but it would set a new precedent by adding requirements that exceed the benchmark plan. A pattern of new coverage mandate bills like this could open the state to millions to billions of dollars in new costs to cover services relating to other health conditions. This creates uncertainty for our healthcare system's affordability, particularly when we have developed an alternative program that can serve the target population.



That said, improving access to hearing aids for children is a priority for my Administration. We can, and we must, do better for these children and their families as we implement HACCP. To this end, I am directing my Administration to explore increases to Medi-Cal provider payments with the goal of incentivizing additional provider participation in HACCP, increasing access for youth in need of hearing aids.

In addition, DHCS has developed a comprehensive plan to increase provider participation and program enrollment. These improvements will enable HACCP to reach and serve more children, which is our shared goal.

Specifically, in the next six months, DHCS will take a variety of steps to help patients maximize benefits, including: (1) partnering with other state entities to promote participation and awareness of HACCP, (2) completing translations for HACCP related materials into 18 languages, (3) implementing a streamlined annual eligibility renewal process to simplify provider enrollment, (4) conducting outreach to Medi-Cal providers not yet participating in HACCP to support their participation, (5) hosting quarterly webinars with providers and stakeholders, and (6) continuing to identify potential service improvements and strategies to increase program success.

Given the structural concerns this bill presents to our healthcare system and the opportunity to improve the existing HACCP to accomplish the same objectives, I cannot sign this bill.

Sincerely,

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Gavin Newsom



OFFICE OF THE GOVERNOR

OCT 08 2023

To the Members of the California State Senate:

I am returning Senate Bill 641 without my signature.

This bill would require the State Department of Health Care Services (DHCS) to make all U.S. Food and Drug Administration (FDA) approved formulations and dosage strengths of naloxone, or any other opioid antagonist, available through the Naloxone Distribution Project (NDP).

The NDP was created to combat the opioid crisis by providing free naloxone in a dosage strength that is safest for public use. Since October 2018, the NDP has provided more than 2.5 million free naloxone kits to first responders, community and harm reduction organizations, schools, public health agencies, and others.

Though well intentioned, this bill could lead to the distribution of formulations and dosage strengths which may not be suited for the general public and may be more costly than other equally effective formulations. If it is determined that there is a need to add new formulations or dosages to the NDP in the future, that can be accomplished administratively.

For these reasons, I cannot sign this bill.

Sincerely,

Gavin Newsom



OFFICE OF THE GOVERNOR

OCT 07 2023

To the Members of the California State Senate:

I am returning Senate Bill 694 without my signature.

This bill would require self-measured blood pressure devices and related services to be covered benefits within the Medi-Cal program.

While I appreciate the author's goal to support Medi-Cal beneficiaries with hypertension and related conditions, new Medi-Cal benefits must be considered as part of the annual budget process. In 2022, the Department of Health Care Services (DHCS) added coverage for self-measured blood pressure devices into the Medi-Cal pharmacy benefit. However, the addition of patient education, data collection, and required communication about treatment plans is an expansion of covered services. DHCS estimates additional annual costs to the Medi-Cal program in the millions of dollars from the General Fund to implement this bill. These costs must be considered alongside other budgetary priorities.

In partnership with the Legislature, we enacted a budget that closed a shortfall of more than \$30 billion through balanced solutions that avoided deep program cuts and protected education, health care, climate, public safety, and social service programs that are relied on by millions of Californians. This year, however, the Legislature sent me bills outside of this budget process that, if all enacted, would add nearly \$19 billion of unaccounted costs in the budget, of which \$11 billion would be ongoing.

With our state facing continuing economic risk and revenue uncertainty, it is important to remain disciplined when considering bills with significant fiscal implications, such as this measure.

For these reasons, I cannot sign this bill.

Sincerely,

Gavin Newsom

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