



**NOTICE OF A
REGULAR JOINT MEETING OF THE
CALOPTIMA HEALTH BOARD OF DIRECTORS'
MEMBER ADVISORY COMMITTEE AND
PROVIDER ADVISORY COMMITTEE**

THURSDAY, OCTOBER 8, 2026

12:00 P.M.

**CALOPTIMA HEALTH
505 CITY PARKWAY WEST, SUITE 109
ORANGE, CALIFORNIA 92868**

AGENDA

This agenda contains a brief description of each item to be considered. Except as provided by law, no action shall be taken on any item not appearing on the agenda. To speak on an item, complete a Public Comment Request Form(s) identifying the item(s) and submit it to the Clerk. To speak on a matter not appearing on the agenda, but within the subject matter jurisdiction of the Board of Directors' Member Advisory and Provider Advisory Committees, you may do so during Public Comments. Public Comment Request Forms must be submitted prior to the beginning of the Approval of the Minutes portion of the agenda and/or the beginning of Public Comments. When addressing the Committee, it is requested that you state your name for the record. Address the Committees as a whole through the Chairs. Comments to individual committee members or staff are not permitted. Speakers are limited to three (3) minutes per item.

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) 347-5785 at least 72 hours prior to the meeting.

The Board of Directors' Regular Member Advisory and Provider Advisory Committees joint 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.

Your participation is always welcome. Specific information as to how to participate in this meeting is detailed in the Webinar Information attached to this agenda. In general, CalOptima Health offers several ways in which to interact during this meeting: you may participate in person, join the meeting live on your computer or similar device, and/or listen to the meeting via telephone.

1. **CALL TO ORDER**

Pledge of Allegiance

2. **ESTABLISH QUORUM**

3. **MINUTES**

A. Approve Minutes from the August 13, 2026 Regular Joint Meeting of the Member Advisory and Provider Advisory Committees

4. **PUBLIC COMMENT**

At this time, members of the public may address the Member Advisory and Provider Advisory Committees on matters not appearing on the agenda, provided they fall within the subject matter jurisdiction of the Member Advisory or Provider Advisory Committees. Speakers will be limited to three (3) minutes.

5. **REPORT ITEMS**

A. Consider Approval of the Member Advisory and Provider Advisory Committee Joint Meeting Schedule for CY 2027

6. **INFORMATIONAL ITEMS**

- A. Community Legal Aid SoCal and Covered California Services
- B. Regional Center of Orange County Medicaid Waiver Program
- C. CalOptima Health Education Strategy
- D. OneCare Complete 2027 Benefits
- E. Committee Member Updates

7. **MANAGEMENT REPORTS**

- A. Interim Chief Operating Officer
- B. Interim Chief Medical Officer
- C. Government Affairs Update
- D. Chief Executive Officer

8. **COMMITTEE MEMBER COMMENTS**

9. **ADJOURNMENT**

Webinar Information

Please register for the Regular Member Advisory and Provider Advisory Committees Joint Meeting on Thursday, October 8, 2026, at 12:00 p.m. (PDT)

To **Register** in advance for this webinar:

https://us02web.zoom.us/webinar/register/WN_ZeWs_q4JTfe4Cr_6OsQcrw

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

On the day of the meeting, please click this URL to join:

<https://us02web.zoom.us/j/81751959125?pwd=xcbcS3ap6ISYd1bAR1ULVyYa9v0sSP.1>

Passcode: **349081**

Phone one-tap:

+16699009128,,81751959125#,,, *349081# US (San Jose)

+16694449171,,81751959125#,,, *349081# US

Join via audio:

+1 669 900 9128 US (San Jose)

+1 669 444 9171 US

+1 719 359 4580 US

+1 253 205 0468 US

+1 253 215 8782 US (Tacoma)

+1 346 248 7799 US (Houston)

+1 689 278 1000 US

+1 301 715 8592 US (Washington DC)

+1 305 224 1968 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)

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Webinar ID: 817 5195 9125

Passcode: 349081

MINUTES

REGULAR JOINT MEETING OF THE CALOPTIMA HEALTH BOARD OF DIRECTORS' MEMBER ADVISORY COMMITTEE, AND PROVIDER ADVISORY COMMITTEE

August 13, 2026

A Regular Joint Meeting of the CalOptima Health Board of Directors Member Advisory Committee (MAC) and Provider Advisory Committee took place on August 13, 2026, at CalOptima Health, located at 505 City Parkway West, Orange, California. The meeting occurred in person and via Zoom webinar, as permitted under the Brown Act, as amended by Senate Bill 707 (2025).

CALL TO ORDER

PAC Chair John Nishimoto, O.D., called the meeting to order at 12:06 p.m. and led the group in the Pledge of Allegiance.

ESTABLISH QUORUM

Member Advisory Committee

Members Present: Linda Adair; Tawny Crane; Ana Guerrero; Peter Hersh; Jennifer Heavener; Paul Kaiser; Joyce Large; Dr. Junie Lazo-Pearson; Kay Lee; Sara Lee (12:11 p.m.); Lee Lombardo; Jila Nikkhah, DDS; Janis Price; Kristen Rogers (remote 12:23 p.m.); Shirley Valencia (12:17 p.m.)

Members Absent: Christine Tolbert, Chair; Keiko Gamez; Kim Goll

Provider Advisory Committee

Members Present: John Nishimoto, O.D., Chair; Gio Corzo, Vice Chair (12:37 p.m.); Lorry Belhumeur, Ph.D.; Jeremy Elkins (12:20 p.m.) Andrew Inglis, M.D.; Kyle Kim; Jina Lawler; Paul Lubinsky, M.D.; J. Thomas Megerian, M.D.; Jonathon Myers, DPM; Mary Pham, Pharm.D.; Jacob Sweidan, M.D.;

Members Absent: Tiffany Chou, NP; Morgan Mandigo, M.D.; Patty Mouton

Others Present

Staff Present: Michael Hunn, Chief Executive Officer, Yunkyung Kim, Chief Operating Officer; Richard Lopez, M.D., Interim Chief Medical Officer; Veronica Carpenter, Chief Administrative Officer; Kelly Bruno-Nelson, Executive Director, Medi-Cal and CalAIM; Tina Knapp, Clerk of the Board; Cheryl Simmons, Program Manager; Ruby Nunez, Executive Assistant

MINUTES

Approve the Minutes of the June 11, 2026 Regular Joint Meeting of the CalOptima Health Board of Directors' Member Advisory and Provider Advisory Committees

MAC Action: On motion of MAC Member Lee Lombardo, seconded by MAC Member Linda Adair, the Committee approved the minutes of the June 11, 2026, Regular Joint Meeting (Motion carried 13-0-0;

Members Christine Tolbert, Chair; Keiko Gamez; Kim Goll; Kristen Rogers; Shirley Valencia; absent)

PAC Action: *On motion of PAC Member Dr. Megerian, seconded by Dr. Sweidan, the PAC approved the minutes of the June 11, 2026, Regular Joint Meeting (Motion carried 10-0-0; Members Tiffany Chou, NP; Gio Corzo; Jeremy Elkins; Morgan Mandigo, M.D.; Patty Mouton; absent)*

PUBLIC COMMENTS

There were no public comments.

REPORT ITEMS

Approve a Recommendation to Appoint a Person with Disabilities Representative on the Member Advisory Committee

PAC Chair Dr. Nishimoto, in the absence of MAC Chair Christine Tolbert, reviewed the MAC Ad Hoc's recommendation to appoint Grace Leroy-Loge as the Person with Disabilities Representative.

MAC Action: *On motion of MAC Member Lee Lombardo, seconded by Member Janis Price, the Committee approved the Recommendation of Grace-Leroy Loge as the MAC Persons with Disabilities Representative (Motion carried 14-0-0; Members Christine Tolbert, Chair; Keiko Gamez; Kim Goll; Kristen Rogers; absent)*

Approve Recommendation for a Member Advisory Committee Chair and Vice Chair

PAC Chair Dr. Nishimoto, in the absence of MAC Chair Christine Tolbert, reviewed the candidates for MAC Chair and Vice Chair positions.

For the Chair seat, Kim Goll, Family Support/Caregiver Representative, submitted a letter of interest. There were no additional nominations from the floor.

MAC Action: *On motion of MAC Member Dr. Lazo-Pearson, seconded by Member Paul Kaiser, the Committee approved the Recommendation of Kim Goll as MAC Chair. (Motion carried 14-0-0; Members Christine Tolbert, Chair; Keiko Gamez; Kim Goll; Kristen Rogers absent)*

For the Vice-Chair seat, Peter Hersh, OneCare Authorized Family Member Representative, submitted a letter of interest. There were no additional nominations from the floor.

MAC Action: *On motion of MAC Member Paul Kaiser, seconded by Member Linda Adair, the Committee approved the Recommendation of Peter Hersh as MAC Vice-Chair. (Motion carried 13-0-1; Members*

*Christine Tolbert, Chair; Keiko Gamez; Kim Goll; Kristen Rogers
absent)*

Approve Recommendation for a Provider Advisory Committee Chair and Vice Chair

PAC Chair Dr. Nishimoto reviewed the candidates for the PAC Chair and Vice-Chair positions.

