



**NOTICE OF A
REGULAR MEETING OF THE
WHOLE-CHILD MODEL
FAMILY ADVISORY COMMITTEE**

**TUESDAY, AUGUST 18, 2026
9:30 A.M.**

**CalOptima Health
505 City Parkway West, Room 109-N
Orange, California 92868**

AGENDA

This agenda contains a brief, general description of each item to be considered. The Committee may take any action on all items listed. Except as otherwise provided by law, no action shall be taken on any item not appearing in the following agenda. To speak on an item during the public comment portion of the agenda, please register using the Webinar link below. Once the meeting begins, the Question-and-Answer section of the Webinar will open for those who wish to make a public comment, and registered individuals will be unmuted when their names are called. You must be registered to make a public comment.

In compliance with the Americans with Disabilities Act, those requiring accommodations for this meeting should notify the Clerk of the Board's Office at (714) 246-8806 at least 72 hours before the meeting.

The Regular Whole-Child Model Family Advisory Committee's meeting agenda and supporting materials are available for review at CalOptima Health, 505 City Parkway West, Orange, CA 92868, 8 a.m. – 5:00 p.m., Monday-Friday, and online at www.caloptima.org.

Register to Participate via Zoom at:

https://us02web.zoom.us/webinar/register/WN_bxlofMGARnuwUQakzPwnsg and Join the Meeting.

Webinar ID: **880 1577 1556**

Passcode: **640597** -- Webinar instructions are provided below.

1. **CALL TO ORDER**

Pledge of Allegiance

2. **ESTABLISH QUORUM**

3. **APPROVE MINUTES**

[Approve Minutes of the May 18, 2026 Regular Meeting of the Whole-Child Model Family Advisory Committee](#)

4. **PUBLIC COMMENT**

At this time, members of the public may address the Whole-Child Model Family Advisory Committee on matters not appearing on the agenda but within the Committee's subject-matter jurisdiction. Speakers will be limited to three (3) minutes.

5. **INFORMATIONAL ITEMS**

- A. [California Children's Services \(CCS\) Update](#)
- B. [Whole-Child Model Age Transition PCP Incentive Model](#)
- C. [Community Reinvestment Update](#)
- D. Committee Member Updates

6. **MANAGEMENT REPORTS**

- A. Chief Operating Officer
- B. Interim Chief Medical Officer
- C. [Chief Administrative Officer](#)
- D. [Chief Executive Officer](#)

7. **COMMITTEE MEMBER COMMENTS**

8. **ADJOURNMENT**

TO JOIN THE MEETING

Please register for the Regular Meeting of the Whole-Child Model Family Advisory Committee on August 18, 2026, at 9:30 a.m. (PDT)

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

Please use this link to register prior to the meeting date:

https://us02web.zoom.us/webinar/register/WN_bxlofMGARnuwUQakzPwnsg

Passcode: 640597

On the day of the meeting, please use this link to join the meeting:

<https://us02web.zoom.us/j/88015771556?pwd=oDaAg3ycR9a6YXwzsOi2IXtbiAof4m.1>

Phone one-tap:

+16694449171,,88015771556#,,, *640597# US

+16699009128,,88015771556#,,, *640597# US (San Jose)

Join via audio:

+1 669 444 9171 US

+1 669 900 9128 US (San Jose)

+1 253 205 0468 US

+1 253 215 8782 US (Tacoma)

+1 346 248 7799 US (Houston)

+1 719 359 4580 US

+1 309 205 3325 US

+1 312 626 6799 US (Chicago)

+1 360 209 5623 US

+1 386 347 5053 US

+1 507 473 4847 US

+1 564 217 2000 US

+1 646 558 8656 US (New York)

+1 646 931 3860 US

+1 689 278 1000 US

+1 301 715 8592 US (Washington DC)

+1 305 224 1968 US

Webinar ID: **880 1577 1556**

Passcode: **640597**

MINUTES

REGULAR MEETING OF THE CALOPTIMA HEALTH WHOLE CHILD MODEL FAMILY ADVISORY COMMITTEE

May 19, 2026

A Regular Meeting of the Whole-Child Model Family Advisory Committee (WCM FAC) was held on May 19, 2026, at CalOptima Health, 505 City Parkway West, Orange, California, in person and via teleconference (Zoom).

CALL TO ORDER

Chair Lori Sato called the meeting to order at 9:34 a.m. and led the committee in the Pledge of Allegiance.

ROLL CALL

Members Present: Lori Sato, Chair; Erika Jewell, Vice-Chair; Katya Aguilar; Jody Bullard (remote); Cally Johnson (remote); April Johnston (Remote); Jennifer Heavener; Jessica Putterman

Members Absent: Fabiana Avendano

Others Present: Yunkyung Kim, Chief Operating Officer; Michael S. Rose, Dr.PH, LCSW, Chief Health Equity Officer; Kelly Giardina, Executive Director, Medical Management; Carmen Katsarov, Executive Director, Behavioral Health; Michael Gomez, Executive Director, Network Operations; Cheryl Simmons, Staff to the Advisory Committees; Ruby Nunez, Executive Assistant;

MINUTES

Approve the Minutes of the February 24, 2026 Regular Meeting of the CalOptima Board of Directors' Whole-Child Model Family Advisory Committee

Action: On motion of Member Cally Johnson, seconded and carried, the WCM FAC Committee approved the minutes of the February 24, 2026, meeting. (Motion carried 8-0-0)

PUBLIC COMMENTS

There were no public comments.

INFORMATION ITEMS

California Children's Services (CCS) Update

Dr. Michelle Laba of California Children's Services provided an update, noting that the program served 11,000 clients in the general medical program and 1,650 in the medical therapy program so far in 2026. She noted that, looking ahead, 2027 marks the 100-year anniversary of California Children's Services, with expected celebratory activities. She also discussed that, operationally, staffing continues to be closely monitored due to ongoing state and federal underfunding, despite mandated workload requirements. They have recently hired one public health nurse and four office support staff for the general medical program, which has significantly helped address prior staffing shortages. The medical therapy program has also filled a supervising therapist position and is recruiting additional office support staff. These hires help offset earlier reductions of 40% in administrative staffing and 12% in the medical therapy program.

Home and Community-Based Alternatives (HCBA)

Hannah Kim, Director of Case Management, presented on the growing interest in home- and community-based programs and waivers. Ms. Kim reviewed the California Community Transitions (CCT) program, noting that although it was not technically a waiver, it worked closely with the Assisted Living Waiver (ALW) and the Home and Community-Based Alternatives (HCBA) waiver. These waivers are administered by the Department of Health Care Services (DHCS) through contracted community-based organizations. CCT's primary goal is to help members transition from institutional settings, such as hospitals or skilled nursing facilities, back into community-based care. To qualify, members must have been institutionalized for at least 60 consecutive days, excluding Medicare rehabilitation or acute care days, and must demonstrate both interest in and ability to return to the community. Transition Coordinators, similar to case managers, support members, their families, and providers throughout the process. The program has no age restrictions and offers physical and financial assistance to help individuals reintegrate into community living.

Ms. Kim's presentation also highlighted that transition plans often include returning to a member's home, a family member's home, a boarding care facility, or an assisted living facility. She noted that these plans mirror many community support benefits because DHCS modeled them after national programs and waivers, though California has applied its own naming conventions. There were many questions from the WCM FAC members.

Whole-Child Model Age Transition PCP Incentive Model

Kelly Giardina, Executive Director, Medical Management and Clinical Operations, and Michael Gomez, Executive Director, Network Operations, jointly presented on a proposed Whole-Child Model (WCM) age-transition primary care physician incentive model. CalOptima Health is exploring a three-year, performance-based transition-incentive pilot to improve continuity of care for WCM members transitioning from CCS to the adult system. This work builds on prior discussions about the challenges partners and providers face, including fragmented adult systems, loss of long-standing pediatric relationships, limited provider expertise, capacity constraints, and gaps in readiness to manage highly complex youth. She noted that these issues have persisted for

years, underscoring the need for focused, solution-driven approaches that strengthen coordination and reduce disruptions.

Ms. Giardina noted that CalOptima Health currently has 8,914 Whole-Child Model-eligible members, including 1,105 between ages 19 and 21 who are approaching the transition window. Rady’s, formerly CHOC Health Alliance, has the largest group of transitioning youth, with 605 members, though all health networks face similar needs. The pilot aims to begin targeted engagement six months before a member turns 21, building on care management activities that already start at age 14. She noted that the pilot’s design emphasizes early connection with adult providers, warm handoffs, ICT coordination, family involvement, and a standardized transition playbook developed with stakeholder input.

She also discussed how the pilot would introduce performance-based payment enhancements, not changes to base capitation rates, to directly incentivize adult PCPs and specialists to perform essential transition activities. Once a willing adult PCP is identified, the pilot allows billing for designated codes tied to required coordination steps, ICT engagement, and the completion of specialist transition activities. These structured, codified processes reinforce accountability and provide adult providers with the financial support needed to deliver higher-touch, more coordinated care during this critical transition phase.

Michael Gomez discussed how CalOptima Health is developing a specialized provider network to support its transition-incentive pilot for Whole-Child Model members transitioning into the adult system. With more than 10,000 providers in its network, CalOptima Health aims to identify and engage primary care providers willing to participate in a focused “age-out” network. He noted that the pilot is designed to strengthen handoffs from pediatric to adult care, enhance provider reimbursement for transition-related activities, and improve overall continuity of care.

Mr. Gomez noted that the model would include enhanced payments for participating PCP offices, with up to \$3 million allocated over three years. Expected outcomes include improved access, higher member satisfaction, reduced emergency department use and avoidable hospitalizations, and increased provider capacity. Training will also be provided to help PCP offices navigate transition-related codes and coordinate effectively with specialists.

Mr. Gomez also noted that the next steps would include building the specialty network, collaborating with delegated health networks, expanding the provider support infrastructure, and aligning incentives to reinforce quality and care coordination. He added that this proposal is expected to go to the Board in August, and he welcomed feedback from the WCM FAC as they refine the program. The WCM FAC members asked many questions and thanked CalOptima Health for bringing this vision forward to support the special needs population.

Committee Member Updates

Chair Lori Sato informed the committee that recruitment was concluding and an ad hoc committee would be formed to review the applicants. She also noted that an opening for the Consumer Advocate seat was available and asked for help with recruitment. She also asked the members who

received stipends to return their stipend forms to Cheryl Simmons, who will send them to the remote attendees shortly after the meeting.

CEO AND MANAGEMENT REPORTS

Chief Operating Officer Update

Yunkyung Kim, Chief Operating Officer, noted that CalOptima Health currently serves 8,900 Whole-Child Model children, a number that has declined over the past 18 months and has now stabilized. About 6,000 of these members are cared for by CHOC/CHOC Health Alliance, underscoring how transition challenges are compounded by limited continuity between pediatric and adult systems. Approximately 300 children have unsatisfactory immigration status, a key factor because state policy changes may affect their eligibility and services differently than for other families.

The Governor's May budget revision includes several proposals that could affect these families. Major items include: restoring the lower asset limit for older adults to federal SSI levels; shifting Medi-Cal members with unsatisfactory immigration status back to Fee-for-Service, where benefits differ significantly from managed care, especially for CalAIM services; and tightening eligibility and utilization rules for Enhanced Care Management, Community Supports, ABA therapy, and transportation services. These proposals have prompted significant concern, and state budget negotiations are ongoing through the summer.

CalOptima Health is proceeding with its 2026–27 budget, anticipating continued membership decline and adjusting for utilization and cost trends. The budget includes targeted investments to improve access: raising hospital outpatient rates from 140% to 170% of Medicare and increasing specialist physician rates from 156% to 200% of Medi-Cal, partially closing gaps in pediatric and adult specialty reimbursement. These rate increases, estimated at roughly \$170 million per year, will require drawing on reserves for the next 2.5 years.

Effective July 1, new Medi-Cal members will be assigned a PCP and health network on day one, with the option to change at any time. This change aims to reduce ER use caused by delays in selecting a provider. CalOptima Health is also moving toward becoming a Covered California health plan in January 2027, primarily to provide existing members who temporarily lose Medi-Cal with an affordable way to maintain their providers and continuity of care. The plan is designed to remain competitively priced while expanding the provider network to support additional commercial members.

The discussion closed with reminders to help families stay vigilant during eligibility renewals, since paperwork errors and system inconsistencies can lead to the inappropriate loss of benefits.

Committee members shared their feedback on the updates, asked clarifying questions about PCP assignment and transition processes, and emphasized the need to maintain access for medically complex children as broader system changes unfold.

ADJOURNMENT

Hearing no further business, Chair Lori Sato adjourned the meeting at 11:16 a.m.

