

July 31, 2025

Ms. Lindy Harrington  
Assistant State Medicaid Director  
Department of Health Care Services  
1501 Capitol Ave  
Sacramento, CA 95814

**RE: PAHCA-SAC Input**

Dear Ms. Harrington:

Thank you again for the opportunity to provide recommendations in my role as a member of the Protect Access to Health Care Act Stakeholder Advisory Committee (PAHCA-SAC).

As I mentioned in my previous letter, the passage of Proposition 35 represented a new opportunity to strengthen the Medi-Cal Dental program and increase access to dental care for Medi-Cal beneficiaries. With H.R. 1 passed and its expected impact on California's budget, I urge the state to continue efforts to secure federal funds owed to California prior to the passing of the bill.

I am discouraged that the 2025 state budget clawed back dollars for the next cohort of CalHealthCares, the extremely successful loan forgiveness program created by Proposition 56 for dentists and physicians. Since 2018, CalHealthCares has supported 173 dentists in exchange for a five-year service obligation to underserved areas of California. I urge the Department to prioritize the health care workforce through funding this program as was intended by Prop. 35.

As we continue to navigate the uncertainties with federal funding, particularly the proposed phasing down of provider taxes to *de minimis* amounts, we must work to ensure that our collective effort to reach more patients is not irreparably harmed through this upheaval. It is critical that we invest in California's health care workforce to the greatest extent possible.

Finally, while much of the conversation around Medi-Cal Dental has been pushed out to 2026, I would like to restate the importance of maintaining the integrity of this vital program. Protecting Medi-Cal Dental ensures millions of low-income Californians, especially children, seniors, and people with disabilities, can access essential care that prevents costly health crises and emergency room visits.

Thank you for your consideration of these comments. If you have any questions about this letter, please reach out to me at [aterlet@aol.com](mailto:aterlet@aol.com) or (510) 207-1471.

Sincerely,

Original Signed by

Dr. Ariane Terlet, DDS

cc: Brianna Pittman-Spencer, California Dental Association  
Monica Montano, California Dental Association  
Francisco Silva, Esq., California Primary Care Association



August 1, 2025

**VIA ELECTRONIC TRANSMISSION TO DHSCPAHCA@dhcs.ca.gov**

Lindy Harrington, Assistant State Medicaid Director

California Department of Health Care Services

**RE: Input on Materials Presented at the July 18<sup>th</sup> PACHA-SAC Meeting**

Dear Ms. Harrington:

As Co-CEO of Essential Access Health (Essential Access) and proud appointed member of the Protect Access to Health Care Act Stakeholder Advisory Committee (PAHCA-SAC), I am writing to submit the following comments and recommendations regarding the implementation of the Protect Access to Health Care Act ("Proposition 35") 2025 investments and in response to information shared at the July 18<sup>th</sup> PACHA-SAC meeting.

First, I want to recognize the unprecedented challenges and uncertainty that our state and the Department of Health Care Services (DHCS) are facing because of the enactment of HR 1 and other federal actions that put our robust Medi-Cal program and the millions of patients our Medi-Cal system serves at risk. I am also aware of the difficult decisions DHCS may have to make and potential impacts on funding previously anticipated to implement Proposition 35 as a result.

Despite the rapidly changing and hostile climate, DHCS is rightly prioritizing the \$90 million funding allocation approved by California voters for reproductive health for the 2025-2026 budget year and committed to moving forward with distributing funding for this component.

I strongly urge DHCS to consider and adopt the following comments and recommendations, and I am looking forward to continuing to partner with the Department to support effective and timely implementation of Proposition 35 as a PAHCA-SAC member.

**Protect Abortion Providers Impacted by HR 1**

I support the proposal presented at the July 18<sup>th</sup> PAHCA-SAC meeting to leverage the \$90 million funding allocation for reproductive health for the 2025-2026 budget year to support abortion providers negatively impacted by HR 1. Funding should be allocated based on need and distributed to providers who are unable to serve Medi-Cal patients or receive reimbursement for care provided to Medi-Cal eligible individuals. Fund distribution should also be managed in a way that allows for fund distribution and allocations to be nimble and provides the greatest flexibility possible for recipients.