For the Chair seat, Andrew Inglis, M.D., Orange County Health Care Agency Representative, submitted a letter of interest. There were no additional nominations from the floor.

PAC Action: ***On motion of PAC Member Dr. Sweidan, seconded by Dr. Megerian, the PAC approved a recommendation to approve Dr. Inglis as PAC Chair. (Motion carried 10-0-0; Members Tiffany Chou, NP; Gio Corzo; Jeremy Elkins; Morgan Mandigo, M.D.; Patty Mouton; absent)***

For the Vice-Chair seat, J. Thomas Megerian, M.D., Physician Representative, submitted a letter of interest. There were no additional nominations from the floor.

PAC Action: ***On motion of PAC Member Dr. Sweidan, seconded by Dr. Lubinsky, the PAC approved a recommendation to approve Dr. Megerian as PAC Vice-Chair. (Motion carried 10-0-0; Members Tiffany Chou, NP; Gio Corzo; Jeremy Elkins; Morgan Mandigo, M.D.; Patty Mouton; absent)***

INFORMATION ITEMS

California Child and Adolescent Mental Health Access Portal (Cal-Map)

Kristen Megerian, MSW, Care Coordinator, Social Worker, Pediatric Psychology, Rady's Children, presented on the California Child and Adolescent Mental Health Access Portal (Cal-Map). Ms. Megerian explained Cal-Map's purpose and structure, including its role in providing curbside consultations and training for primary care providers. The presentation detailed how providers can access these resources, outlined the range of support available, and emphasized the critical importance of early intervention in mental health care. Ms. Megerian also answered questions about program accessibility, primary care provider involvement, and the assistance available to families facing significant barriers to care.

Community Reinvestment Update

Kelly Bruno-Nelson, DSW, Executive Director of Medi-Cal and CalAIM, provided an update on the Community Reinvestment Plan (Plan), outlining the requirements and guiding principles established by the Department of Health Care Services (DHCS). Dr. Bruno-Nelson noted that the Plan is grounded in community health data and stakeholder input and includes three primary investment activities: behavioral health infrastructure, healthcare workforce development, and housing and homelessness services and infrastructure.

She also noted that the next steps included submitting the plan to DHCS for approval, implementing the investments across these activities, and reporting progress to ensure accountability and alignment with community priorities.

Michael Hunn, Chief Executive Officer, emphasized the importance of community reinvestment, highlighting its impact on commercial health plans and its role in advancing health equity and supporting long-term community well-being.

HR 1 Initiatives

Dr. Bruno-Nelson also presented on two strategic initiatives in response to the changes brought by HR1. The first, the Community Enroller Academy, will train 15 new enrollment organizations to support CalOptima Health members with eligibility redeterminations and renewals, thereby increasing enrollment assistance capacity and preventing procedural disenrollment.

She also discussed the second initiative, the Work and Community Engagement Navigation Program, which will identify and train community-based organizations to help members meet new Federal work and community engagement requirements and ensure continued Medi-Cal coverage for eligible individuals. Dr. Bruno-Nelson also addressed attendees' questions about HR1's impact, the communication plan, and community partner involvement, emphasizing the importance of clear outreach and collaboration to help members successfully navigate the new requirements.

Committee Member Updates

Dr. Nishimoto reminded both the MAC and the PAC that compliance courses would be rolled out the second week of September for all members. He noted that new committee members should already have received an email with information about their compliance courses.

PAC Chair Dr. Nishimoto, in the absence of MAC Chair Christine Tolbert, welcomed the new MAC members: Joyce Large as a Medi-Cal Beneficiaries Representative, Jennifer Heavener as a OneCare Authorized Family Member, Ana Guerrero as the Recipients of CalWORKs Representative and Kay Lee as the Seniors Representative. He also noted that the following individuals had been reappointed by the Board at its August 6, 2026, meeting: Kim Goll as a Family Support/Caregiver Representative, Linda Adair as a Medi-Cal Beneficiaries Representative, and Peter Hersh as a OneCare Authorized Family Member.

He also asked the members of the MAC to help recruit Medi-Cal Beneficiaries Representative. He noted that the candidate must be a CalOptima Health member or an authorized family member of a CalOptima Health member.

Dr. Nishimoto also welcomed new PAC members: Jonathon Myers, DPM, as an Allied Health Representative; Jeremy Elkins as the Community Health Centers Representative; Kyle Kim as the Hospital Representative; Paul Lubinsky, M.D., as a Physician Representative; and Jina Lawler as the Safety Net Representative.

CEO AND MANAGEMENT REPORTS

Chief Operating Officer Update

Yunkyung Kim, Chief Operating Officer, announced that the Street Medicine Program will expand to Huntington Beach, Fountain Valley, Westminster, and Seal Beach next year. She noted that the Care Traffic Control Center had opened that morning during a ribbon-cutting ceremony.

Ms. Kim also discussed Covered California's January 2027 launch for Orange County residents, pending contract execution and licensure approval. Ms. Kim also reported that retroactive authorizations are now standardized at 60 days across all business lines. Ms. Kim clarified that this change does not affect credentialing metrics and offered to discuss credentialing gaps with Dr. Megerian, who had several questions. Dr. Nishimoto also proposed collaborating on eye and vision care services, and Ms. Kim welcomed the opportunity.

Interim Chief Medical Officer Update

Richard Lopez, M.D., Interim Chief Medical Officer, introduced himself and highlighted his extensive clinical experience in liver and transplant surgery. He described his role in developing psychosocial assessment guidelines for transplant candidates at Cedars Sinai. Dr. Lopez provided an update on transplant services through CalOptima Health, noting the expansion of contracted centers and the implementation of a comprehensive patient care plan. He emphasized CalOptima Health's commitment to high-quality care and the successful outcomes achieved for transplant patients.

Chief Administrative Officer Report

Veronica Carpenter, Chief Administrative Officer, discussed the state budget process, noting the transition of beneficiaries with Unsatisfactory Immigration Status (UIS) to the state's fee-for-service Medi-Cal program. She also reported that the Medi-Cal asset limit for seniors and people with disabilities has been reduced to \$21,000 per individual and \$31,000 per couple. The budget will require the next Governor to set a Medi-Cal premium of \$30 to \$50 per month for UIS adults ages 19 to 59, starting next July.

Ms. Carpenter highlighted Assembly Bill 2194, which introduces staggered Board terms and mandates an external audit of CalOptima Health's governance policies. She also noted the completion of the Member Health Population Needs Assessment by Michell Nielsen and the strategic development team. The assessment was presented to the Board at its August meeting and will inform recommendations to address its findings. She emphasized its importance in shaping future actions and improving member care.

Chief Executive Officer Report

Michael Hunn, Chief Executive Officer, discussed CalOptima Health's financial health, noting that transitioning UIS members to fee-for-service will reduce annual revenue by about \$700 million, lowering the budget from \$4.7 billion to \$4 billion. He emphasized the importance of cross-collaboration with the MAC and PAC to manage this transition. Mr. Hunn also highlighted the financial benefits of the CalAIM program and stressed the need to maintain high-quality care for members.

In addition, Mr. Hunn shared details about recent community events, including back-to-school gatherings with more than 3,000 participants. He noted that he encourages team members to attend these events to better understand the magnitude of need and the generosity of community partners. Mr. Hunn underscored the importance of community engagement in supporting members and addressing their needs.

ADJOURNMENT

With no further business before the Committees, PAC Chair Dr. Nishimoto adjourned the meeting at 2:01 p.m. and reminded members that the next meeting is scheduled for Thursday, October 8, 2026.

Cheryl Simmons
Staff to the Advisory Committees



Member Advisory and Provider Advisory Committees Joint Meeting Schedule 2027

February

Thursday, February 11, 2027
12:00 p.m.

April

Thursday, April 8, 2027
12:00 p.m.

June

Thursday, June 10, 2027
12:00 p.m.

August

Thursday, August 12, 2027
12:00 p.m.

October

Thursday, October 14, 2027
12:00 p.m.

December

Thursday, December 9, 2026
12:00 p.m.

Regular Meeting Location

CalOptima Health
505 City Parkway West
Orange, CA 92868
First Floor Conference Rooms

All meetings are open to the public and available via Zoom. Interested parties are encouraged to attend.