Cheryl Simmons
Staff to the Advisory Committees

CAL OPTIMA WHOLE CHILD MODEL FAMILY ADVISORY COMMITTEE

CCS PROGRAM UPDATES

Michelle Laba MD | California Children's Services

August 18, 2026

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CCS PROGRAM UPDATES

- Whole Child Model Provider Training
 - Hosted by CalOptima
 - Planned date: mid-September 2026
 - CCS is participating to provide an overview of the program.
- Newly designed phone tree is now live.
- Internal workflow and desk procedure revisions



CCS MEDICAL THERAPY PROGRAM UPDATES

- Interagency Agreement between California Children's Services and the schools
 - Negotiations in progress
- Recruitment underway for CCS Medical Therapy Conference physicians

CCS STATEWIDE UPDATES

- Active workgroups
 - CCS Aid Codes
 - NICU/High Risk Infant Follow-Up Referral Process
 - Orange County CCS participating
 - Unsatisfactory Immigration Status (UIS) Transition
 - Medical Therapy Conference Referral Process

CCS STATEWIDE UPDATES

- Unsatisfactory Immigration Status (UIS) Policy
 - Policy change necessary due to Federal guidance
 - ~2 million Medi-Cal members with UIS will transition from Managed Care to Medi-Cal Fee For Service (FFS) by January 1, 2027. This includes ~5,200 CCS members statewide.
 - DHCS is updating Number Letter (NL) 06-1225 – CCS Members with UIS.
 - Will clarify that case management for these members will shift to Counties (CCS).
- DHSC is drafting an All Plan Letter (APL) for Managed Care Plans
 - Will include guidance/expectations of transition planning, care plans, and active treatment authorizations.

CCS STATEWIDE UPDATES

- CCS Facility Approvals in Orange County
 - July 2026
 - Rady Rehabilitation Communication Disorder Center (CDC) in Irvine



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Whole Child Model (WCM) Age Out Transition-PCP Incentive Pilot

August 18, 2026

Kelly Giardina, Executive Director, Clinical Operations

Michael Gomez, Executive Director, Network Operations

Our Mission

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

Our Vision

Provide all members with access to care and supports to achieve optimal health and well-being through an equitable and high-quality health care system.

Recap: WCM Age Out Transition – PCP Incentive Pilot

- Three-year performance-based incentive pilot to improve continuity and reduce care disruptions for CCS/WCM members transitioning to adult care.
- Incentive-supported activities begin ~6 months before age 21 to ensure early, proactive transition planning.
- Model includes warm handoffs, ICT coordination, and family engagement to strengthen continuity of care.
- Promotes a structured, proactive, and coordinated transition approach across providers and systems.
- Available to all CalOptima Health CCS/WCM members.

Update

- WCM Age Out Transition (PCP Incentive Program) approved at the August Board of Directors meeting.
- Clinical Operations and Network Management teams partnering to finalize logistics (e.g., contracts, workflows).
- For continuity of care, priority adult PCP network will include PCPs and HNs with experience serving the WCM members in the past two years.
- Quarterly reporting will be provided to the Board, including key success metrics and identified barriers.

Contracting and Onboarding Strategy

- Identified providers/HN currently serving WCM members
 - Provider survey completed
 - Agreement drafted
- Aim to finalize the contracts prior to November to launch the targeted training and communications
 - WCM Expectations Document (playbook)
 - Go-live will be no earlier than 1/1/2027
 - WCM Medical Director, Clinical Operations leadership, and Case Management will provide ongoing support, communication, and oversight to ensure optimal program success



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CalOptima Health

Community Reinvestment Plan (CY2024-2026)

July 2026

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

Our Mission

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What Is the Community Reinvestment Requirement?

About the Community Reinvestment Requirement

○ What is it?

- DHCS All Plan Letter 25-004 requires Medi-Cal managed care plans to reinvest a portion of net income back into the communities they serve.

○ What must the plan include?

- Selected investment activities grounded in community health data, stakeholder input, and health equity principles — targeting upstream root causes of poor health.

○ Where do investments go?

- Non-contract activities that benefit the community — things Medi-Cal does not already cover.

KEY DATES

CY 2024-2026

Determines required amount to invest based on Net Income during this time period

CY 2027-2029

Time period the investments must be made

2030

Final Report due to DHCS for Community Reinvestment Plan

DHCS's Three Guiding Principles: Developing Community Reinvestment Plans

1

Engage with the Community

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

2

Align with Community Priorities

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

3

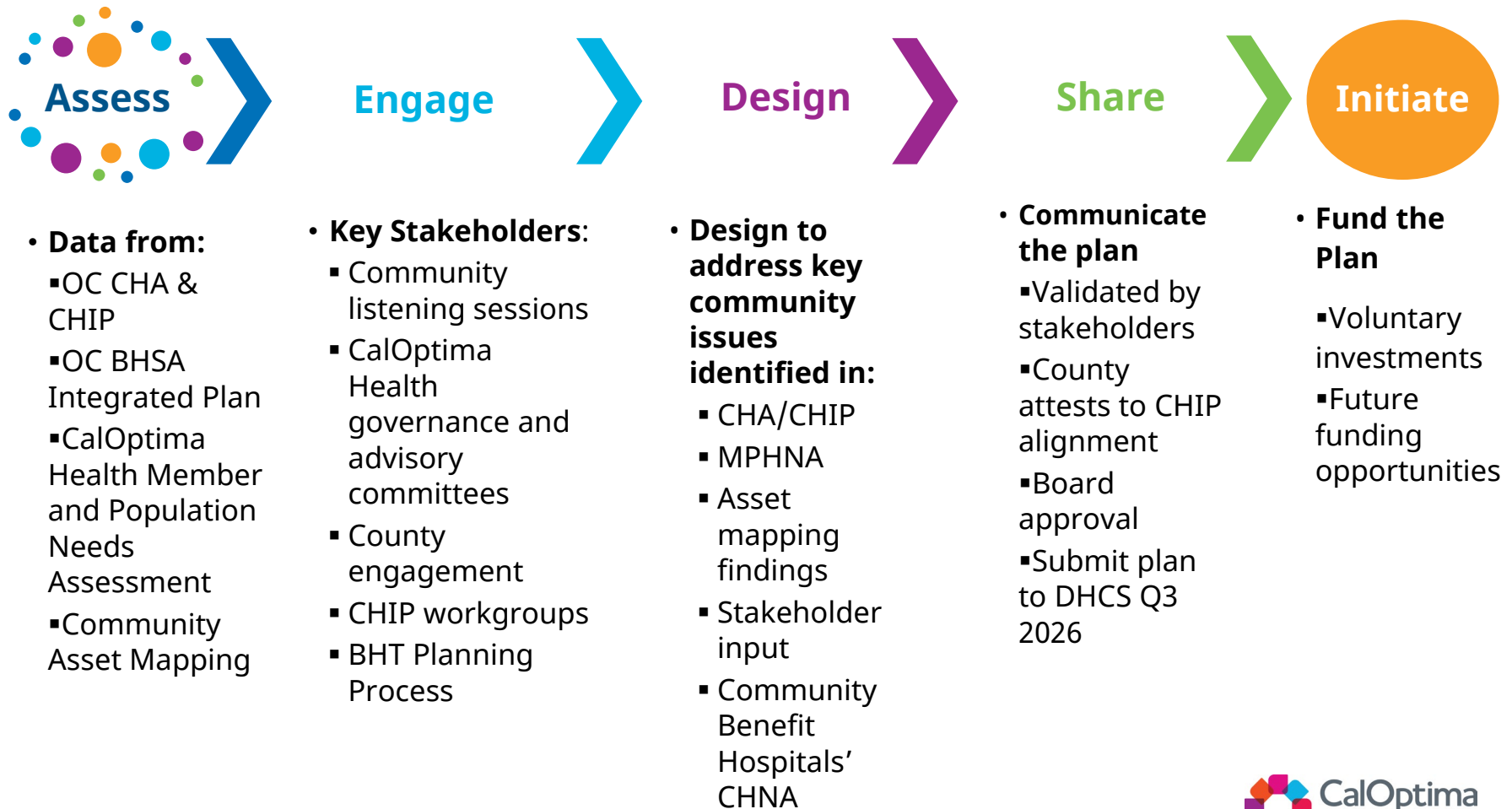
Target Non-Contract Activities

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



How CalOptima Health Built our Community Reinvestment Plan

CalOptima Health's Community Reinvestment Approach



Connecting the Dots: Five Key Sources of Input

CHA

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

CHIP

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

BHSA

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

MAC & PAC

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

CHEO & QIHEC

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

Aligning the Priorities: APL Community Reinvestment Activities

1

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

Cultivating Neighborhoods & Built Environment



2

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

Cultivating Health Care Workforce



3

Addresses community-specific needs through tailored support and services.

Cultivating Well-Being for Priority Populations



4

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

Cultivating Local Communities



5

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

Cultivating Improved Health



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CalOptima Health's Plan: Three Key Investment Activities

Activity 1: Behavioral Health Infrastructure



BH

Connections to Reinvestment Categories:

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

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

Activity 2: Healthcare Workforce Development



WF

Connections to Reinvestment Categories:

2: Cultivating a Health Care Workforce

3: Cultivating Well-Being for Priority Populations

4: Cultivating Local Communities

5: Cultivating Improved Health

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

Activity 3: Housing and Homelessness Services & Infrastructure



HH

Connections to Reinvestment Categories:

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

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

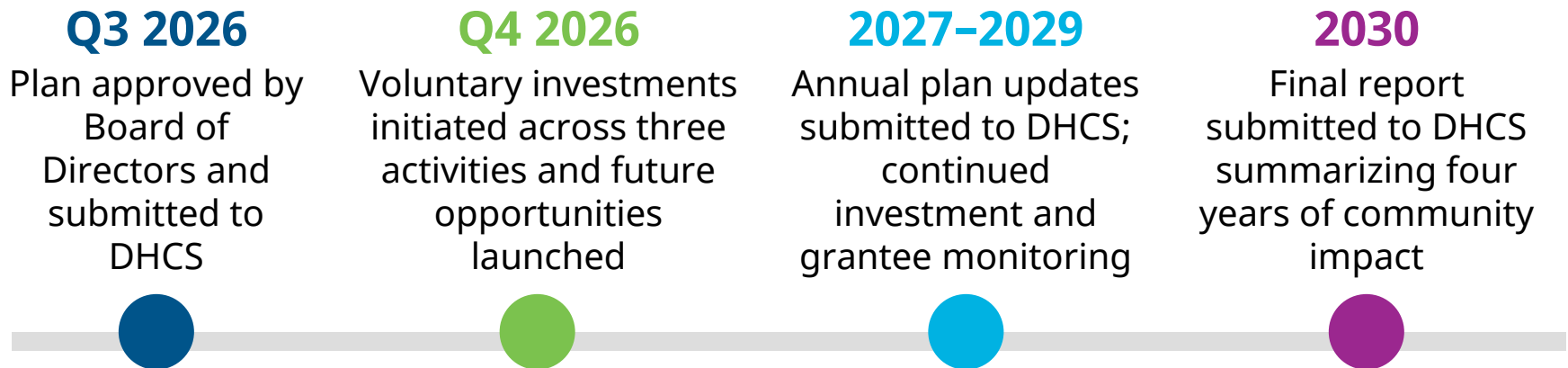
CalOptima Health's 2027 Community Reinvestment Plan: Met Through 2024 Voluntary Investments

Proposed Voluntary Investments to Meet CY2024 Requirement		
Community Reinvestment Plan Activity		Dollar Amount
Healthcare Workforce Development	Base	\$4,689,025
Healthcare Workforce Development	Quality	\$1,247,274
Behavioral Health Infrastructure	Quality	\$2,214,046
Housing and Homelessness Services and Infrastructure	Quality	\$3,572,218
	Subtotal of Base	\$4,689,025
	Subtotal of Quality	\$7,033,538
	TOTAL VOLUNTARY INVESTMENT	\$11,722,563
CY 2024 Community Reinvestment Requirement		
	Base Community Reinvestment	\$4,689,025
	Quality Achievement	\$7,033,538
	Total	\$11,722,563



Next Steps

What Happens Next



❖ Cycle repeats beginning in 2029.