## **Gather Stakeholder Input + Solidify Funding Commitments with Urgency**

In the face of existing and anticipated federal threats and actions, time is of the essence and the stakes are high - at least one California provider may already be prohibited from serving Medi-Cal patients and access to family planning and abortion care is extremely threatened for Californians with lower incomes. Commitments regarding decisions and timeframes around funding allocations and distribution must be clearly outlined and expedited. The process for distributing funding must be designed in a way that ensures that contracting and fund distribution is executed as quickly as possible. Stakeholder input and dialogue may be necessary if funding is not on track to be fully expended to support providers impacted by HR 1 by the end of the budget year.

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As a member of the PACHA-SAC, I appreciate the opportunity to provide the comments and recommendations above. I am looking forward to working with you and the Department to support effective and timely implementation of Proposition 35 to expand access to sexual and reproductive health and other essential health care and get much needed investments out to the field to support Medi-Cal patients and providers as soon as possible.

In addition, considering their essential role in our health system, I appreciate DHCS's advancements of policies to support access to care at federally qualified health centers and rural health clinics, and encourage the department to re-evaluate the proposed exclusion of these essential health providers from the primary and specialty care rate increases.

If you have any questions, you can reach me by phone at 415.518.4465 or email at [amoy@essentialaccess.org](mailto:amoy@essentialaccess.org).

In partnership,

Amy Moy, Co-CEO

Essential Access Health

# UNIVERSITY OF CALIFORNIA HEALTH

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## ACADEMIC HEALTH CENTERS

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Schools of Medicine  
Schools of Nursing  
School of Optometry  
Schools of Pharmacy  
Schools of Public Health  
School of Veterinary Medicine

## INSTITUTES

Global Health Institute

August 1, 2025

Michelle Baass  
Director, California Department of Health Care Services  
Via email: [DHCSPAHC@dhcs.ca.gov](mailto:DHCSPAHC@dhcs.ca.gov)

## **SUBJECT: Proposition 35 Revised Spending Priorities**

Dear Director Baass,

On behalf of the University of California Health (UC Health) and as a member of the Protect Access to Health Care Act Stakeholder Advisory Committee, I am writing to provide input concerning the revised spending priorities presented to the Committee on July 18, 2025.

UC Health and its six academic health centers and 21 health professional schools are part of California's public health care system that form the core of the state's health care safety net. UC Health is deeply committed to providing health care to the Medicaid population as the state's second largest provider of Medicaid inpatient services, despite having only 7 percent of the hospital beds in California.

The recently-enacted H.R. 1 will have devastating and destabilizing impacts on Medi-Cal enrollees and their families. The bill represents a huge setback in California's efforts to reduce the uninsured rate and improve health outcomes for all. The impact on providers will be great—the California Hospital Association estimates that hospitals across the state will experience reduced revenues of between \$66 billion and \$128 billion over the next 10 years, jeopardizing access to care for all Californians. H.R. 1 also puts billions of dollars of federal funding for the Medi-Cal program at risk, creating serious implications for the state budget.

Against this backdrop, the Department of Health Care Services (DHCS) has proposed a revised Proposition 35 spending plan that prioritizes the state budget over other key allocations including provider rate increases, funding for designated public hospitals, graduate medical education, and other priorities (with the exception of reproductive health), if California does not receive a transition period for its managed care organization (MCO) tax. Regardless of the federal government's actions concerning the transition to new provider tax requirements, we urge consideration of distributing permissible tax revenues proportionally across all allocations, rather than concentrating resources primarily on the state budget. Accordingly, it would be helpful for DHCS to provide an explanation of the legal and

Director Baass

August 1, 2025

Page 2

policy rationale supporting the revised spending plan's alignment with Proposition 35 at the next Committee meeting.

Ideally, the federal government will grant California's request for a transition period, and the proposed revisions to spending priorities will be unnecessary. Both the state General Fund and Proposition 35 stakeholders would benefit more with a transition period than either would under any allocation of revenues collected through July 3, 2025. To that end, advocating for the federal government to grant a full three-year transition period for states to implement the provider tax uniformity provisions of H.R. 1 should be the highest priority.

In the spirit of this collaboration, please do not hesitate to contact me if UC Health can be of assistance to DHCS' efforts to secure a transition period for the California's Managed Care Organization tax under H.R. 1.

Sincerely,

## Original Signed by

Tam M. Ma

Associate Vice President

Health Policy and Regulatory Affairs