Community
Legal Aid SoCal

Advocates for Justice in Orange and Los Angeles Counties

Our Covered California Services

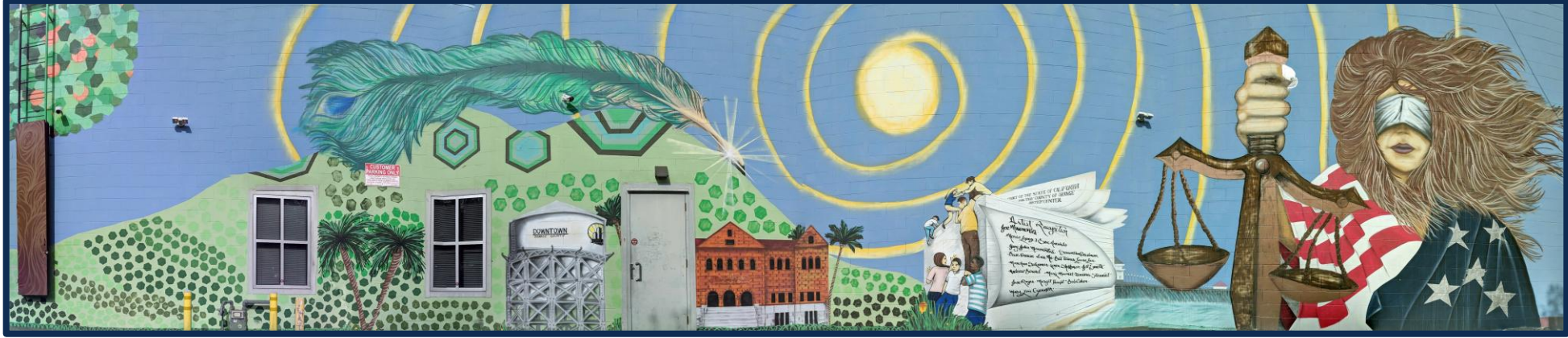
Community Legal Aid SoCal



Community
Legal Aid SoCal

Advocates for Justice in Orange and Los Angeles Counties

Our Mission



Community Legal Aid SoCal fights injustice and advocates for social, economic, and racial equity by providing compassionate, holistic, and impactful legal services.



Our Service Area



Units and Practice Areas



Intake and Assessment



Consumer Defense



Housing



Public Benefits



Immigration



Family Law



Health



Seniors



Systemic Impact



Case Management



Self Help: Compton Courthouse

Domestic Violence Clinics: Compton and Norwalk Courthouses

Small Claims

Overall Services

ELIGIBILITY REQUIREMENTS

- Lives in Orange County or Southeast Los Angeles County
- At or below 200% of the Federal Poverty Guidelines
 - **No Income/Asset Limit for Health Unit & Seniors Unit Services** to Orange County Residents
- US Citizen, Meets Immigration eligibility status such as Lawful Permanent Resident, or eligible under the Kennedy Amendment (domestic violence survivors, trafficking survivors and victims of violent crimes)
- It is a civil matter that falls within our priorities

Free Legal Workshops and Clinics

- Domestic Violence Clinic
- Remote Eviction Defense Clinic
- Consumer Debt Defense Workshop
- Bankruptcy Clinic
- Social Security Clinic
- Expungement Clinic
- Small Claims Advisory Workshop

For more information, please visit www.communitylegalsocal.org

Health Unit



Health

We provide legal assistance in the following areas:

- Medi-Cal
- Medicare
- Covered California
- Dental
- In-Home Supportive Services (IHSS)
- Private Health Insurance Plans



Health Unit Services



Eligibility

Did you get denied or terminated from Medi-Cal, Medicare, or Covered California?



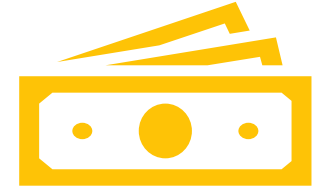
Benefits

Is your health plan denying or delaying your care? Does your health plan have an adequate network of doctors?



Hearings

Need someone to represent you at your Medi-Cal, IHSS, or Covered CA hearing?



Medical Billing

Problems with your medical or dental bills?



Medicare & Medi-Cal Ombudsman Program

Are you a “dual eligible” with both Medicare & Medi-Cal who needs help?



DMHC

Consumer Assistance Program

Need help with your DMHC appeal?



Covered CA Help

Need help with Covered CA enrollment?



Health Consumer Alliance

Proud Member of the HCA

Covered California Assistance Services



Community
Legal Aid SoCal

Advocates for Justice in Orange and Los Angeles Counties

Types of Covered CA Cases

- Covered CA and Medi-Cal Eligibility
- Covered CA and Medi-Cal Disconnect/Transition Between Two Programs
 - County involvement resulting in loss of CC coverage with APTC such as entering old or incorrect income information or changing of household composition
 - Mixed Household Cases = 1 family member has Medi-Cal + 1 family member has CC
- Covered CA to Medicare
- APTC Issues (Advanced Premium Tax Credits)
 - Overlapping Coverage and possible APTC payback issue
 - Loss of APTC without any Covered CA Notice
 - APTC reconciliation and 1095A Disputes
 - Employer plan “affordability” issues
- Covered CA Special Enrollment Periods

Important Reminders

- Medi-Cal members who lose Medi-Cal due to **procedural matter** and not related to **income** eligibility will not be eligible for Covered CA with APTC
- Medi-Cal Termination Reason:
 - Not completing Renewal process,
 - Not meeting new Work Requirement,
 - Not providing requested documents by County/Medi-Cal
 - = **NO Covered CA with APTC (premium discounts)**
- Medi-Cal Termination Reason:
 - Being over-income for Medi-Cal
 - = **YES Covered CA with APTC (premium discounts)**



Practical Tips

- Mixed Households:

- Mixed Household = 1 family member has Medi-Cal + 1 family member has Covered CA
- Need to report any changes to County
- Do not to report any change to Covered CA



Practical Tips

- Medi-Cal = can apply anytime
- Covered CA = can apply only certain periods:
 - Open Enrollment Period
 - November 1 through January 31 = every year
 - Open enrollment is the time of year when consumers can apply for health insurance, renew their existing plan, or shop for a new one
 - Special Enrollment Periods (SEP)
 - applicant must meet the requirements for SEP
 - <https://www.coveredca.com/special-enrollment/>
 - <https://www.coveredca.com/support/before-you-buy/qualifying-life-events/>
 - See next slide for SEP types

Covered CA – Special Enrollment Period Types



Lost Health Insurance



**Moved to or Within
California**



**A Child is Born, Adopted or
Received into Foster Care**



**Domestic Abuse or Spousal
Abandonment**



**Returned from Active
Military Service**



**Gained Citizenship or
Lawful Presence**



Additional Categories



Turned 26 Years Old



**Married or Entered a
Domestic Partnership**



Change of Household Size



**Natural or Human-Caused
Disaster**



Released from Jail or Prison



**Current Enrollees Who
Experience a Life Event**



Our Covered CA Advocacy

- CLA SoCal as part of the Health Consumer Alliance attends monthly meetings with Covered CA
- CLA SoCal identifies issues, concerns and/or system related errors through cases and advocates for the corrections of these errors.
- CLA SoCal has an escalation process with Covered CA to resolve Covered CA eligibility issues.

How to Reach Us



(714) 571-5200

Press “1” for the Health Unit



www.communitylegalsocal.org

Our services are free!



MEDICAID WAIVER PROGRAM

Home and Community-Based Services Waiver
(HCBS-DD Waiver)

PURPOSE OF THE HCBS WAIVER

The HCBS Waiver provides home and community-based services to individuals as an alternative to care otherwise provided in a nursing facility. Historically, Medicaid (known as Medi-Cal in California) only funded such services when a person was institutionalized. However, the federal government recognized that people could be cared for in their own homes and communities to preserve their independence and family ties. Hence, the HCBS Waiver legislation was approved in 1981 to essentially “waive” the rule that Medicaid would only fund for services in a long-term care facility.

WHAT IS A HCBS WAIVER PROGRAM?

- Home and Community-Based Services Waiver programs allow states to bill Medicaid / Medi-Cal for services that are not typically covered by Medicaid / Medi-Cal.
- Each state creates its own HCBS Waiver programs.
 - California has several HCBS Waivers.
- The Regional Centers administer the HCBS-DD Waiver programs.
 - The Self-Determination Program Waiver falls under the umbrella of the HCBS-DD Waiver.

WHY ENROLL IN THE HCBS-DD WAIVER?

- Brings \$\$\$ into the State for Regional Center funded services.
 - The federal government reimburses the State for up to 50% of all waiver qualifying POS billing and targeted case management (TCM) / ID notes.
- Helps to maintain the entitlement program – Lanterman Act.
 - Individuals served benefit from the entitlements in California, whereas in other states, there is oftentimes a long wait for services and limited dollars to spend for each client.

WHO QUALIFIES TO ENROLL IN THE HCBS-DD WAIVER?

- Meet the Lanterman Act definition of developmental disability
 - Be an active regional center individual served
- Have full scope Medi-Cal
- Have at least 2 current assessed needs addressed by the MW waiver qualifying service
- Have a MW qualifying service that is being used regularly
 - Waiver service should be used and billed regularly, but no less than once every 12-month period
- Would qualify to be placed in a long-term care facility, if placement were needed
- Not be concurrently enrolled in another HCBS Waiver
- Have a signed/dated DS 2200 (Medicaid Waiver Consumer Choice of Services/Living Arrangement Statement) for HCBS Waiver enrollment / participation



INSTITUTIONAL DEEMING MEDI-CAL

MEDI-CAL THROUGH THE DDS WAIVER PROGRAM

MEDI-CAL

- Medi-Cal is California's Medicaid program.
 - Medi-Cal in Orange County is administered by the Orange County Social Services Agency (OCSSA).
 - The Department of Health Care Services (DHCS) oversees OCSSA.
 - The Centers for Medicare & Medicaid Services (CMS) oversees DHCS.
- This is a public health insurance program that provides needed health care services for low-income individuals.
- Medi-Cal is supported by federal and state taxes.
- All waiver programs bill Medicaid/Medi-Cal.