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2025–26 Legislative Tracking Matrix

Bill Number Author	Bill Summary	Bill Status	Position/Notes
Behavioral Health			
<u>SB 483</u> Stern	Mental Health Diversion: Would require that a court be satisfied that a recommended mental health treatment program is consistent with the underlying purpose of mental health diversion and meets the specialized treatment needs of the defendant. Potential CalOptima Health Impact: Increased oversight of behavioral health treatment for members.	07/16/2025 Passed Assembly Public Safety Committee; referred to Assembly Appropriations Committee 06/04/2025 Passed Senate floor	CalOptima Health: Watch
<u>SB 490</u> Umberg	Alcohol and Drug Programs: Would implement specific timelines for the California Department of Health Care Services (DHCS) to investigate unlicensed treatment facilities (i.e., sober living homes) that were unlawfully advertising or providing services. Potential CalOptima Health Impact: Increased oversight of treatment facilities that serve CalOptima Health members.	06/30/2026 Passed Assembly Health Committee; referred to Assembly Appropriations Committee 01/26/2026 Passed Senate floor	CalOptima Health: Watch
<u>SB 626</u> Smallwood-Cuevas	Maternal Mental Health Screenings and Treatment: Would require a licensed health care practitioner who provides perinatal care for a patient to screen, diagnose and treat the patient for a maternal mental health condition. Potential CalOptima Health Impact: Increased access to behavioral health services for eligible members.	08/28/2025 Passed Assembly floor; referred to Senate for concurrence in amendments 06/02/2025 Passed Senate floor	CalOptima Health: Watch CAHP: Oppose

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>SB 812</u> Allen	Qualified Youth Drop-In Center Health Care Coverage: Would require a health plan to provide coverage for mental health and substance use disorders (SUDs) at a qualified youth drop-in center, defined as a center providing behavioral or primary health and wellness services to youth 12 to 25 years of age with the capacity to provide services before and after school hours and that has been designated by or embedded with a local educational agency or institution of higher education. <i>Potential CalOptima Health Impact:</i> Increased access to behavioral health services for CalOptima Health Medi-Cal youth members.	07/16/2025 Passed Assembly Health Committee; referred to Assembly Appropriations Committee 05/28/2025 Passed Senate floor	CalOptima Health: Watch CAHP: Concerns
<u>SB 874</u> Weber-Pierson	Behavioral Health Treatment (BHT) Workgroup: Would require any provider of BHT services under Medi-Cal to complete background checks. Additionally, would require DHCS to convene a stakeholder workgroup to review the implementation of BHT services in Medi-Cal and release clinical guidance and treatment plan requirements. <i>Potential CalOptima Health Impact:</i> Enhanced oversight and quality of BHT services provided to members under 21 years of age with autism spectrum disorder and/or related conditions.	06/30/2026 Passed Assembly Public Safety Committee; referred to Assembly Appropriations Committee 05/19/2026 Passed Senate floor	CalOptima Health: Watch
<u>AB 37</u> Elhawary	Behavioral Health Workforce: Would require the California Workforce Development Board to study how to expand the workforce of mental health service providers providing services to homeless persons. <i>Potential CalOptima Health Impact:</i> Increased access to behavioral health services for members experiencing homelessness.	01/16/2026 Died in Assembly Business and Professions Committee 03/13/2025 Referred to Assembly Labor and Employment Committee	CalOptima Health: Watch
<u>AB 348</u> Krell	Full-Service Partnership: Establishes presumptive eligibility for Full-Service Partnership programs contingent upon meeting criteria and receiving recommendation for enrollment by a licensed behavioral health clinician. <i>Potential CalOptima Health Impact:</i> Increased continuity of care for members with serious mental illness.	10/13/2025 Signed into law	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>AB 384</u> Connolly	Inpatient Prior Admission Authorization: Would prohibit a health plan from requiring prior authorization for admission to medically necessary 24-hour care in inpatient settings, including general acute care hospitals and psychiatric hospitals, for mental health and SUDs as well as for any medically necessary services provided to a beneficiary while admitted for that care. <i>Potential CalOptima Health Impact:</i> Modified utilization management (UM) procedures for covered Medi-Cal benefits.	01/23/2026 Died in Assembly Appropriations Committee 04/22/2025 Passed Assembly Health Committee	CalOptima Health: Watch CAHP: Oppose
<u>AB 423</u> Davies	Disclosures for Alcoholism, Drug Abuse Recovery or Treatment Programs and Facilities: Would mandate a business-operated recovery residence to register its location with DHCS. <i>Potential CalOptima Health Impact:</i> Increased oversight for members who have received SUD treatment.	01/16/2026 Died in Assembly Health Committee 02/18/2025 Referred to Assembly Health Committee	CalOptima Health: Watch
<u>AB 618</u> Krell	Behavioral Health Data Sharing: Would require each Medi-Cal managed care plan (MCP), county specialty mental health plan (MHP) and Drug Medi-Cal program to electronically share data for its members to support coordination of behavioral health services. Would also require DHCS to determine minimum data elements and the frequency and format of data sharing through a stakeholder process and guidance, with final guidance to be published by January 1, 2027. <i>Potential CalOptima Health Impact:</i> Increased coordination between Medi-Cal delivery systems regarding behavioral health services.	07/07/2025 Passed Senate Health Committee; referred to Senate Appropriations Committee 06/03/2025 Passed Assembly floor	05/07/2025 CalOptima Health: SUPPORT LHPC: Sponsor
<u>AB 877</u> Dixon	Nonmedical SUD Treatment: Would require DHCS and the California Department of Managed Health Care (DMHC) to send a letter to the chief financial officer of every health plan (including a Medi-Cal MCP) that provides SUD coverage in residential facilities. The letter must inform the plan that SUD treatment in licensed or unlicensed facilities is almost exclusively nonmedical, with rare exceptions, including for billing purposes. These provisions would be repealed on January 1, 2027. <i>Potential CalOptima Health Impact:</i> Enhanced transparency and clarity around nonmedical treatment provided for SUDs.	01/16/2026 Died in Assembly Health Committee 03/03/2025 Referred to Assembly Health Committee	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>AB 951</u> Ta	Autism Diagnosis: Prohibits a health plan from requiring an enrollee previously diagnosed with pervasive developmental disorder or autism to receive a diagnosis to maintain coverage for behavioral health treatment for their condition. <i>Potential CalOptima Health Impact:</i> Increased access to care for specific behavioral health treatments.	07/30/2025 Signed into law	CalOptima Health: Watch
<u>AB 1970</u> Harabedian	Mental Health and SUD Utilization Management: Would prohibit a health plan from imposing step therapy as a prerequisite to authorizing coverage of any prescription drug used for the treatment of a mental illness or SUD. <i>Potential CalOptima Health Impact:</i> Expanded covered benefits for members.	06/24/2026 Passed Senate Health Committee; referred to Senate Appropriations Committee 05/18/2026 Passed Assembly floor	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
Budget			
<u>H.R. 1</u> Arrington (TX)	One Big Beautiful Bill Act: Makes substantial changes to Medicaid program funding and policies, including but not limited to the following: • Work, community service and/or education requirement of 80 hours per month for able-bodied adults without dependents (with exceptions for pregnant women, foster youth, medically frail, caregivers and others), effective December 31, 2026, or no later than December 31, 2028 • Increased frequency of eligibility redeterminations for Medicaid Expansion (MCE) enrollees from annually to every six months, effective December 31, 2026 • Emergency Medicaid services provided to all undocumented beneficiaries subject to the traditional Federal Medical Assistance Percentage (FMAP) — 50% in California — regardless of the FMAP for which those would otherwise be eligible, effective October 1, 2026 • Cost-sharing for MCE enrollees with incomes of 100–138% Federal Poverty Level (FPL), not to exceed \$35 per service and 5% of total income, and not to be applied to primary, prenatal, pediatric, or emergency care, effective October 1, 2028 • Prohibition on any new or increased provider taxes, effective immediately • Significant restrictions on current Managed Care Organization (MCO) taxes, which could effectively repeal California’s MCO tax that was recently made permanent by Proposition 35 (2024), with a potential winddown period of up to three fiscal years (FYs) Potential CalOptima Health Impact: Reduced funding to CalOptima Health and contracted providers; decreased number of members; increased administrative costs; implementation of co-pay systems; increased financial and administrative burdens for some existing members; decreased health care utilization by some existing members; reduced benefits for some existing members. A separate overview is also enclosed.	07/04/2025 Signed into law	<u>05/20/2025</u> CalOptima Health: OPPOSE

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>H.R. 7148</u> Cole (OK)	Consolidated Appropriations Act, 2026: Would provide FY 2026 appropriations for several federal departments and agencies, including the U.S. Department of Health and Human Services (HHS), as well as extend several expiring health care programs and increase health care oversight. Specifically, the bill would strengthen compliance among pharmacy benefit managers (PBMs), extend Medicare telehealth flexibilities through December 31, 2027, extend the hospital-at-home waiver for five years, and delay Medicaid disproportionate share hospital (DSH) cuts until FY 2028. <i>Potential CalOptima Health Impact:</i> Continued access to Medicare telehealth flexibilities for dual-eligible CalOptima Health members and delayed cuts to certain contracted hospitals.	02/03/2026 Signed into law 01/30/2026 Passed Senate floor 01/22/2026 Passed House floor	CalOptima Health: Watch
<u>SB 101</u> Wiener <u>AB 102</u> Gabriel	Budget Act of 2025: Makes appropriations for the government of the State of California for FY 2025–26. Total spending is \$321 billion, of which \$228.4 billion is from the General Fund. <i>Potential CalOptima Health Impact:</i> An overview of the FY 2025–26 Enacted State Budget is enclosed.	06/30/2025 Signed into law	CalOptima Health: Watch
<u>SB 106</u> Laird	Budget Act of 2025 Junior: Amends the Budget Act of 2025 by appropriating \$90 million to Planned Parenthood in response to H.R. 1 cuts. <i>Potential CalOptima Health Impact:</i> Continued funding for certain family planning services.	02/11/2026 Signed into law	CalOptima Health: Watch
<u>SB 111</u> Laird <u>AB 109</u> Gabriel	Budget Act of 2026: Makes appropriations for the government of the State of California for FY 2026–27. Total spending is \$351.7 billion, of which \$251.1 billion is from the General Fund. <i>Potential CalOptima Health Impact:</i> An overview of the FY 2026–27 Enacted State Budget is enclosed.	06/29/2026 Signed into law	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>SB 125</u> Committee on Budget and Fiscal Review	Medi-Cal MCO Provider Tax Trailer Bill (2026): Authorizes DHCS to submit a new MCO tax model, effective January 1, 2027, through December 31, 2029, to the U.S. Centers for Medicare & Medicaid Services (CMS). If approved by CMS, a tax amount of \$8.85 per member per month would be levied on Medi-Cal and commercial health plan lives (with the Medi-Cal portion to be ultimately reimbursed). <i>Potential CalOptima Health Impact:</i> An overview of the FY 2026–27 Enacted State Budget is enclosed.	06/29/2026 Signed into law	CalOptima Health: Watch
<u>SB 164</u> Committee on Budget and Fiscal Review	Health Omnibus Trailer Bill (2026): Consolidates and enacts certain budget trailer bill language containing policy changes needed to implement health-related expenditures in the FY 2026–27 state budget. <i>Potential CalOptima Health Impact:</i> An overview of the FY 2026–27 Enacted State Budget is enclosed.	06/29/2026 Signed into law	CalOptima Health: Watch
<u>AB 100</u> Gabriel	Budget Acts of 2023 and 2024: Increases Medi-Cal’s current FY 2024–25 General Fund appropriation by \$2.8 billion and federal funds appropriation by \$8.25 billion in order to solve a deficiency in the Medi-Cal budget. <i>Potential CalOptima Health Impact:</i> Continued funding for current Medi-Cal rates and initiatives through June 30, 2025.	04/14/2025 Signed into law	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>AB 116</u> Committee on Budget	Health Omnibus Trailer Bill I (2025): Consolidates and enacts certain budget trailer bill language containing policy changes needed to implement health-related expenditures in the FY 2025–26 state budget. Provisions related to the Medi-Cal program include but are not limited to the following: • Enrollment freeze for undocumented individuals 19 years or older, effective no sooner than January 1, 2026, with exceptions for pregnant individuals • Implementation of \$30 monthly premiums for undocumented individuals ages 19-59, effective no sooner than July 1, 2027 • Reinstatement of the asset limit at \$130,000 for individuals, adding \$65,000 for each additional household member, capping at 10 members, effective January 1, 2026 • Enacts Program of All-Inclusive Care for the Elderly (PACE) provider sanctions, effective immediately <i>Potential CalOptima Health Impact:</i> An overview of the FY 2025–26 Enacted State Budget is enclosed.	06/30/2025 Signed into law	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>AB 144</u> Committee on Budget	Health Omnibus Trailer Bill II (2025): Consolidates and enacts certain budget trailer bill language containing policy changes needed to implement health-related expenditures in the FY 2025–26 state budget. Specifically, this bill: • Establishes the list of immunizations by the Advisory Committee on Immunization Practices (ACIP) • Exempts foster youth and former foster youth with Unsatisfactory Immigration Status (UIS) from various service limitations in the Medi-Cal program (including enrollment freeze and monthly premiums) • Requires DHCS to convene a workgroup to discuss the implementation of the Children and Youth Behavioral Health Initiative (CYBHI) school fee schedule • Establishes the Abortion Access Fund to provide family planning services through grants and contracts • Requires Covered California to provide payments to qualified health plans to defray the costs of state-mandated gender-affirming care benefits Potential CalOptima Health Impact: An overview of the FY 2025–26 Enacted State Budget is enclosed.	09/17/2025 Signed into law	CalOptima Health: Watch
California Advancing and Innovating Medi-Cal (CalAIM)			
<u>SB 324</u> Menjivar	Enhanced Care Management (ECM) and Community Supports Contracting: Would require a Medi-Cal MCP to give preference to contracting with community providers that demonstrate capability of providing access and meeting quality requirements when covering the ECM benefit and/or Community Supports. In addition, would require DHCS to develop standardized templates to be used by MCPs. Would also require DHCS to develop guidance to allow community providers to subcontract with other community providers. Potential CalOptima Health Impact: Increased collaboration with community providers and standardized contracts.	07/01/2025 Passed Assembly Health Committee; referred to Assembly Appropriations Committee 05/27/2025 Passed Senate floor	CalOptima Health: Watch CAHP: Watch LHPC: Oppose

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>AB 543</u> Gonzalez	Street Medicine: Authorizes a Medi-Cal MCP to elect to offer Medi-Cal covered services through a street medicine provider. MCPs that elect to do so would be required to allow a Medi-Cal beneficiary who is experiencing homelessness to receive those services directly from a contracted street medicine provider, regardless of the beneficiary's network assignment. Additionally, requires the MCP to allow a contracted street medicine provider enrolled in Medi-Cal to directly refer the beneficiary for covered services within the appropriate network and share that information with the relevant county for inclusion in CalSAWS. <i>Potential CalOptima Health Impact:</i> Continued access to street medicine services for members experiencing homelessness.	10/06/2025 Signed into law	CalOptima Health: Watch CAHP: Watch
<u>AB 2138</u> Krell	ECM Peer Support Specialists: Would require ECM providers to include at least one peer support specialist in their interdisciplinary teams; specialists would have lived experience with recovery from mental illness and/or substance use. Additionally, would outline conditions where peer support specialists cannot be disqualified based on criminal background, fingerprint-based background check or similar screening that is a condition of employment, contracting, certification, credentialing, enrollment or participation in providing peer support services. <i>Potential CalOptima Health Impact:</i> Expanded access to peer support specialists for certain high-need members.	04/23/2026 Passed Assembly Health Committee; referred to Assembly Appropriations Committee	CalOptima Health: Watch
<u>AB 2348</u> Bonta	Community Supports Extension: Would extend Community Supports within the Medi-Cal managed care program — by proposing that the supports are deemed cost-effective and medically appropriate services — beyond the existing CalAIM initiative, beginning January 1, 2027. Additionally, would implement quarterly public reporting on Community Supports utilization with ongoing technical assistance. <i>Potential CalOptima Health Impact:</i> Safeguards access to Community Supports for Medi-Cal members.	06/24/2026 Passed Senate Health Committee; referred to Senate Appropriations Committee 05/24/2026 Passed Assembly floor	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
Covered Benefits			
<u>SB 40</u> Wiener	Insulin Coverage: Prohibits a health plan, effective January 1, 2026 (or a policy offered in the individual or small group market, effective January 1, 2027), from imposing a copayment or other cost sharing of more than \$35 for a 30-day supply of an insulin prescription drug or imposing a deductible, coinsurance, or any other cost sharing on an insulin prescription drug. Additionally, requires a health plan to cover all types of insulin without step therapy on and after January 1, 2026. Potential CalOptima Health Impact: Decreased out-of-pocket costs for future members enrolled in Covered California line of business; new UM procedures.	10/13/2025 Signed into law	CalOptima Health: Watch CAHP: Oppose
<u>SB 62</u> Menjivar <u>AB 224</u> Bonta	Essential Health Benefits (EHBs): Expresses the intent of the Legislature to review California's EHB benchmark plan and establish a new benchmark plan for the 2027 plan year. Additionally, upon approval from HHSs and by January 1, 2027, requires the new benchmark plan include certain additional benefits, including coverage for fertility services, hearing aids and exams, and durable medical equipment. Potential CalOptima Health Impact: New covered benefits for future members enrolled in Covered California line of business.	10/13/2025 SB 62 signed into law 10/13/2025 AB 224 signed into law	CalOptima Health: Watch CAHP: Concerns
<u>SB 535</u> Richardson <u>AB 575</u> Arambula	Obesity Care Access Act: Would require an individual or group health care plan that provides coverage for outpatient prescription drug benefits to cover at least one specified anti-obesity medication and bariatric surgery for the treatment of obesity. Potential CalOptima Health Impact: Expanded covered benefits for future members enrolled in Covered California line of business.	07/15/2025 SB 535 passed Assembly Health Committee; referred to Assembly Appropriations Committee 05/28/2025 SB 535 passed Senate floor 02/24/2025 AB 575 referred to Assembly Health Committee	CalOptima Health: Watch CAHP: Oppose

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>SB 912</u> Cervantes	Comprehensive Perinatal Services: Would require DHCS to oversee a statewide community-based perinatal services program and enroll providers to deliver such services, but would maintain the role of the California Department of Public Health (CDPH) in regards to contracts, grants and agreements. <i>Potential CalOptima Health Impact:</i> Enhanced access to and delivery of perinatal services for pregnant and postpartum members.	04/22/2026 Passed Senate Health Committee; referred to Senate Appropriations Committee	CalOptima Health: Watch
<u>SB 944</u> Wiener	Acupuncture Coverage: Would remove the limitation requiring federal matching funds for acupuncture to be a covered benefit, preserving it as a covered benefit under Medi-Cal. <i>Potential CalOptima Health Impact:</i> Maintained covered benefits for members.	06/09/2026 Passed Assembly Health Committee; referred to Assembly Appropriations Committee 05/19/2026 Passed Senate floor	CalOptima Health: Watch
<u>AB 242</u> Boerner	Genetic Disease Screening: Would expand statewide newborn screenings to include Duchenne muscular dystrophy by January 1, 2027. <i>Potential CalOptima Health Impact:</i> Expanded covered benefits for members.	01/23/2026 Died in Assembly Appropriations Committee 04/01/2025 Passed Assembly Health Committee	CalOptima Health: Watch
<u>AB 298</u> Bonta	Cost-Sharing Under Age 21: Effective January 1, 2026, would prohibit a health plan from imposing a deductible, coinsurance, copayment, or other cost-sharing requirement for in-network health care services provided to an individual under 21 years of age, with certain exceptions for high deductible health plans that are combined with a health savings account. <i>Potential CalOptima Health Impact:</i> Increased costs for CalOptima Health; decreased costs for future members enrolled in Covered California line of business under 21 years of age.	01/23/2026 Died in Assembly Appropriations Committee 01/13/2026 Passed Assembly Health Committee 02/10/2025 Referred to Assembly Health Committee	CalOptima Health: Watch CAHP: Oppose
<u>AB 350</u> Bonta	Fluoride Treatments: Would require a health plan to provide coverage for fluoride varnish in the primary care setting for children under 21 years of age by January 1, 2026. <i>Potential CalOptima Health Impact:</i> New covered benefit for pediatric members.	08/29/2025 Passed Senate Appropriations Committee; referred to Senate floor 07/02/2025 Passed Senate Health Committee 06/02/2025 Passed Assembly floor	CalOptima Health: Watch CAHP: Oppose