MED-CAL THROUGH THE DDS WAIVER PROGRAM

- Medi-Cal program that disregards the income and resources of the parent(s) and considers only the income and resources of the child.
- Also known as “Institutional Deeming Medi-Cal” because it allows a child to live in the family home and receive Medi-Cal as if the child lives in an institution as a family of one.
- For children ages 3 up to 18 years old.
 - An adult child age 18 up to 21 years old may qualify for the DDS Waiver referral if still living at home and parents continue to claim them on their taxes.
- If the child has any income/resources, they may be assessed a share-of-cost.
 - Most common types of income for a child: SSA or child support.

Regional Center Self-Determination Program (SDP)

CalOptima: Member and Provider Advisory Committees

October 8, 2026

Crystal Chavez, RCOC SDP Coordinator

selfdetermination@rcocdd.com

Regional Center of Orange County

WHO IS ELIGIBLE FOR SDP?



People receiving Regional Center Lanterman Services



Participants must live in the community
- Those living in licensed settings like skilled nursing and intermediate care facilities are not eligible, unless they are preparing to move away from that setting

This is a voluntary program and is an alternative way to receive services to meet goals and address needs.

WHAT IS SELF-DETERMINATION?



CHOICE,
CONTROL AND
RESPONSIBILITY



SERVICES AND
SUPPORTS
THAT FIT THE
PERSON'S LIFE



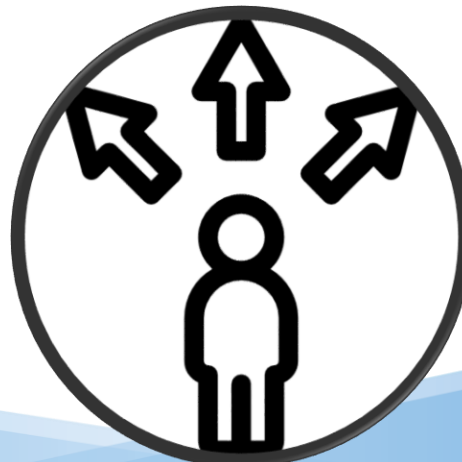
PARTICIPANTS
DECIDE HOW
THE BUDGET IS
SPENT



LOTS OF
SUPPORT

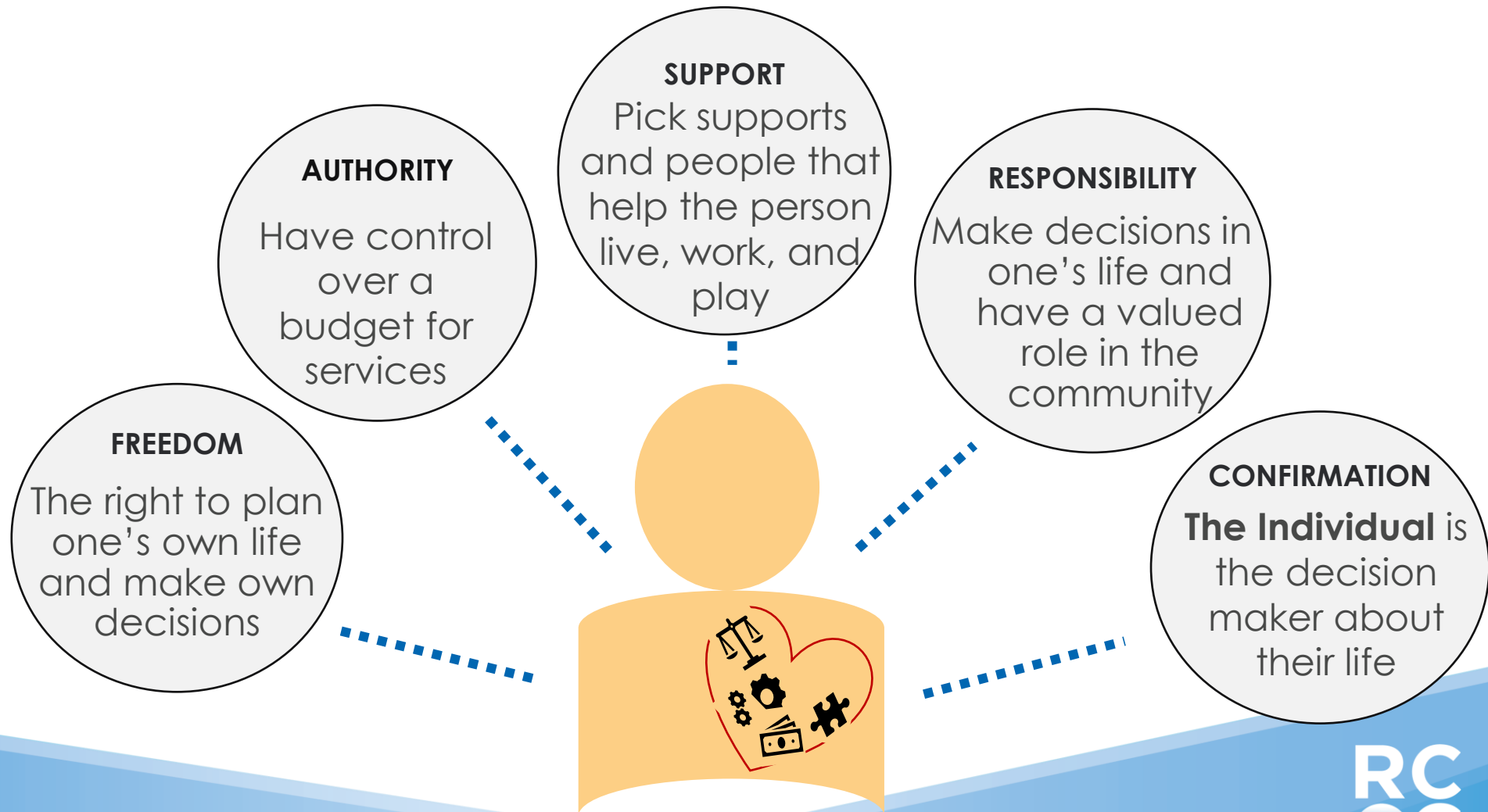


PERSON
CENTERED

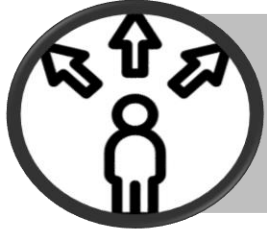


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5 PRINCIPLES OF SDP



SERVICES ALLOWED IN SDP



Tailored services to fit needs



Services and supports align with individual goals



Must use generic resources first



Supports and services must meet federal program guidelines

Services in the Self-Determination Program need to support full access to the community

[Click here for info on HCBS Final Rule](#)

Service Definitions of Allowable Services: https://www.dds.ca.gov/wp-content/uploads/2019/05/SDP_Service_Definitions.pdf

HOW IS SDP DIFFERENT?

Traditional Services

- Person-centered planning
- Regional Center Service Coordinator
- IPP – Individual Program Plan
- Vendedored providers or Participant Directed Services

Self-Determination Program

- Person-centered planning
- Regional Center Service Coordinator
- IPP – Individual Program Plan
- Vendedored or non-vendedored providers
- Individual budget
- Independent Facilitator (optional)
- Financial Management Service (FMS) (required)

HOW IS SDP DIFFERENT?