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>AB 432</u> Bauer-Kahan	Menopause: Would have required a health plan that covers outpatient prescription drugs to provide coverage for evaluation and treatment options for symptoms of perimenopause and menopause. Would also have required a health plan to annually provide clinical care recommendations for hormone therapy to all contracted primary care providers who treat individuals with perimenopause and menopause. <i>Potential CalOptima Health Impact:</i> New covered benefits for members; increased communications to providers.	10/13/2025 Vetoed	CalOptima Health: Watch CAHP: Oppose
<u>AB 636</u> Ortega	Diapers: Would add diapers as a covered Medi-Cal benefit for the following individuals, contingent upon appropriation by the Legislature: • Children greater than three years of age diagnosed with a condition that contributes to incontinence • Other individuals under 21 years of age to address a condition pursuant to Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) standards <i>Potential CalOptima Health Impact:</i> New covered benefit for pediatric members.	01/23/2026 Died in Assembly Appropriations Committee 04/01/2025 Passed Assembly Health Committee	CalOptima Health: Watch
<u>AB 1949</u> Lee	Acupuncture Treatment Flexibility: Would state the intent of the Legislature to enact legislation that allows more flexibility in Medi-Cal coverage for acupuncture treatments. <i>Potential CalOptima Health Impact:</i> Expanded covered benefit for members.	06/10/2026 Passed Senate Health Committee; referred to Senate Appropriations Committee 05/26/2026 Passed Assembly floor	CalOptima Health: Watch
<u>AB 2160</u> Celeste Rodriguez	Lactation Services: Would require DHCS to update Medi-Cal's coverage guidance on lactation services by July 1, 2027, to clarify coverage policies for various lactation services, including health education, support and consultation. <i>Potential CalOptima Health Impact:</i> Expanded access to lactation services for members.	06/24/2026 Passed Senate Health Committee; referred to Senate Appropriations Committee 05/26/2026 Passed Assembly floor	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>AB 2208</u> Stefani	Federally Mandated Copayments: In accordance with the minimum requirements of H.R.1, would set copayments at \$0.01 for nonemergency services delivered to Medicaid Expansion adults with incomes between 100% and 138% of the federal poverty level, no later than October 1, 2028. Would exempt emergency and family planning services from copayments and prohibit service denial due to unpaid copayments. In addition, would allow self-attestation for Medi-Cal eligibility, including related to work or community engagement activities. <i>Potential CalOptima Health Impact:</i> Minimized financial burden on Medi-Cal members; decreased member burden to enroll in or maintain Medi-Cal coverage; minimized loss of members due to H.R. 1.	07/01/2026 Passed Senate Health Committee; referred to Senate Appropriations Committee 05/26/2026 Passed Assembly floor	CalOptima Health: Watch
<u>AB 2240</u> Stefani	Private Duty Nursing for Specialty Care: Would require DHCS to measure and assess whether private duty nursing services provided as part of the EPSDT benefit are in compliance with federal Medicaid requirements. The assessment would include a comparison of the hours of authorized EPSDT private duty nursing services to the hours actually provided to eligible children, as well as a determination of whether reimbursement rates are sufficient to ensure that all authorized hours are able to be provided. <i>Potential CalOptima Health Impact:</i> Expanded access to care for youth Medi-Cal members; increased reimbursement rates to private duty nurses.	04/22/2026 Passed Assembly Health Committee; referred to Assembly Appropriations Committee	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
Medi-Cal Eligibility and Enrollment			
<u>SB 1202</u> Weber Pierson	Eligibility Dashboard and Outreach: Would mandate the development of a data dashboard to track Medi-Cal application and enrollment data, reflecting changes in federal Medicaid law. Would also require DHCS and Medi-Cal MCPs to conduct outreach and education to Medi-Cal beneficiaries about community engagement requirements and changes to eligibility while aligning cultural and linguistic standards. In addition, would remove the requirement for Medi-Cal MCPs to contact a beneficiary for permission to share contact information with the county for eligibility determination purposes. Potential CalOptima Health Impact: Improved visibility of member eligibility and enrollment data; increased outreach to and engagement with members; modified data sharing process with the Orange County Social Services Agency; increased retention of existing Medi-Cal members.	06/09/2026 Passed Assembly Health Committee; referred to Assembly Appropriations Committee 05/19/2026 Passed Senate floor	CalOptima Health: Watch
<u>SB 1422</u> Durazo	Medi-Cal Eligibility: Would repeal the Medi-Cal enrollment freeze for UIS individuals who are 19 years of age or older, which was included in the FY 2025–26 Enacted State Budget and became effective on January 1, 2026. Additionally, would require the California Department of Finance to determine and report to the Legislature and the Governor the cost of re-implementing full-scope Medi-Cal benefits for UIS individuals and whether including those costs in the General Fund would create a deficit; following such determination, implementation would be staggered by age, beginning with those over 49 years of age. Certain limitations would be maintained, such as the elimination of dental benefits and the implementation of \$30 monthly premium payments. Potential CalOptima Health Impact: Expanded Medi-Cal eligibility for UIS individuals; increased number of members.	05/14/2026 Passed Senate Appropriations Committee; referred to Senate floor 04/09/2026 Passed Senate Health Committee	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>AB 315</u> Bonta	Home and Community-Based Alternatives (HCBA) Waiver: Would remove the cap on the number of HCBA Waiver slots and instead require DHCS to enroll all eligible individuals who apply for HCBA Waiver services. By March 1, 2026, would require DHCS to seek any necessary waiver amendments to ensure there is sufficient capacity to enroll all individuals currently on a waiting list. Would also require DHCS by March 1, 2026, to submit a rate study to the Legislature addressing the sustainability, quality and transparency of rates for the HCBA Waiver. <i>Potential CalOptima Health Impact:</i> Expanded member access to HCBA Waiver services.	01/23/2026 Died in Assembly Appropriations Committee 03/25/2025 Passed Assembly Health Committee	CalOptima Health: Watch
<u>AB 974</u> Patterson	Managed Care Enrollment Exemption: Would exempt any dual-eligible and non-dual-eligible beneficiaries who receive services from a regional center and who use the Medi-Cal fee-for-service (FFS) delivery system as a secondary form of health care coverage from mandatory enrollment in a Medi-Cal MCP. <i>Potential CalOptima Health Impact:</i> Decreased number of members.	01/23/2026 Died in Assembly Appropriation Committee 04/22/2025 Passed Assembly Health Committee	CalOptima Health: Watch
<u>AB 1012</u> Essayli	Unsatisfactory Immigration Status: Would make an individual who does not have satisfactory immigrant status ineligible for Medi-Cal benefits. In addition, would transfer funds previously appropriated for such eligibility to a newly created Serving our Seniors Fund to restore and maintain payments for Medicare Part B premiums for eligible individuals. <i>Potential CalOptima Health Impact:</i> Decreased number of members.	01/31/2026 Died at Assembly desk 02/21/2025 Introduced	CalOptima Health: Watch
<u>AB 1161</u> Harabedian	State of Emergency Continuous Eligibility: Would require DHCS and the California Department of Social Services to provide continuous eligibility for its applicable programs (including Medi-Cal and CalFresh) to all beneficiaries within a geographic region who have been affected by a state of emergency or a health emergency. <i>Potential CalOptima Health Impact:</i> Extended Medi-Cal eligibility for certain members.	01/23/2026 Died in Assembly Appropriations Committee 04/29/2025 Passed Assembly Health Committee 04/08/2025 Passed Assembly Human Services Committee	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>AB 1907</u> Addis	Aligned Covered California Enrollment: Would authorize Covered California to enroll an individual in the plan in which other members of the individual’s household are enrolled, or the lowest cost plan available. <i>Potential CalOptima Health Impact:</i> Increased enrollment in future Covered California line of business; streamlined enrollment process for certain members.	06/17/2026 Passed Senate Health Committee; referred to Senate Appropriations Committee 05/21/2026 Passed Assembly floor	CalOptima Health: Watch
<u>AB 2161</u> Bonta	Community Engagement Implementation: Would integrate federal community engagement requirements into the Medi-Cal program. Would prevent California from extending H.R. 1’s work requirements to state-funded Medi-Cal populations. Would also minimize administrative load by automating verification using available data sources and require that any federal work requirement implementation be applied in the least burdensome way possible. <i>Potential CalOptima Health Impact:</i> Modifications to eligibility for certain members; minimized impact of new community engagement requirements.	07/01/2026 Passed Senate Health Committee; referred to Senate Appropriations Committee 05/26/2026 Passed Assembly floor	CalOptima Health: Watch
<u>AB 2201</u> Boerner	Eligibility Redetermination Changes: Subject to an appropriation, would seek to align state provisions for Medi-Cal eligibility redeterminations with federal requirements, such as changing the current 12-month renewal cycle to a six-month cycle for adults covered under Medicaid Expansion. Additionally, would encourage counties to verify beneficiary income and assets through existing data sources to streamline the redetermination process. <i>Potential CalOptima Health Impact:</i> Modifications to eligibility redetermination for certain members.	07/01/2026 Passed Senate Health Committee; referred to Senate Appropriations Committee 05/26/2026 Passed Assembly floor	CalOptima Health: Watch
<u>AB 2363</u> Bains	Coverage Penalty Exemption: Would prohibit the imposition of a penalty for not maintaining minimum essential health coverage on individuals enrolled in Medi-Cal in 2024 or 2025. <i>Potential CalOptima Health Impact:</i> Reduced financial penalties for certain current and future members.	02/202026 Introduced; referred to Assembly Health Committee	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
Medi-Cal Operations and Administration			
<u>SB 278</u> Cabaldon	Health Data HIV Test Results: Authorizes disclosures of HIV test results that identify or include identifying characteristics of a Medi-Cal beneficiary without written authorization of the member or their representative to the MCP for quality improvement efforts such as value-based payment and incentive programs. <i>Potential CalOptima Health Impact:</i> Increased quality oversight of HIV program development.	10/13/2025 Signed into law	CalOptima Health: Watch
<u>SB 497</u> Wiener	Legally Protected Health Care Activity: Prohibits a health care provider, health plan, or contractor from releasing medical information related to a person seeking or obtaining gender-affirming health care or mental health care in response to a criminal or civil action. Also prohibits these entities from cooperating with or providing medical information to an individual, agency, or department from another state or to a federal law enforcement agency or in response to a foreign subpoena. <i>Potential CalOptima Health Impact:</i> Increased protection of medical information related to gender-affirming care; increased staff training regarding disclosure processes.	10/13/2025 Signed into law	CalOptima Health: Watch
<u>SB 530</u> Richardson	Medi-Cal Time and Distance Standards: Extends current Medi-Cal time and distance standards until January 1, 2029. In addition, requires a Medi-Cal MCP to ensure that each subcontractor network complies with certain appointment time standards and incorporate into reporting to DHCS, unless already required to do so. Additionally, the use of telehealth providers to meet time or distance standards does not absolve the MCP of responsibility to provide a beneficiary with access, including transportation, to in-person services if the beneficiary prefers. <i>Potential CalOptima Health Impact:</i> Increased oversight of contracted providers; increased reporting to DHCS.	10/06/2025 Signed into law	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>SB 660</u> Menjivar	California Health and Human Services Data Exchange Framework (DxF): Requires the Center for Data Insights and Innovation within California Health and Human Services Agency (CalHHS) to absorb all functions related to the DxF initiative, including the data sharing agreement and policies and procedures, by January 1, 2026. Additionally, expands DxF to include social services information. <i>Potential CalOptima Health Impact:</i> Increased care coordination with social service providers.	10/03/2025 Signed into law	CalOptima Health: Watch
<u>SB 987</u> Weber Pierson	California Health Access Fund (CHAF): Would require DHCS to administer the CHAF to ensure California residents who lose health care coverage due to the impacts of H.R. 1 (or other divestments from health care services) can continue to receive health care services and that providers are also reimbursed for these services. Furthermore, money in the fund would include deposits equal to the amount of any savings to the state that resulted from decreased enrollment in the Medi-Cal program caused by enrollment barriers from new federal policy changes. <i>Potential CalOptima Health Impact:</i> Extended health care benefits for certain future former members.	03/26/2026 Passed Senate Health Committee; referred to Senate Appropriations Committee	CalOptima Health: Watch
<u>AB 45</u> Bauer-Kahan	Reproductive Data Privacy: Prohibits the collection, use, disclosure, sale, sharing, or retention of the information of a person who is physically located at, or within a precise geolocation of, a family planning center, except any collection or use necessary to perform services or provide goods that have been requested. Also authorizes an aggrieved person to institute and prosecute a civil action against any person or organization in violation of these provisions. <i>Potential CalOptima Health Impact:</i> Increased safeguards regarding reproductive health information.	09/26/2025 Signed into law	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>AB 257</u> Flora	Specialty Telehealth Network Demonstration: Would require the establishment of a demonstration project or grant program for a telehealth and other virtual services specialty care network designed to serve patients of safety-net providers. Potential CalOptima Health Impact: Expanded member access to telehealth specialists.	01/23/2026 Died in Assembly Appropriations Committee 03/25/2025 Passed Assembly Health Committee	CalOptima Health: Watch CAHP: Oppose
<u>AB 316</u> Krell	Artificial Intelligence Defenses: Prohibits a defendant that developed or used artificial intelligence from asserting a defense that artificial intelligence autonomously caused the alleged harm to the plaintiff. Potential CalOptima Health Impact: Increased liability related to UM procedures.	10/13/2025 Signed into law	CalOptima Health: Watch
<u>AB 403</u> Ortega	Medi-Cal Community Health Service Workers: Would require DHCS to annually review the Community Health Worker (CHW) benefit and present an analysis to the Legislature beginning July 1, 2027. The analyses would include an assessment of Medi-Cal MCP outreach and education efforts, CHW utilization and services, demographic disaggregation of the CHWs and beneficiaries receiving services, and fee-for-service reimbursement data. Potential CalOptima Health Impact: New reporting requirements to DHCS.	01/23/2026 Died in Assembly Appropriations Committee 03/25/2025 Passed Assembly Health Committee	CalOptima Health: Watch
<u>AB 577</u> Wilson	Prescription Drug Antisteering: Would prohibit a health plan or pharmacy benefit manager (PBM) from engaging in specified steering practices, including requiring an enrollee to use a retail pharmacy for dispensing prescription oral medications and imposing any requirements, conditions or exclusions that discriminate against a physician in connection with dispensing prescription oral medications. Additionally, would require a health care provider, physician's office, clinic or infusion center to obtain consent from an enrollee and disclose a good faith estimate of the applicable cost-sharing amount before supplying or administering an injected or infused medication. Potential CalOptima Health Impact: Increased oversight of contracted PBM and referral processes.	01/23/2026 Died in Assembly Appropriations Committee 04/29/2025 Passed Assembly Health Committee	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>AB 688</u> Gonzalez	Telehealth for All Act of 2025: Beginning in 2028 and every two years thereafter, requires DHCS to use Medi-Cal data and other data sources to produce analyses in a publicly available Medi-Cal telehealth utilization report. Potential CalOptima Health Impact: New reporting requirements to DHCS.	10/07/2025 Signed into law	CalOptima Health: Watch
<u>AB 980</u> Arambula	Health Plan Duty of Care: As it pertains to the required “duty of ordinary care” by a health plan, would define “medically necessary health care service” to mean legally prescribed medical care that is reasonable and comports with the medical community standard. Potential CalOptima Health Impact: Modified UM procedures.	01/16/2026 Died in Assembly Health Committee 04/22/2025 Re-referred to Assembly Health Committee	CalOptima Health: Watch