Traditional Services

Services are provided to the individual to help them meet their needs and individual goals:

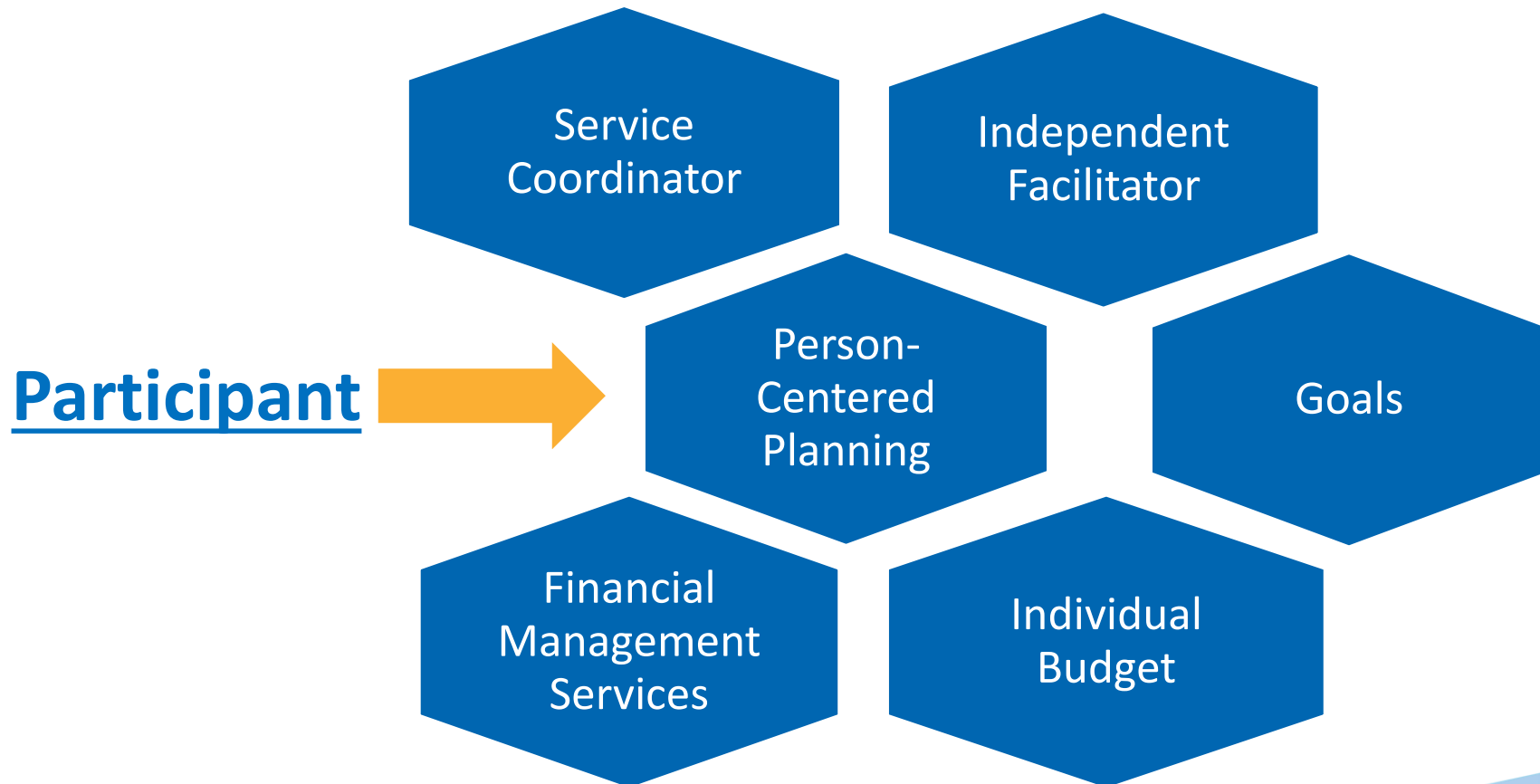
- The Service Coordinator works with the individual to identify service providers who are vendors of the regional center.
- Vendors are paid set rates and provide services based on the vendor agreements with the regional center.

Self-Determination Program

Participants have an individual budget to be used for over the period of 12 months. They:

- Decide what services and supports they want to purchase.
- Decide who helps them.
- Have more choice and flexibility in where they go in the community and who they spend time with.
- Have the ability to determine rates, responsibilities, and schedule with their providers.

Self-Determination Components



PERSON-CENTERED PLANNING (PCP)

A meeting where the person/their circle of support drive the process that helps them think of their goals, hopes & dreams.

The individual decides who helps them with the planning and who they want on their team.

Identify hopes and dreams. What is important to them? What do they like? What are they good at?

Set meaningful goals that will get the person closer to their hopes and dreams.

What supports will they need to reach their goals? Who will help them? What supports do they already have? What supports will they buy in SDP?

RCOC SERVICE COORDINATOR (SC)

How can the Service Coordinator help?

- Helps develop the individual program plan (IPP)
- Helps with services and supports through the regional center system
- Helps to obtain the individual budget
- Helps to ensure the services chosen in SDP are SDP eligible services

DDS FAQ:

<https://www.dds.ca.gov/initiatives/sdp/frequently-asked-questions/>

RCOC SERVICE COORDINATOR

Contacting the Service Coordinator

Direct extension

E-mail Address

General RCOC phone number

(714)796-5100

INDEPENDENT FACILITATOR (IF)

How can an Independent Facilitator help?

This person can help as much or as little as the participants wants, as this is an optional role in SDP.

- Help in the person-centered planning process
- Find people and providers (resource development)
- Determine how much things will cost (help with the spending plan)

Things to keep in mind when electing IF

- An IF **must be** trained in the principles of SDP.
- There is separate funding available for PCP and IF to get started in SDP. DDS Info Regarding Funding
- Cost of the support from an on-going IF will come from the budget, no additional funds are able to be added to cover this need.

INDEPENDENT FACILITATOR (IF)

Finding an IF

Community Member

[CA SDP Network](#)

INDIVIDUAL BUDGET

How much money do they have in SDP?

- The individual budget is the amount of money participants have to spend for services in SDP over a 12 month period.
- SDP needs to be cost-neutral, as the budget should reflect the amount of money one would have spent in traditional services.
- It is based on the current authorizations the regional center has allocated in the most recent 12 months but can be changed if needs or resources change.

Note:

- The budget can be adjusted if the IPP team identifies a change in needs or resources while the person is in SDP.
- Funding cannot be added to the Individual Budget for services that are available through the person's Generic Resource

SPENDING PLAN

Services and Supports to be Purchased over the next 12 months

The person gets to decide:

- **What** services and supports they want to buy to help them meet their goals.
- **How** often they receive these services and how much to pay for these services.
- **Who** helps them with these services, where they go in their community, and who they spend time with.

Remember:

- *The Spending Plan must stay within the Individual Budget.*
- *The services and supports purchased must support IPP objectives and meet Federal guidelines (Service Definitions)*
- *Services must be sufficient for the full 12 months of services*

FINANCIAL MANAGEMENT SERVICE (FMS)

How will the supports and services get paid?

- FMS is the only required vendor in Self-Determination
- The FMS are vendors of the Regional Center
- They will pay for services in Self-Determination according to the Spending Plan
- There are a variety of ways the FMS provides support
 - Including if the person is hiring employees, they will help with hiring, completing background checks (if needed), and payroll

FINANCIAL MANAGEMENT SERVICE (FMS)

Finding an FMS

[SDP FMS Flyer](#)

Getting Started

Complete the Mandatory Orientation



Self-Determination Program

[Register Here](#)

Statewide Self-Determination Program Orientation – Two-Part Series

The California State Council on Developmental Disabilities (SCDD), in partnership with the California Department of Developmental Services (Department), offers statewide SDP Orientations for people interested in the Self-Determination Program (SDP).

Beginning April 1, 2026, the SDP Orientation will be offered in two parts. Each part is two hours. You must complete both parts before beginning the SDP transition. If you completed the orientation before April 1, 2026, or are already enrolled, you do not need to retake it.

Certificates are provided to participants who attend the full session and submit the required information. **Required information includes the first and last name of the person served by the regional center and their Unique Client Identifier (UCI).**

Once all information is confirmed, certificates are typically sent within two weeks. Information about certificate recipients is shared with the Department to support enrollment.

For more information, see the [California Department of Developmental Services Directive](#).

<https://scdd.ca.gov/sdp-orientation/>

- Part A must be completed first before Part B
- Led by an instructor from State Council on Developmental Disabilities (SCDD)
- Both must be completed prior to accessing SDP transition supports and SDP enrollment
- Must be completed by:
 - Adult receiving regional center services
 - Parent or legal guardian of a minor
 - Conservator/authorized representative of an adult receiving regional center services

Self-Determination Program

In Self-Determination, the individual and their team now have the freedom, flexibility, and responsibility to manage their services!

- They will manage their services to make sure services and supports meet their individual needs.
- They will update their Spending Plan if they want to change services they receive.
- They will reach out to your Service Coordinator if they have changes in need or there are changes to their Spending Plan.
- They will manage their budget to ensure they have enough money for services for 12 months.
- They will work with their regional center to ensure services meet program requirements.



www.rcocdd.com | 714.796.5100

Visit

www.rcocdd.com

<https://padlet.com/CCFRC/sdp>

www.dds.ca.gov/sdp

<https://scdd.ca.gov/sdp-home/>

SDP Frequently Asked Questions:

<https://dds.ca.gov/initiatives/sdp/frequently-asked-questions/>



CalOptima
Health

Health Education Strategy

October 8, 2026

Aulina Bradley, RN, BSN, MBA, PHN-CCM - Director of
Clinical Training & Health Education, Medical Management

Shilpa Jindani MD FAAFP Medical Director, Population Health
Management, Medical Management

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.