<u>AB 2194</u> Valencia	CalOptima Health Governance: Would implement staggered terms on the CalOptima Health Board of Directors (Board), effective for the new terms expected to begin in August 2028. To accommodate a transition, the following three Board seats would serve initial two-year terms: 1. Community clinic representative 2. Practicing licensed medical provider who is not affiliated with a health network 3. Accounting or public finance professional or actively licensed attorney In addition, would require an independent external audit of CalOptima Health’s governance procedures and practices, including but not limited to policies related to conflict-of-interest, vendor contracting and procurement, and governance structures and responsibilities, as well as the Orange County Health Care Agency’s nomination process for Board members. Potential CalOptima Health Impact: Increased continuity of Board representation; increased staff workload to initiate and respond to independent external audit	07/01/2026 Passed Senate Local Government Committee; referred to Senate Appropriations Committee 06/24/2026 Passed Senate Health Committee 04/16/2026 Passed Assembly floor	<u>06/18/2026</u> CalOptima Health: OPPOSE
<u>AB 2565</u> Wallis	Pharmacist Services: Would require DHCS to update its model evidence of coverage (EOC) to explicitly include the obligation of MCPs to cover pharmacist services. Potential CalOptima Health Impact: Updated member-facing materials, such as EOCs and member handbooks.	06/03/2026 Passed Senate Health Committee; referred to Senate Appropriations Committee 05/14/2026 Passed Assembly floor	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
Older Adult Services			
<u>SB 242</u> Blakespear	Medicare Supplemental Coverage Open Enrollment Periods: Would make Medicare supplemental benefit plans available to qualified applicants with end stage renal disease under the age of 64 years. Would also create an annual open enrollment period for Medicare supplemental benefit plans and prohibit such plans from denying an application or adjusting premium pricing due to a preexisting condition. Additionally, would authorize premium rates offered to applicants during the open enrollment period to vary based on the applicant's age at the time of issue, but would prohibit premiums from varying based on age after the contract is issued. <i>Potential CalOptima Health Impact:</i> Expanded Medicare coverage options for dual-eligible members.	01/23/2026 Died in Senate Appropriations Committee 04/30/2025 Passed Senate Health Committee	CalOptima Health: Watch CAHP: Oppose
<u>SB 412</u> Limón	Home Care Aides: Requires a home care organization to ensure that a home care aide completes training related to the special care needs of clients with dementia prior to providing care and annually thereafter. <i>Potential CalOptima Health Impact:</i> New training requirements for PACE staff.	10/06/2025 Signed into law	CalOptima Health: Watch
Providers			
<u>SB 32</u> Weber Pierson	Timely Access to Care: Would require DHCS, DMHC and the California Department of Insurance to consult stakeholders for the development and adoption of geographic accessibility standards of perinatal units to ensure timely access for enrollees by July 1, 2027. <i>Potential CalOptima Health Impact:</i> Additional timely access standards; increased contracting with perinatal units.	07/01/2025 Passed Assembly Health Committee; referred to Assembly Appropriations Committee 06/02/2025 Passed Senate floor	CalOptima Health: Watch LHPC: Oppose
<u>SB 250</u> Ochoa Bogh	Medi-Cal Provider Directory — SNFs: Requires an annually updated provider directory issued by a Medi-Cal MCP to include SNFs as a searchable provider type. <i>Potential CalOptima Health Impact:</i> Modifications to CalOptima Health's online provider directory.	10/03/2025 Signed into law	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>SB 306</u> Becker	Prior Authorization Exemption: No later than January 1, 2028, requires health plans — except Medi-Cal MCPs — to eliminate prior authorization for the most frequently approved health care services, except in cases of fraudulent provider activity or clinically inappropriate care. Potential CalOptima Health Impact: In future Covered California line of business, implementation of new UM procedures to assess prior authorization approval rates; decreased number of prior authorizations; decreased care coordination for members.	10/06/2025 Signed into law	CalOptima Health: Watch CAHP: Oppose Unless Amended LHPC: Oppose Unless Amended
<u>SB 504</u> Laird	HIV Reporting: Authorizes a health care provider for a patient with an HIV infection that has already been reported to a local health officer to communicate with a local health officer or CDPH to obtain public health recommendations on care and treatment or to refer the patient to services provided by CDPH. Potential CalOptima Health Impact: Increased coordination of care for HIV-positive members.	10/13/2025 Signed into law	CalOptima Health: Watch
<u>SB 1049</u> Pierson	Claim Reimbursements: Would grant a provider 90 days to submit a corrected claim after a health care plan denies a claim or sends a notice of overpayment for a claim based on a defect that could be rectified by submitting a corrected claim. Additionally, would prohibit denial of a corrected claim on the grounds that the provider did not submit the claim within the applicable filing deadline. Potential CalOptima Health Impact: Modified claims review process.	06/23/2026 Passed Assembly Health Committee; referred to Assembly Appropriations Committee 05/19/2026 Passed Senate floor	CalOptima Health: Watch CAHP: Oppose Unless Amended
<u>AB 29</u> Arambula	Adverse Childhood Experiences (ACEs) Screening Providers: Would require DHCS to include community-based organizations, local health jurisdictions and doulas as qualified providers for ACEs trauma screenings and require clinical or other appropriate referrals as a condition of Medi-Cal payment for conducting such screenings. Potential CalOptima Health Impact: Increased access to care for pediatric members with ACEs.	01/23/2026 Died in Assembly Appropriations Committee 04/01/2025 Passed Assembly Health Committee	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>AB 50</u> Bonta	Over-the-Counter Contraceptives: Allows pharmacists to provide over-the-counter hormonal contraceptives without following certain procedures and protocols, such as requiring patients to complete a self-screening tool. As such, these requirements are limited to prescription-only hormonal contraceptives. <i>Potential CalOptima Health Impact:</i> Increased member access to hormonal contraceptives.	09/26/2025 Signed into law	CalOptima Health: Watch
<u>AB 55</u> Bonta	Alternative Birth Centers Licensing: Removes the requirement for alternative birth centers to provide comprehensive perinatal services as a condition of CDPH licensing and Medi-Cal reimbursement. <i>Potential CalOptima Health Impact:</i> Decreased member access to comprehensive perinatal services; reduced operating requirements for alternative birth centers.	10/11/2025 Signed into law	CalOptima Health: Watch LHPC: Support
<u>AB 220</u> Jackson	Medi-Cal Subacute Care Authorization: Would require a provider seeking prior authorization for pediatric subacute or adult subacute care services under the Medi-Cal program to submit a specified form. Additionally, would prohibit a Medi-Cal MCP from developing or using its own criteria for medical necessity and from requiring a subsequent treatment authorization request upon a patient's return from a bed hold for acute hospitalization. <i>Potential CalOptima Health Impact:</i> Modified UM procedures and forms.	09/04/2025 Passed Senate floor; referred to Assembly for concurrence in amendments 05/29/2025 Passed Assembly floor	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>AB 280</u> Aguilar-Curry	Provider Directory Accuracy: Would require health plans — except Medi-Cal MCPs — to maintain accurate provider directories, starting with minimum 60% accuracy by July 1, 2026, and increasing to 95% by July 1, 2029, or otherwise receive administrative penalties. If a patient relies on inaccurate directory information, would require the provider to be reimbursed at the out-of-network rate without the patient incurring charges beyond in-network cost-sharing amounts. Would also allow DMHC to update standardized formats to collect directory information as well as establish methodologies to ensure accuracy, such as use of a central utility, by January 1, 2026. Additionally, would require a health plan to provide information about in-network providers to enrollees upon request, including whether the provider is accepting new patients at the time, and would limit the cost-sharing amounts an enrollee is required to pay for services from those providers under specified circumstances. Would also require that, within 30 days of receiving a request from a health plan, a provider must confirm that its information is current and accurate or update the required information. <i>Potential CalOptima Health Impact:</i> In future Covered California line of business, increased oversight of provider directory; increased coordination with contracted providers; increased penalty payments to DMHC.	07/09/2025 Passed Senate Health Committee; referred to Senate Appropriations Committee 06/02/2025 Passed Assembly floor	CalOptima Health: Watch CAHP: Oppose LHPC: Oppose
<u>AB 375</u> Nguyen	Qualified Autism Service Paraprofessional: Would expand the definition of “health care provider” to also include a qualified autism service paraprofessional. <i>Potential CalOptima Health Impact:</i> Increased access to autism services for eligible members; additional provider contracting and credentialing.	06/08/2026 Passed Senate Business, Professions and Economic Development Committee; referred to Senate Appropriations Committee 01/29/2026 Passed Assembly floor	CalOptima Health: Watch
<u>AB 416</u> Krell	Involuntary Commitment: Authorizes a person to be taken into custody by an emergency physician under the Lanterman-Petris-Short Act and exempts the emergency physician from criminal and civil liability. <i>Potential CalOptima Health Impact:</i> New legal standards for certain CalOptima Health providers.	10/13/2025 Signed into law	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>AB 510</u> Addis	Utilization Review Peer-to-Peer Review: Would allow a provider to request review of a decision to delay, deny or modify health services by another physician or peer health care professional matching the specialty of the service within two business days. In urgent cases, responses must match the urgency of the patient's condition. If these deadlines are not met, the authorization request would be automatically approved. <i>Potential CalOptima Health Impact:</i> Expedited and modified UM, grievance and appeals procedures for covered Medi-Cal benefits; increased hiring of specialists to review grievances and appeals.	01/23/2026 Died in Assembly Appropriations Committee 04/22/2025 Passed Assembly Health Committee	CalOptima Health: Watch CAHP: Oppose Unless Amended LHPC: Oppose Unless Amended
<u>AB 512</u> Harabedian	Prior Authorization Timelines: Would have shortened the timeline for prior or concurrent authorization requests to no more than 24 hours via electronic submission or 48 hours via non-electronic submission for <i>urgent</i> requests and three business days via electronic submission or five business days via non-electronic submission for <i>standard</i> requests, starting from plan receipt of the information reasonably necessary and requested by the plan to make the determination. <i>Potential CalOptima Health Impact:</i> Expedited and modified UM procedures for covered Medi-Cal benefits.	10/06/2025 Vetoed	CalOptima Health: Watch CAHP: Oppose Unless Amended LHPC: Oppose Unless Amended
<u>AB 517</u> Krell	Wheelchair Prior Authorization: Would prohibit a Medi-Cal MCP from requiring prior authorization for the repair of a Complex Rehabilitation Technology (CRT)-powered wheelchair, if the cost of repair does not exceed \$1,250. Would also no longer require a prescription or documentation of medical necessity, if the wheelchair has already been approved for use by the patient. Additionally, would require supplier documentation of the repair. <i>Potential CalOptima Health Impact:</i> Modified UM procedures for a covered Medi-Cal benefit.	01/23/2026 Died in Assembly Appropriations Committee 04/08/2025 Passed Assembly Health Committee	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>AB 539</u> Schiavo	One-Year Prior Authorization Approval: Would require a prior authorization for a health care service to remain valid for a period of at least one year, or throughout the course of prescribed treatment if less than one year, from the date of approval. <i>Potential CalOptima Health Impact:</i> Modified UM procedures for covered Medi-Cal benefits; decreased number of prior authorizations; increased costs.	07/01/2026 Passed Senate Health Committee; referred to Senate Appropriations Committee 05/12/2025 Passed Assembly floor	CalOptima Health: Watch CAHP: Oppose Unless Amended LHPC: Oppose Unless Amended
<u>AB 787</u> Papan	Provider Directory Disclosures: Would require a health plan to include in its provider directory a statement advising an enrollee to contact the plan for assistance in finding an in-network provider. Would also require the plan to respond within one business day if contacted for such assistance and to provide a list of in-network providers confirmed to be accepting new patients within two business days for urgent requests and five business days for nonurgent requests. Medi-Cal MCPs would not be required to distribute a printed provider directory. <i>Potential CalOptima Health Impact:</i> Expanded customer service support and staff training; technical changes to CalOptima Health's provider directory.	06/18/2025 Passed Senate Health Committee; referred to Senate Appropriations Committee 05/05/2025 Passed Assembly floor	CalOptima Health: Watch
<u>AB 1041</u> Bennett	Provider Credentialing: Requires a health plan — except a Medi-Cal MCP — to credential a provider within 90 days of receipt of a completed application; otherwise, a credential is conditionally approved for 120 days, except as specified. A plan is required to notify the provider whether the application is complete within 10 days of receipt. Additionally, requires a health plan to subscribe to and use the Council for Affordable Quality Healthcare credentialing form on and after January 1, 2028. <i>Potential CalOptima Health Impact:</i> Expedited and modified credentialing procedures for future Covered California line of business.	10/11/2025 Signed into law	CalOptima Health: Watch CAHP: Oppose LHPC: Oppose Unless Amended
<u>AB 1843</u> Elhawary	Communicable Disease: Would prohibit health plans from requiring authorization for direct-acting antiviral drugs needed for hepatitis C treatment. <i>Potential CalOptima Health Impact:</i> Modified UM procedures.	06/24/2026 Passed Senate Health Committee; referred to Senate Appropriations Committee 05/21/2026 Passed Assembly floor	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>AB 1887</u> Zbur	Prescription Drug Coverage for Rare Diseases: Would require a health care service plan – except a Medi-Cal MCP — to complete prior authorization or other utilization review within 30 days for a drug approved for the treatment of a rare disease, and prescribed by a specialist with expertise in such disease, unless a biosimilar, interchangeable biologic or generic version of the drug is available. <i>Potential CalOptima Health Impact:</i> New UM procedure for future Covered California line of business.	07/01/2026 Passed Senate Health Committee; referred to Senate Appropriations Committee 05/27/2026 Passed Assembly floor	CalOptima Health: Watch
<u>AB 2352</u> Valencia	Nonprofit Public Benefit Corporations: Would allow nonprofit public benefit corporations that offer nonspecialty mental health services to be enrolled as Medi-Cal providers. <i>Potential CalOptima Health Impact:</i> Increased number of contracted mental health providers; increased access to mental health services for Medi-Cal members.	06/24/2026 Passed Senate Health Committee; referred to Senate Appropriations Committee 05/27/2026 Passed Assembly floor	CalOptima Health: Watch
<u>AB 2457</u> Connolly	Medi-Cal Provider Credentialing: Would extend the requirements of AB 1041 (2025) to Medi-Cal MCPs. <i>Potential CalOptima Health Impact:</i> Expedited and modified credentialing procedures for Medi-Cal line of business.	03/25/2026 Passed Assembly Health Committee; referred to Assembly Appropriations Committee	CalOptima Health: Watch
Rates & Financing			
<u>SB 339</u> Cabaldon	Medi-Cal Laboratory Rates: Would require Medi-Cal reimbursement rates for clinical laboratory or laboratory services to <i>equal</i> the lowest of the following metrics: 1. the amount billed; 2. the charge to the general public; 3. 100% of the lowest maximum allowance established by Medicare; or 4. a reimbursement rate based on an average of the lowest amount that other payers and state Medicaid programs are paying. For any such services related to the diagnosis and treatment of sexually transmitted infections on or after July 1, 2027, the Medi-Cal reimbursement rates shall not consider the rates described in clause (4) listed above. <i>Potential CalOptima Health Impact:</i> Increased payments to contracted clinical laboratories.	04/29/2025 Passed Senate Judiciary Committee; referred to Senate Appropriations Committee 04/23/2025 Passed Senate Health Committee	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>AB 1672</u> Solache	PACE Rates: Would modify how PACE rates are negotiated by eliminating the requirement for consultation during rate setting and instead mandating direct negotiation of rates. Additionally, would require DHCS to provide written responses to comments and the rationale for rate assumptions before federal submission. <i>Potential CalOptima Health Impact:</i> Modified rate-setting process for PACE line of business.	06/03/2026 Passed Senate Health Committee; referred to Senate Appropriations Committee 04/16/2026 Passed Assembly floor	CalOptima Health: Watch CalPACE: Sponsor
<u>AB 2036</u> Patel	Federally Qualified Health Centers (FQHCs) and Rural Health Clinics (RHCs) Reimbursement: Would clarify how FQHC and RHC services are reimbursed on a per-visit basis, including how such Prospective Payment System (PPS) rates are set and adjusted based on necessary documentation. <i>Potential CalOptima Health Impact:</i> Improved access to care for members assigned to contracted FQHCs; improved financial stability of contracted FQHCs.	02/17/2026 Introduced; referred to Assembly Health Committee	CalOptima Health: Watch
<u>AB 2327</u> Lowenthal	Subcontractor Rates: Would require Medi-Cal MCPs operating as fully or partially delegated subcontractors to be compensated with actuarially sound rates starting January 1, 2027s. <i>Potential CalOptima Health Impact:</i> Modifications to rate setting for Medi-Cal subcontractors.	04/21/2026 Passed Assembly Health Committee; referred to Assembly Appropriations Committee	CalOptima Health: Watch