Understanding Members' Needs

Understanding Members' Needs

Population Needs Assessment (PNA)

- Identification of top conditions
- Priority measures
- Health equity gaps

Member and Population Health Data

- Medi-Cal Connect
- Member and Population Health Needs Assessment (MPHNA)
- Member Satisfaction Surveys

Community Engagement

- Leveraging local resources
- Collaboration with public and community-based organizations



Meeting Member and Provider Needs

Meeting Member and Provider Needs

Preventive Care Advocacy

- Standing orders for members with chronic conditions (blood pressure monitors, blood sugar meters)
- Cancer screening campaigns (texts, scheduling support, home test kits)

Culturally Appropriate Services

- Referral of Black pregnant members to Enhanced Care Management, Doulas
- Care management and coordination delivered to members with complex and chronic conditions
- Disease Management (Diabetes, Asthma, Congestive Heart Failure, etc.)
- Health Education
- Prenatal/Postpartum Education
- Self-Management Tools (WebMD)

Meeting Member and Provider Needs Cont.

Network Development and Provider Support

- Network Adequacy
- Provider Monthly Communication
- Provider Training (CME)

Behavioral Health and Non-Specialty Mental Health Services

- Telehealth Specialty Care Access
- Member and Provider Outreach Education Plan

At-Home Quality Programs for Members

Program	Details	Partner*	Target Population
Annual Wellness Visit (AWV)	- Comprehensive AWW - Point-of-care lab testing, immunizations, and other preventive services - Referral to providers/facilities for cancer screenings	Transtreme	OneCare CalOptima Health Community Network (CHCN) members due for an AWV with multiple quality care gaps
Diabetes	- HbA1c test via finger prick - Kidney health evaluation via urine collection	Quest Diagnostics	OneCare and Medi-Cal CHCN members due for the GSD and/or KED HEDIS measures**
Colorectal Cancer Screening	Cologuard testing	Exact Sciences	OneCare and Medi-Cal CHCN members due for the COL HEDIS measure**

*Current partners as of January 2026; subject to change and/or expand to additional partners

**GSD: Glycemic Status Assessment for Patients with Diabetes; KED: Kidney Health Evaluation for Patients with Diabetes; COL: Colorectal Cancer Screening



Quality Collaboration for Providers

We're here to help! If you are interested in the programs below or would like to meet with the Quality Analytics team to discuss any quality-related topics further, please contact your Provider Relations representative.

Program	Details
Standing Orders	CalOptima Health will generate orders on your behalf for screening mammography and communicate with your patients to facilitate completion. Results will be communicated directly to you by the facility via the standard result notification process.
Data-Related Initiatives	Potential opportunities include supplemental data submission, EMR integration, and establishing read-only access to your EMR system in support of medical record retrieval.
Partnership with SullivanLuallin Group (SLG)	CalOptima Health has partnered with SLG to offer a robust program to improve patient experience. Through this partnership, we offer physician offices in-person workshops, virtual workshops, and provider shadow coaching.

Member Health Rewards

CalOptima Health offers health rewards to eligible members who take an active role in their health.

Health reward forms can now be completed online at www.caloptima.org/e/medi-cal-rewards.

Medi-Cal Health Reward	Who's Eligible
Annual Wellness Visit \$50 <i>No health reward form needed</i>	Members ages 45 and older who complete an Annual Wellness Visit in 2026
Breast Cancer Screening \$25	Members ages 40–74 who complete a breast cancer screening mammogram in 2026
Blood Lead Test at 12 Months of Age \$25 <i>No health reward form needed</i>	Members between 12–23 months of age who complete a blood lead test in 2026
Blood Lead Test at 24 Months of Age \$25 <i>No health reward form needed</i>	Members between 24–35 months of age who complete a blood lead test in 2026
Cervical Cancer Screening \$25	Members ages 21–64 who complete a cervical cancer screening in 2026
Colorectal Cancer Screening — Other Types Fecal Occult Blood Test (FOBT) \$15 Fecal Immunochemical Test (FIT) \$15 Flexible Sigmoidoscopy \$25 CT Colonography \$25	Members ages 45–75 are eligible for 1 of these colorectal cancer screening rewards each calendar year

Member health rewards are available for Medi-Cal and OneCare Complete (HMO D-SNP) members



Measuring Success

Measuring Success

Quality Monitoring

- Tracking Population Health Management Outcomes
- Ongoing Quality Improvement

Member Satisfaction

- Disease Management Programs
- Case Management Programs
- Feedback loop to refine Education Strategies

Evaluation of Outreach and Marketing

- Effectiveness of Campaigns
- Community Resource Utilization

Case Management: Member Satisfaction Survey*

- Member satisfaction surveys are completed for:
 - All members enrolled in Complex Case Management (CCM) after case is open for 60 days
 - Annually if the member case remains open
 - Upon closure to CCM

	Member Satisfaction Surveys	Q1. Case Management was Helpful	Q2. Educational Materials were Helpful	Q3. Community Resources were Helpful	Q4. Coordination of health needs and concerns were Helpful	Q5. Questions were answered to Satisfaction	Q6. Overall Satisfaction with CM	Q7. Care Plans
Q2 2026	46	45	46	43	45	46	46	46
		98%	100%	93%	98%	100%	100%	100%

*Source: Case Management NCQA Member Satisfaction Survey Results, October 2025 – December 2025

Q2 - Disease Management Satisfaction Survey

Survey Process

- **Method:** Survey texted to member(s) immediately after Health Coaching follow-up session
- Total survey completed: 18

Next Steps

- Incorporate feedback into Care Continuum planning

Questions	Satisfaction Rate
My health coach helped me manage my health needs and concerns	100%
My Health Coach helped me follow my doctor's recommendation	100%
I was included when making decision about my care plan	94.4%
The information and resources I received from my health coach have been useful	94.4%
My Health coach helped me meet my care plan goals	94.4%
My health coach helped me manage my needs and concerns	100%
I am satisfied with the health and wellness program at CalOptima Health	94.4%



Driving Impact

Driving Impact: Member and Provider Advisory Committee Role

Advocate

- Preventive Care Practices

Advise

- Culturally Appropriate Program Design
- Health Education Priorities
- Outreach Strategies
- Improving Health Outcomes
- Accessibility and Coordination of Care

Support

- Non-Specialty Mental Health Services (NSMHS) outreach plan
- Provider Manual



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CalOptima Health OneCare Complete 2027 Benefits



Investing where it matters most

- **Stability members can count on**

Steady benefits, designed to make a difference in members' lives

- **Every dollar with a purpose**

We invest in benefits that add real value

- **Trust earned**

A relationship that started with Medi-Cal, we're building on that with Medicare

- **Experience first**

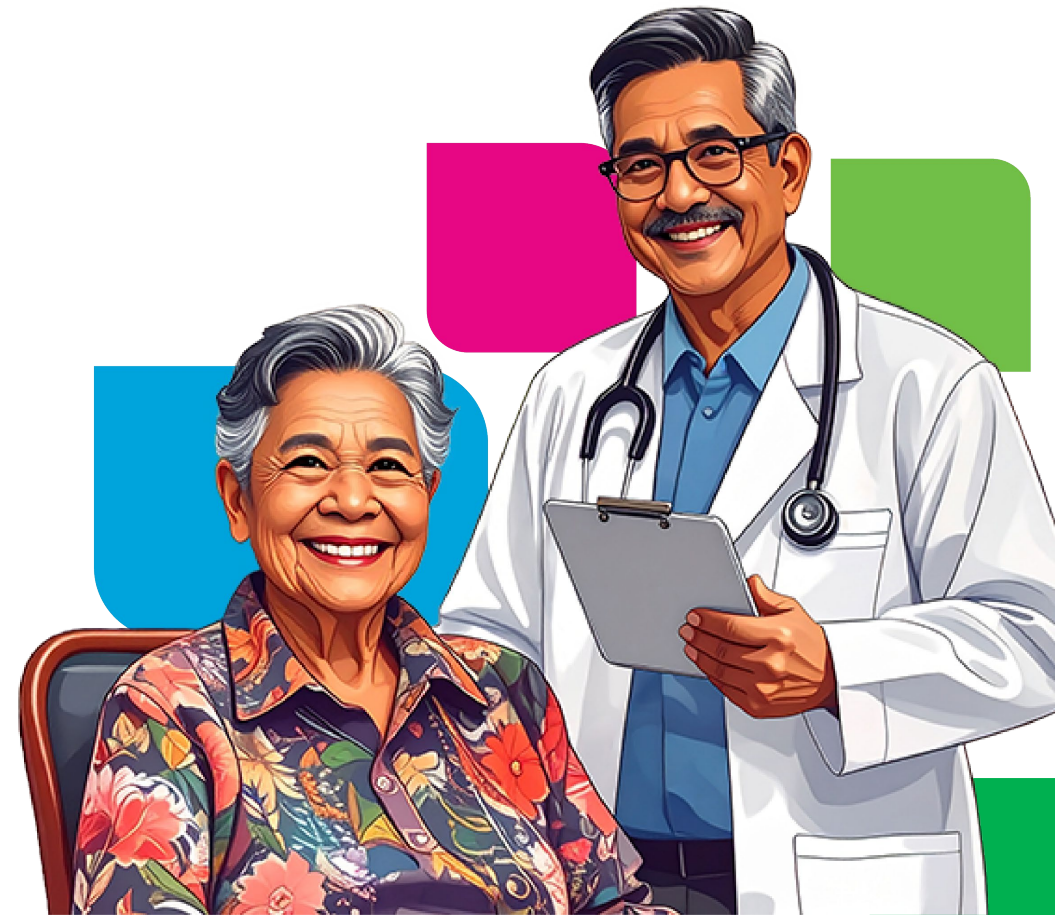
Making benefits effortless to discover, understand and use

2027

OneCare Complete Benefit Highlights

Comprehensive Medical

Premium	\$0
Primary Care Doctor	\$0
Specialist	\$0
Hospital	\$0
Annual Physical Exam	\$0
Emergency Care	\$0
Urgent Care	\$0
Worldwide Coverage Urgent Care and ER	Reimbursed up to \$100,000



2027

Benefit Highlights

Part D

\$0

**Generic
Medications**

IMPROVED

\$0

**Brand
Medications**



Mail-order pharmacy

Automatic refills and no-cost delivery

[Back to Agenda](#)

1-877-570-7787 or visit
www.sortpak.com

2027

Benefit Highlights

Benefit Extras

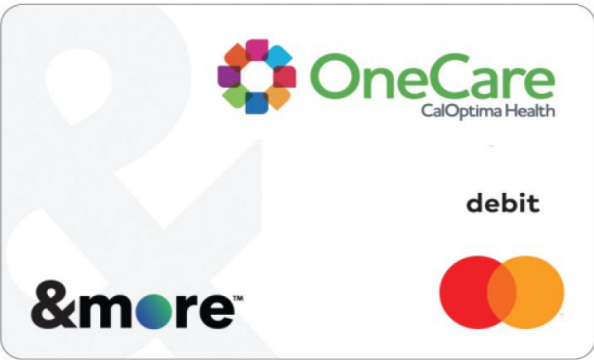
IMPROVED Dental	Liberty Dental + Medi-Cal Dental
Vision	\$500 every 2 years
Hearing	\$500 + \$1,510 through Medi-Cal
IMPROVED Flex Card	\$170 per quarter (OTC + Healthy Food)
IMPROVED Transportation	Unlimited Medical; 300 round trip grocery and gym
Fitness	Covered
Companion Care	90 hours per year
Healthy Reward	Up to \$190 per year
Tech Support	Covered
Nurse Advice Line	Covered



Health Rewards

Members can **earn health rewards** by completing certain screenings, tests or exams

Health rewards are loaded onto the OneCare Flex Card and can be used on a variety of approved items



Health Reward	Amount
Annual Wellness Visit Reward	\$50
Breast Cancer Screening Reward	\$25
Colorectal Cancer Screening Reward	\$15-\$50
Diabetes A1C Reward	\$25
Diabetes Eye Exam Reward	\$25
Osteoporosis Screening Reward	\$25
Health Risk Assessment Reward	\$25



Robotic Surgery in Orange County

Richard Lopez, Jr., M.D., FACS, Interim CMO

**Medical Director, Transplant and Complex Cancer Surgery
Program, CalOptima Health**

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.

Image of the DaVinci



Laparoscopic Surgery



Background - Benefits

- Enhanced precision & dexterity; magnified 3D visualization (10-15X)
- Minimally invasive → smaller incisions, less blood loss
- Faster recovery & shorter LOS; fewer complications (procedure-dependent)
- Ergonomic advantages for surgeons (reduced fatigue)
- Remote operation potential (future of surgery)

Procedures with proven benefit:

- Radical prostatectomy, Hysterectomy, Low anterior resection, Cholecystectomy

Background - Challenges

- High costs: ~\$2M acquisition; \$100–200K/yr maintenance; +\$2,300 per case
- Longer setup/operating time; +\$600–\$2,400 per case; limited trauma use
- Mechanical/technical failures; loss of tactile feedback
- Steep learning curve; outcomes tied to surgeon experience
- Limited availability especially in smaller hospitals

Robotic Survey Findings: Orange County

- Survey sent to 18 hospitals, 15 responded
 - 10 of these 15 hospitals have robotic surgery (67%)
 - All 10 of these hospitals have guidelines for robotic surgery
 - 3 of these 10 hospitals have training for new robotic surgeons
 - 5 of these 10 hospitals have ongoing training available to improve skills
 - 8 of these 10 hospitals have dedicated OR robotic surgery teams (80%).
- Specialties approved for robotic surgery:
 - Gyn, Peds, General, Thoracic, Urologic, CV surgery, Orthopedic



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**CalOptima
Health**

Government Affairs Update

**Joint Meeting of the Member and
Provider Advisory Committees**

October 8, 2026

Donovan Higbee

Senior Director, Public Policy

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.



Federal Updates

FY 2027 Federal Appropriations

- On September 2, President Donald Trump signed into law *H.R. 6500: Continuing Appropriations and Extensions Act, 2027*
 - Previously passed the U.S. House of Representatives and U.S. Senate by bipartisan votes of 370-48 and 90-6
 - Extends existing Fiscal Year (FY) 2026 federal funding levels from September 30 through **December 11, 2026**
 - Extends a few health care programs and authorities that were set to expire through **December 11, 2026**
 - Delays implementation of a White House policy, which would give political appointees more control over grantmaking, until **December 11, 2026**

H.R. 1 Policy Recap

○ Imminent Medicaid Provisions:

- Community Engagement: Work, community service and/or education requirement of **80 hours per month** for certain able-bodied adults ages 19–64, effective **January 1, 2027**
- Semi-Annual Renewals: Increased frequency of eligibility redeterminations for Medicaid Expansion (MCE) enrollees from annually to **every six months**, effective **January 1, 2027**

Community Engagement Requirement

- Requires 80 hours per month of work or community service, or part-time enrollment in an educational program, for certain adults aged 19–64 years old
- Exemptions include but are not limited to:
 - Dually eligible for Medicare
 - Medically frail (*more details on next slide*)
 - Participating in a drug/alcohol treatment program
 - Pregnant or entitled to postpartum coverage
 - Former foster children
 - Experiencing short-term hardship
 - Parents with dependents under age 14
 - Other caregivers/caretakers

Community Engagement Requirement (cont.)

- Medical frailty exemption may require substantial administrative work
 - The IFR does not list specific conditions that may qualify as medically frail, but requires each state to develop its own list
 - In addition, the IFR requires each individual 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 documentation will be required starting January 1, 2028

H.R. 1 Implementation Strategy

- Established monthly workgroup to create strategy and alignment to prepare for H.R. 1 impacts
 - Key objectives: 1) **member retention** and 2) **organizational readiness**
 - Internal workstreams based on five focus areas: 1) **Policy Monitoring & Impact Coordination**, 2) **Member Experience**, 3) **Provider Engagement**, 4) **Community Partnerships**, 5) **Data Integration & Member Targeting**
- Communicating key H.R. 1 policies and socializing H.R. 1 strategy with staff, providers and other stakeholders
- Ongoing monitoring of key policy updates and regulatory changes, as well as tracking of key DHCS resources and training schedules

H.R. 1 Implementation Strategy (cont.)

- Rolling out Communications Plan for members, providers and community, starting with advertising campaign toolkit
- Starting community engagement activities to understand alignment opportunities for supporting member navigation
- Developing new funding opportunities to support member navigation:
 - Community enrollers
 - Work and community engagement navigation



State Updates

2025–26 Legislative Session Adjourns

- On September 1, the California State Legislature adjourned its 2025–26 legislative session
- In the final two days of session, several budget-related bills were passed to amend/clean-up the FY 2026–27 state budget enacted earlier this summer
 - The two bills primarily impacting the Medi-Cal program are further discussed in the following slides
 - On September 18, Governor Gavin Newsom signed these two bills into law
- On September 30, Governor Newsom finished signing or vetoing all passed legislation

State Budget Clean-Up Bills

- Assembly Bill (AB) 113: Budget Bill Jr.
 - Clarifies that the \$31 million previously allocated to DHCS to support the transition of Unsatisfactory Immigration Status (UIS) members to Medi-Cal fee-for-service (FFS) on January 1, 2027, is for enhancements to **Medi-Cal Connect** and the **nurse advice line**
 - Allocates \$9 million in grant funding to the California Department of Health Care Access and Information (HCAI) to support **gender-affirming care services for children and youth**

State Budget Clean-Up Bills (cont.)

○ AB 173: Health Trailer Bill Jr.

- **Exempts pregnant/postpartum individuals** from the upcoming elimination of Medi-Cal dental benefits for UIS beneficiaries ages 19 years or older on **July 1, 2027**
- Beginning **October 1, 2026**, medically necessary **dialysis**, including related transportation services, is covered for individuals with restricted-scope Medi-Cal
- Requires DHCS and the California Department of Aging to examine Community-Based Adult Services (CBAS) center closures and their impact by **March 1, 2029**

State Budget Clean-Up Bills (cont.)

○ AB 173: Health Trailer Bill Jr. (cont.)