Information in this document is subject to change as bills proceed through the legislative process.

CAHP: California Association of Health Plans

CalPACE: California PACE Association

LHPC: Local Health Plans of California

Last Updated: July 27, 2026

2026 Federal Legislative Dates

January 5	119th Congress, 1st Session convenes
July 24–August 30	Summer recess for House
August 8–September 13	Summer recess for Senate
December 18	2nd session adjourns

Source: Floor Calendars, United States Congress: <https://www.congress.gov/calendars-and-schedules>

2026 State Legislative Dates

January 5	Legislature reconvenes
January 10	Proposed budget must be submitted by Governor
January 16	Last day for policy committees to hear and report to fiscal committees any fiscal bills introduced in that house in 2025
January 23	Last day for any committees to hear and report to the Floor any bills introduced in that house in 2025
January 31	Last day for each house to pass bills introduced in that house in 2025
February 20	Last day for legislation to be introduced in 2026
March 27–April 5	Spring recess
April 24	Last day for policy committees to hear and report to fiscal committees any fiscal bills introduced in that house in 2026
May 1	Last day for policy committees to hear and report to the Floor any non-fiscal bills introduced in that house in 2026
May 15	Last day for fiscal committees to hear and report to the Floor any bills introduced in that house in 2026
May 26–29	Floor session only
May 29	Last day for each house to pass bills introduced in that house in 2026
June 15	Budget bill must be passed by midnight
July 2	Last day for policy committees to hear and report bills in their second house to fiscal committees or the Floor
July 3–August 2	Summer recess
August 14	Last day for fiscal committees to report bills in their second house to the Floor
August 17–31	Floor session only
August 21	Last day to amend bills on the Floor
August 31	Last day for each house to pass bills; final recess begins upon adjournment
September 30	Last day for Governor to sign or veto bills passed by the Legislature

Source: Legislative Deadlines, California State Senate: <https://www.senate.ca.gov/legislative-deadlines-calendar>

About CalOptima Health

CalOptima Health is a county organized health system that administers health insurance programs for low-income children, adults, seniors and people with disabilities. As Orange County's community health plan, our mission is to serve member health with excellence and dignity, respecting the value and needs of each person. We provide coverage through three major programs: Medi-Cal, OneCare (HMO D-SNP) and the Program of All-Inclusive Care for the Elderly (PACE)



H.R. 1: One Big Beautiful Bill Act
Fiscal Year 2025 Federal Budget Reconciliation
As signed into law on July 4, 2025

Please note that H.R. 1 includes several distinct implementation dates over the coming years, but there are no major immediate impacts to Medicaid beneficiaries until 2026.

In addition, most Medicaid provisions of H.R. 1 still require federal rulemaking by the U.S. Centers for Medicare and Medicaid Services (CMS) and subsequent state implementation by the California State Legislature and/or the California Department of Health Care Services (DHCS).

MEDICAID HIGHLIGHTS	
Eligibility	
Work, community service and/or education requirement of 80 hours per month for able-bodied adults ages 19–64 (with exceptions for short-term hardship, parents with dependents under age 14, pregnant women, medically frail, caregivers and others), effective December 31, 2026 (or no later than December 31, 2028 , at the discretion of the U.S. Secretary of Health and Human Services [HHS])	
Increased frequency of eligibility redeterminations for Medicaid Expansion (MCE) enrollees from annually to every six months , effective December 31, 2026	
Financing	
Prohibition on any new or increased provider taxes, effective immediately	
Existing provider taxes (except those related to nursing or intermediate care facilities) would be gradually reduced from the current maximum 6.0% hold harmless threshold to a new 3.5% hold harmless threshold by 0.5% annually from October 1, 2027, through October 1, 2031	
Significant restrictions on current Managed Care Organization (MCO) taxes, which could effectively repeal California’s MCO tax that was recently made permanent by Proposition 35 (2024), with a potential winddown period of up to three fiscal years at the discretion of the HHS Secretary	
Cap on new state-directed payments (SDPs) at 100% of the Medicare payment rate, effective immediately ; gradually reduces existing SDPs to that cap by 10% annually , starting January 1, 2028	
Emergency Medicaid services provided to all undocumented beneficiaries would be subject to the traditional Federal Medical Assistance Percentage (FMAP) — 50% in California — regardless of the FMAP for which those would otherwise be eligible, effective October 1, 2026	
Access	
Cost-sharing for MCE enrollees with incomes of 100–138% Federal Poverty Level (FPL), not to exceed \$35 per service and 5.0% of total income, and not to be applied to primary, prenatal, pediatric, behavioral or emergency care, effective October 1, 2028	
Temporary one-year prohibition on all Medicaid funding to Planned Parenthood, effective immediately	



Fiscal Year 2025–26 Enacted State Budget

On May 14, 2025, Governor Gavin Newsom released a Fiscal Year (FY) 2025–26 Revised State Budget Proposal, known as the May Revision. On June 13, the State Senate and State Assembly both passed a counterproposal — Senate Bill (SB) 101 — as a placeholder budget to meet the June 15 constitutional deadline while negotiations with the governor on a final budget remained ongoing.

On June 24, Gov. Newsom and legislative leaders announced a final budget agreement. After both houses of the Legislature passed the agreed-upon revisions as Assembly Bill (AB) 102 on June 27, Gov. Newsom signed both SB 101 and AB 102 into law. Additionally, the Legislature passed and the governor signed the consolidated Health Trailer Bill (AB 116) containing policy changes needed to implement health-related budget expenditures. Together, these bills represent the FY 2025–26 Enacted State Budget.

MEDI-CAL HIGHLIGHTS
<u>Unsatisfactory Immigration Status (UIS)-Member Impacts</u>
Freeze on <i>new</i> enrollment of UIS individuals ages 19+ (except those who are pregnant or one-year postpartum), effective January 1, 2026 , including a three-month grace/cure period for re-enrollment following payment of outstanding premium balances; <i>currently enrolled</i> individuals are not affected
Implementation of \$30/month premiums for UIS individuals ages 19–59, effective July 1, 2027
Elimination of dental coverage for UIS individuals ages 19+, effective July 1, 2026
Elimination of Prospective Payment System rates to Federally Qualified Health Centers for state-only-funded services provided to UIS individuals, effective July 1, 2026
<u>All-Member Impacts</u>
Reinstatement of asset limit at \$130,000 for individuals (plus \$65,000 for each additional household member) in non-Modified Adjusted Gross Income eligibility categories, effective January 1, 2026
Elimination of pharmacy coverage for GLP-1 agonists for weight loss; coverage for diabetes and on a case-by-case basis will continue, effective January 1, 2026
Elimination of pharmacy coverage of some over-the-counter drugs, including COVID-19 antigen tests, vitamins and certain antihistamines, such as dry eye products, effective January 1, 2026
Implementation of prior authorization for hospice services, effective July 1, 2026
Limitation on capitation payments to Program of All-Inclusive Care for the Elderly (PACE) organizations at the midpoint of the actuarial rate ranges, effective January 1, 2027
Elimination of the Workforce and Quality Incentive Program (WQIP) for skilled nursing facilities, effective December 31, 2025 , with all close-out activities to be completed by January 1, 2027

State agencies, including the California Department of Health Care Services, will begin implementing the policies included in the enacted budget. Staff will continue to monitor these policies and provide updates regarding issues that have a significant CalOptima Health impact. In addition, the Legislature continues to advance policy bills through the legislative process. Bills with funding allocated in the enacted budget are more likely to be passed and signed into law. The Legislature has until September 12, 2025, to pass legislation, and Gov. Newsom has until October 12, 2025, to either sign or veto that passed legislation.



Fiscal Year 2026–27 Enacted State Budget

Impact Analysis

July 15, 2026

Background

On January 9, 2026, Governor Gavin Newsom released the Fiscal Year (FY) 2026–27 Proposed State Budget, reflecting a minor \$2.9 billion budget shortfall due to increased state program costs and the loss of significant federal funding, despite state tax revenue coming in higher than expected. While the proposed budget did not include any major new commitments or spending reductions, the Medi-Cal program would still be particularly affected as policy changes from federal H.R. 1 legislation, enacted on July 4, 2025, and the previous FY 2025–26 enacted state budget continue to be implemented.

On May 14, Governor Newsom released the FY 2026–27 Revised State Budget Proposal, known as the May Revision, which reflects updated economic forecasts and revenue projections. After accounting for budget solutions, the May Revision proposed \$349.4 billion in total funding (\$246.6 billion General Fund [GF]). Revenues are projected to be \$16.5 billion higher than estimated in January's proposed budget across the three-year budget window, primarily driven by stronger-than-expected personal income tax collections and a spike in capital gains realizations associated with the artificial intelligence boom.

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

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

Summary

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

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

Medi-Cal Eligibility & Enrollment

- Transition the Unsatisfactory Immigration Status (UIS) population from Medi-Cal managed care plans to the Medi-Cal fee-for-service system, effective January 1, 2027.
 - The California Department of Health Care Services (DHCS) claims that this is required in response to a State Medicaid Director Letter issued by CMS in September 2025 that disallows coverage of federally eligible emergency Medicaid services within a risk-based managed care delivery system for the UIS population.
 - Program of All-Inclusive Care for the Elderly (PACE) participants are exempt from the transition and are therefore allowed to maintain enrollment in PACE.
 - \$39 million has been appropriated to support the transition, including \$31 million for care coordination, such as language access, integrated care planning, member outreach, and provider coordination, as well as \$8 million for contracts with clinics and community-based organizations to provide navigation services.
 - In total, approximately 117,000 CalOptima Health members will be transitioned, including 295 vulnerable children enrolled in the Whole Child Model program.
- Delay the transition of the Qualified Non-Citizen (QNC) population to restricted-scope Medi-Cal from October 1, 2026, through July 1, 2027. In the meantime, the QNC population will be transitioned alongside the UIS population to Medi-Cal FFS on January 1, 2027.
- Require the next governor's FY 2027–28 May Revision to set a Medi-Cal premium between \$30 and \$50 per month for UIS adults ages 19–59, effective July 1, 2027. A \$30-per-month premium was already set to take effect on the same date, pursuant to the FY 2025–26 enacted state budget.
- Further reduce the asset limit for seniors and disabled adults to \$21,000 per individual or \$31,000 per couple, effective July 1, 2027. An asset limit of \$130,000 per individual was recently implemented on January 1, 2026.
- Augment funding by \$197 million GF in FY 2026–27 to support increased county workload as a result of H.R. 1 changes to Medi-Cal eligibility and enrollment.
- Appropriate \$1.5 million GF in FY 2026–27 to clear the Medi-Cal Home and Community Based Alternatives (HCBA) Waiver waitlist and serve all eligible individuals seeking enrollment in the HCBA Waiver program.

Medi-Cal Benefits

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

Medi-Cal Efficiencies

- Strengthen utilization management controls for applied behavior analysis (ABA)/behavioral health treatment (BHT) and transportation services, including non-medical transportation

(NMT) and non-emergency medical transportation (NEMT). More details can be found in [this DHCS fact sheet](#). CalOptima Health currently requires prior authorization for ABA/BHT and NEMT services (with exceptions), but not for NMT services.

- Eliminate the incentive component of the Quality Withhold and Incentive Program, which would effectively result in a rate cut to Medi-Cal managed care plans.
- Refine eligibility criteria, referral pathways, service definitions and utilization management criteria for Enhanced Care Management (ECM) and Community Supports, effective January 1, 2027. More details can be found in [this DHCS fact sheet](#). CalOptima Health has already adopted or has recommended adopting several of these proposed reforms to improve the quality and sustainability of the CalAIM program.

Rates and Financing

- Delay the elimination of Proposition 56 dental supplemental payments until July 1, 2027.
- Delay elimination of Prospective Payment System (PPS) rates to community clinics for UIS beneficiaries until July 1, 2027.
- Submit a new MCO Tax model, effective January 1, 2027, due to the expiration of the existing MCO tax on that same date. The new model would consist of two components:
 - The first component would comply with Proposition 35 (2024) but is expected to be rejected by CMS due to noncompliance with the provider tax uniformity requirements under H.R. 1.
 - The second component would comply with H.R. 1 but would not be tied to Proposition 35. Under this component, an \$8.85 per member per month (PMPM) tax would be imposed on both Medi-Cal and non-Medi-Cal plans to sustain the Medi-Cal targeted rate increases (TRI) for primary care, maternal health and non-specialty mental health services that were implemented on January 1, 2024. However, this would effectively sweep remaining MCO Tax revenues into the GF to support existing Medi-Cal costs, rather than additional provider rate increases as intended by Proposition 35.
- Appropriate \$90 million GF to the California Department of Health Care Access and Information (HCAI) in FY 2026–27 to provide one-time grants to hospitals in immediate and significant financial distress, and authorize the California Department of Finance to augment up to an additional \$50 million.
- Appropriate \$250 million GF to DHCS in FY 2026–27 to support designated public hospitals.
- Appropriate \$30 million GF in FY 2026–27 to support rate increases for private duty nursing.
- Appropriate \$26 million to maintain access to gender affirming care through a provider network stabilization program.
- Appropriate \$40 million to support uncompensated care and continued access for reproductive health services.

Miscellaneous

- Initiate process to develop and release a proposed “fair share” tax on large corporations whose employees are enrolled in Medi-Cal by April 1, 2027.
- Appropriate \$800,000 annually ongoing to hire additional DHCS nursing staff to evaluate PACE enrollment applications and make level-of-care determinations more timely.
- Increase ongoing funding from \$190,000 to \$300,000 annually to expand the state premium subsidy program for Covered California enrollees up to 200% of the Federal Poverty Level, effective July 1, 2026, to partially offset the expiration of the federal enhanced Advance Premium Tax Credits (eAPTCs) on December 31, 2025.

- Augment funding by \$223 million GF in FY 2026–27 to support increased county workload as a result of H.R. 1 changes to CalFresh eligibility and enrollment.
- Redirect the state’s share of Medical Loss Ratio (MLR) remittances from the Medi-Cal Physician and Dentists Loan Repayment Program to the GF, which would reduce GF costs by \$25 million annually ongoing. For context, Medi-Cal managed care plans that fall below the minimum 85% MLR requirement must remit the difference to DHCS.
- Appropriate additional one-time funding of \$100 million to food banks in FY 2026–27 as part of the CalFood program.
- Appropriate one-time funding of \$16.5 million for diaper banks.

Rejected Proposals

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

- Eliminate the adult acupuncture benefit, effective January 1, 2027.
- Implement a rate cap for PACE organizations at the lower bound of the actuarial rate range, effective January 1, 2027. A rate cap at the midpoint of the rate range is already set to take effect on the same date. Since CalOptima Health’s PACE rates are currently at the midpoint of the rate range, this new proposal would have resulted in an effective rate cut to CalOptima Health.
- Shift the costs of growth in In-Home Supportive Services (IHSS) to counties, eliminate the IHSS Backup Provider System and align IHSS termination with Medi-Cal termination.

Next Steps

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

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



MEMORANDUM

DATE: July 30, 2026

TO: CalOptima Health Board of Directors

FROM: Michael Hunn, Chief Executive Officer

SUBJECT: CEO Report — August 6, 2026, Board of Directors Meeting

COPY: Tina Knapp, Clerk of the Board; Member Advisory Committee; Provider Advisory Committee; and Whole-Child Model Family Advisory Committee

A. Covered California Monthly Update

CalOptima Health is continuing to prepare to launch a Covered California plan, effective January 1, 2027. CalOptima Health was officially announced as a new entrant to the marketplace as part of Covered California's annual rate announcement on July 21 and will be the lowest-cost Silver plan in Orange County. Staff expect to receive the Covered California contract at the end of July for approval and execution by the end of August. CalOptima Health's filing with the California Department of Managed Health Care (DMHC) to expand the scope of our current Knox-Keene Act license also continues to progress. As the regulatory filings move forward, staff are engaging with Covered California's Plan Management Advisory Group to prepare for upcoming system testing between Covered California and CalOptima Health that will begin on August 3. In addition, staff has finalized the logo and brand identity for the CalOptima Health Covered product and continues to develop educational materials for member and broker audiences. Operational implementation activities are also progressing, including information technology solutions and regular onboarding sessions with delegated health networks.

B. Member and Population Health Needs Assessment Is Complete

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

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

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

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

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

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

D. CMS Releases Medicaid Community Engagement Requirements Rule

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

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

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

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

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

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

F. Care Traffic Control to Hold Grand Opening Celebration

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

G. Medi-Cal Dental Benefit Changes Delayed

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

H. Expanded Telehealth Reports Early Success

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

I. Chief Medical Officer Dr. Richard Pitts to Retire

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

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

J. CalOptima Health Distributes Three Press Releases

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

K. Media Coverage Raises CalOptima Health's Visibility

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



Fast Facts

August 2026

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

Membership Data* (as of June 30, 2026)

Total CalOptima Health Membership	Program	Members
806,971 Prior month: 819,485	Medi-Cal	787,436
	OneCare (HMO D-SNP)	18,958
	Program of All-Inclusive Care for the Elderly (PACE)	577
	*Based on unaudited financial report and includes prior period adjustments.	

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

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

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

Reserve Summary (as of June 30, 2026)

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

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

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

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

**Total Annual
Budgeted Revenue**

\$4.7 Billion

Note: CalOptima Health receives its funding from state and federal revenues only and does not receive any of its funding from the County of Orange.

CalOptima Health Fast Facts

August 2026

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

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

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

Provider Network Data (as of July 23, 2026)

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

Treatment Authorizations (as of May 31, 2026)

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

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

Member Demographics (as of June 30, 2026)

Member Age		Language Preference		Medi-Cal Aid Category	
0 to 5	8%	English	57%	Expansion	37%
6 to 18	22%	Spanish	28%	Temporary Assistance for Needy Families	35%
19 to 44	33%	Vietnamese	9%	Seniors	13%
45 to 64	20%	Korean	2%	Optional Targeted Low-Income Children	8%
65+	17%	Other	1%	People With Disabilities	6%
		Farsi	1%	Other	<1%
		Chinese	1%	Long-Term Care	<1%
		Arabic	<1%		
		Russian	<1%		



CalOptima Health

Provider Network Trend August 2026

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

CHCN and Health Networks

Total Providers¹

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

Medi-Cal

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

OneCare

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

PACE

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

Provider Network Trend

August 2026

CHCN Only

Total Providers ¹

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

Medi-Cal

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

OneCare

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

PACE

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

Footnotes:

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

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

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

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

⁵ Includes Practitioners and Behavioral Health Groups



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

Background

On January 9, 2026, Governor Gavin Newsom released the Fiscal Year (FY) 2026–27 Proposed State Budget, reflecting a minor \$2.9 billion budget shortfall due to increased state program costs and the loss of significant federal funding, despite state tax revenue coming in higher than expected. While the proposed budget did not include any major new commitments or spending reductions, the Medi-Cal program would still be particularly affected as policy changes from federal H.R. 1 legislation, enacted on July 4, 2025, and the previous FY 2025–26 enacted state budget continue to be implemented.

On May 14, Governor Newsom released the FY 2026–27 Revised State Budget Proposal, known as the May Revision, which reflects updated economic forecasts and revenue projections. After accounting for budget solutions, the May Revision proposed \$349.4 billion in total funding (\$246.6 billion General Fund [GF]). Revenues are projected to be \$16.5 billion higher than estimated in January’s proposed budget across the three-year budget window, primarily driven by stronger-than-expected personal income tax collections and a spike in capital gains realizations associated with the artificial intelligence boom.

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

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

Summary

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

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

Medi-Cal Eligibility & Enrollment

- Transition the Unsatisfactory Immigration Status (UIS) population from Medi-Cal managed care plans to the Medi-Cal fee-for-service system, effective January 1, 2027.
 - The California Department of Health Care Services (DHCS) claims that this is required in response to a State Medicaid Director Letter issued by CMS in September 2025 that disallows coverage of federally eligible emergency Medicaid services within a risk-based managed care delivery system for the UIS population.
 - Program of All-Inclusive Care for the Elderly (PACE) participants are exempt from the transition and are therefore allowed to maintain enrollment in PACE.
 - \$39 million has been appropriated to support the transition, including \$31 million for care coordination, such as language access, integrated care planning, member outreach, and provider coordination, as well as \$8 million for contracts with clinics and community-based organizations to provide navigation services.
 - In total, approximately 117,000 CalOptima Health members will be transitioned, including 295 vulnerable children enrolled in the Whole Child Model program.
- Delay the transition of the Qualified Non-Citizen (QNC) population to restricted-scope Medi-Cal from October 1, 2026, through July 1, 2027. In the meantime, the QNC population will be transitioned alongside the UIS population to Medi-Cal FFS on January 1, 2027.
- Require the next governor's FY 2027–28 May Revision to set a Medi-Cal premium between \$30 and \$50 per month for UIS adults ages 19–59, effective July 1, 2027. A \$30-per-month premium was already set to take effect on the same date, pursuant to the FY 2025–26 enacted state budget.
- Further reduce the asset limit for seniors and disabled adults to \$21,000 per individual or \$31,000 per couple, effective July 1, 2027. An asset limit of \$130,000 per individual was recently implemented on January 1, 2026.
- Augment funding by \$197 million GF in FY 2026–27 to support increased county workload as a result of H.R. 1 changes to Medi-Cal eligibility and enrollment.
- Appropriate \$1.5 million GF in FY 2026–27 to clear the Medi-Cal Home and Community Based Alternatives (HCBA) Waiver waitlist and serve all eligible individuals seeking enrollment in the HCBA Waiver program.

Medi-Cal Benefits

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

Medi-Cal Efficiencies

- Strengthen utilization management controls for applied behavior analysis (ABA)/behavioral health treatment (BHT) and transportation services, including non-medical transportation

(NMT) and non-emergency medical transportation (NEMT). More details can be found in [this DHCS fact sheet](#). CalOptima Health currently requires prior authorization for ABA/BHT and NEMT services (with exceptions), but not for NMT services.

- Eliminate the incentive component of the Quality Withhold and Incentive Program, which would effectively result in a rate cut to Medi-Cal managed care plans.
- Refine eligibility criteria, referral pathways, service definitions and utilization management criteria for Enhanced Care Management (ECM) and Community Supports, effective January 1, 2027. More details can be found in [this DHCS fact sheet](#). CalOptima Health has already adopted or has recommended adopting several of these proposed reforms to improve the quality and sustainability of the CalAIM program.

Rates and Financing

- Delay the elimination of Proposition 56 dental supplemental payments until July 1, 2027.
- Delay elimination of Prospective Payment System (PPS) rates to community clinics for UIS beneficiaries until July 1, 2027.
- Submit a new MCO Tax model, effective January 1, 2027, due to the expiration of the existing MCO tax on that same date. The new model would consist of two components:
 - The first component would comply with Proposition 35 (2024) but is expected to be rejected by CMS due to noncompliance with the provider tax uniformity requirements under H.R. 1.
 - The second component would comply with H.R. 1 but would not be tied to Proposition 35. Under this component, an \$8.85 per member per month (PMPM) tax would be imposed on both Medi-Cal and non-Medi-Cal plans to sustain the Medi-Cal targeted rate increases (TRI) for primary care, maternal health and non-specialty mental health services that were implemented on January 1, 2024. However, this would effectively sweep remaining MCO Tax revenues into the GF to support existing Medi-Cal costs, rather than additional provider rate increases as intended by Proposition 35.
- Appropriate \$90 million GF to the California Department of Health Care Access and Information (HCAI) in FY 2026–27 to provide one-time grants to hospitals in immediate and significant financial distress, and authorize the California Department of Finance to augment up to an additional \$50 million.
- Appropriate \$250 million GF to DHCS in FY 2026–27 to support designated public hospitals.
- Appropriate \$30 million GF in FY 2026–27 to support rate increases for private duty nursing.
- Appropriate \$26 million to maintain access to gender affirming care through a provider network stabilization program.
- Appropriate \$40 million to support uncompensated care and continued access for reproductive health services.

Miscellaneous

- Initiate process to develop and release a proposed “fair share” tax on large corporations whose employees are enrolled in Medi-Cal by April 1, 2027.
- Appropriate \$800,000 annually ongoing to hire additional DHCS nursing staff to evaluate PACE enrollment applications and make level-of-care determinations more timely.
- Increase ongoing funding from \$190,000 to \$300,000 annually to expand the state premium subsidy program for Covered California enrollees up to 200% of the Federal Poverty Level, effective July 1, 2026, to partially offset the expiration of the federal enhanced Advance Premium Tax Credits (eAPTCs) on December 31, 2025.

- Augment funding by \$223 million GF in FY 2026–27 to support increased county workload as a result of H.R. 1 changes to CalFresh eligibility and enrollment.
- Redirect the state’s share of Medical Loss Ratio (MLR) remittances from the Medi-Cal Physician and Dentists Loan Repayment Program to the GF, which would reduce GF costs by \$25 million annually ongoing. For context, Medi-Cal managed care plans that fall below the minimum 85% MLR requirement must remit the difference to DHCS.
- Appropriate additional one-time funding of \$100 million to food banks in FY 2026–27 as part of the CalFood program.
- Appropriate one-time funding of \$16.5 million for diaper banks.

Rejected Proposals

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

- Eliminate the adult acupuncture benefit, effective January 1, 2027.
- Implement a rate cap for PACE organizations at the lower bound of the actuarial rate range, effective January 1, 2027. A rate cap at the midpoint of the rate range is already set to take effect on the same date. Since CalOptima Health’s PACE rates are currently at the midpoint of the rate range, this new proposal would have resulted in an effective rate cut to CalOptima Health.
- Shift the costs of growth in In-Home Supportive Services (IHSS) to counties, eliminate the IHSS Backup Provider System and align IHSS termination with Medi-Cal termination.

Next Steps

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

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