- Beginning October 1, 2026, Qualified Non-Citizens* (QNCs) no longer eligible for federal Medicaid match funding due to H.R. 1 can continue to receive full-scope Medi-Cal through June 30, 2027
 - However, QNCs will be included in the UIS transition from Medi-Cal managed care to Medi-Cal FFS on **January 1, 2027**
 - Impacts approximately 5,172 CalOptima Health members
 - Subsequently, on **July 1, 2027**, QNCs will only be eligible for restricted-scope Medi-Cal

**QNCs include asylees, refugees, battered noncitizens (and their parents and children), human trafficking victims, humanitarian parolees, Amerasian immigrants, conditional entrants granted before April 1980, individuals paroled into the United States for one year or more, and individuals granted withholding of deportation or removal*

State Budget Clean-Up Bills (cont.)

○ AB 173: Health Trailer Bill Jr. (cont.)

- Expands DHCS authority to take the following actions to improve Medi-Cal provider oversight and program integrity:
 - Deny or terminate Medi-Cal provider enrollment when a provider has certain affiliations with entities that have experienced a disclosable event and DHCS determines there is an undue risk of fraud, waste and abuse (FWA)
 - Temporarily suspend providers under investigation for FWA and make suspensions effective more quickly
 - Impose provider enrollment moratoria, including removing existing exemptions for certain clinics and health professionals

AB 2194

- On September 27, Governor Newsom signed into law AB 2194, which was introduced by State Assemblymember Avelino Valencia
- Two final provisions:
 - Implement staggered terms for CalOptima Health Board of Directors seats with four-year terms (i.e., all seats except the two County Supervisors)
 - Conduct an external audit of CalOptima Health's governance policies and submit the audit report to DHCS and the State Legislature by July 1, 2027
- CalOptima Health staff have begun the process of procuring an independent audit firm



Q&A



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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.	08/27/2026 Senate concurred in amendments; ordered to the Governor 08/25/2026 Passed Assembly floor 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.	08/28/2026 Senate concurred in amendments; ordered to the Governor 08/25/2026 Passed Assembly floor 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 criminal background checks. Additionally, would require DHCS to use existing stakeholder forums 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.	08/24/2026 Senate concurred in amendments; ordered to the Governor 08/20/2026 Passed Assembly floor 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: Provides FY 2026 appropriations for several federal departments and agencies, including the U.S. Department of Health and Human Services (HHS), as well as extends several expiring health care programs and increase health care oversight. Specifically, the bill strengthens compliance among pharmacy benefit managers (PBMs), extends Medicare telehealth flexibilities through December 31, 2027, extends the hospital-at-home waiver for five years, and delays 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	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 (SB 101/AB 102) 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 I (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 113</u> Gabriel	Budget Act of 2026 Junior: Amends the Budget Act of 2026 (SB 111/AB 109) as follows, as it relates to the Medi-Cal program: - Clarifies that the \$31 million previously allocated to DHCS for care coordination services to support the transition of Unsatisfactory Immigration Status (UIS) beneficiaries from Medi-Cal MCPs to the Medi-Cal fee-for-service (FFS) system is to be used for enhancements to Medi-Cal Connect and the nurse advice line. - Allocates \$9 million to support gender-affirming care services for children and youth. As these dollars are going through the California Department of Health Care Access and Information (HCAI) rather than DHCS, this will be grant-based funding. Potential CalOptima Health Impact: Additional care coordination for UIS members; expanded access to gender-affirming care services for child and youth members.	09/18/2026 Signed into law	CalOptima Health: Watch
<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 Potential CalOptima Health Impact: 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 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 <i>Potential CalOptima Health Impact:</i> An overview of the FY 2025–26 Enacted State Budget is enclosed.	09/17/2025 Signed into law	CalOptima Health: Watch

<u>AB 173</u> Committee on Budget	Health Omnibus Trailer Bill II (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. Provisions related to the Medi-Cal program include but are not limited to the following: • Exempts pregnant and postpartum individuals from the upcoming elimination of Medi-Cal dental coverage for UIS individuals ages 19 years or older, effective July 1, 2027. • Beginning October 1, 2026, requires medically necessary dialysis, including related transportation services, to be covered for individuals with restricted-scope Medi-Cal, even when the treatment does not meet the definition of an emergency medical condition. • Beginning October 1, 2026, Qualified Non-Citizens (QNC) no longer eligible for federal match funding due to H.R. 1 can continue to receive full-scope Medi-Cal through June 30, 2027, but they will be included in the UIS transition from Medi-Cal MCPs to Medi-Cal FFS on January 1, 2027. Subsequently, on July 1, 2027, QNC individuals will only be eligible for restricted-scope Medi-Cal. • Requires DHCS and the California Department of Aging to examine Community-Based Adult Services (CBAS) center closures and their impact and deliver a report to the Legislature by March 1, 2029. • Expands DHCS authority to take the following actions to improve Medi-Cal provider oversight and program integrity: ○ Deny or terminate Medi-Cal provider enrollment when a provider has certain affiliations with entities that have experienced a disclosable event and DHCS determines there is an undue risk of fraud, waste and abuse (FWA). ○ Temporarily suspend providers under investigation for FWA and make suspensions effective more quickly. ○ Impose provider enrollment moratoria, including removing existing exemptions for certain clinics and health professionals.	09/18/2026 Signed into law	CalOptima Health: Watch
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Bill Number Author	Bill Summary	Bill Status	Position/Notes
	- Directs the state to develop recommendations for sustainable funding of mobile crisis teams and behavioral health crisis services, including maximizing Medi-Cal rates and federal funding. - Appropriates \$112.8 million in federal funds to DHCS for State Opioid Response Grant and Substance Abuse Prevention and Treatment Block Grant activities through June 30, 2027. Potential CalOptima Health Impact: Increased access to certain services for some UIS and QNC members transitioning to Medi-Cal FFS; increased oversight of contracted providers.		
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
<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. Potential CalOptima Health Impact: Continued access to street medicine services for members experiencing homelessness.	10/06/2025 Signed into law	CalOptima Health: Watch CAHP: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<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.	08/25/2026 Assembly concurred in amendments; ordered to the Governor 08/24/2026 Passed Senate floor 05/24/2026 Passed Assembly floor	CalOptima Health: Watch
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. <i>Potential CalOptima Health Impact:</i> 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

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<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
<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 regard to contracts, grants and agreements. Potential CalOptima Health Impact: 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 subject Medi-Cal coverage of acupuncture to utilization controls and the availability of federal financial participation. If federal financial participation is not available, coverage would be subject to appropriation by the Legislature. Potential CalOptima Health Impact: Maintained covered benefits for members.	08/28/2026 Senate concurred in amendments; ordered to the Governor 08/25/2026 Passed Assembly floor 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. Potential CalOptima Health Impact: Expanded covered benefits for members.	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 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
<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

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>AB 1949</u> Lee	Acupuncture Treatment Flexibility: Subject to federal financial participation, would require Medi-Cal coverage of up to 24 acupuncture visits per beneficiary per calendar year. Additional visits per year could be authorized based on medical necessity. <i>Potential CalOptima Health Impact:</i> Expanded covered benefit for members.	08/26/2026 Assembly concurred in amendments; ordered to the Governor 08/25/2026 Passed Senate floor 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.	08/24/2026 Assembly concurred in amendments; ordered to the Governor 08/20/2026 Passed Senate floor 05/26/2026 Passed Assembly floor	CalOptima Health: Watch
<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

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<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
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. <i>Potential CalOptima Health Impact:</i> 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

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<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. <i>Potential CalOptima Health Impact:</i> 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
<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 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

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<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
<u>AB 1907</u> Addis	Aligned Covered California Enrollment: Authorizes 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.	09/15/2026 Signed into law	CalOptima Health: Watch
<u>AB 2161</u> Bonta	Community Engagement Implementation: Integrates federal community engagement requirements into the Medi-Cal program. Prevents California from extending H.R. 1's work requirements to state-funded Medi-Cal populations. Also minimizes administrative load by automating verification using available data sources and requires 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.	09/15/2026 Signed into law	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<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
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

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<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
<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

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<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
<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. <i>Potential CalOptima Health Impact:</i> 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. <i>Potential CalOptima Health Impact:</i> 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. <i>Potential CalOptima Health Impact:</i> New reporting requirements to DHCS.	01/23/2026 Died in Assembly Appropriations Committee 03/25/2025 Passed Assembly Health Committee	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<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. <i>Potential CalOptima Health Impact:</i> 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
<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. <i>Potential CalOptima Health Impact:</i> 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. <i>Potential CalOptima Health Impact:</i> Modified UM procedures.	01/16/2026 Died in Assembly Health Committee 04/22/2025 Re-referred to Assembly Health Committee	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<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 that would not count against the two-consecutive-term limit: 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. <i>Potential CalOptima Health Impact:</i> Increased continuity of Board representation; increased staff workload to initiate and respond to independent external audit	08/26/2026 Assembly concurred in amendments; ordered to the Governor 08/24/2026 Passed Senate floor 04/16/2026 Passed Assembly floor	<u>08/06/2026</u> CalOptima Health: NEUTRAL
<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. <i>Potential CalOptima Health Impact:</i> Updated member-facing materials, such as EOCs and member handbooks.	08/20/2026 Passed Senate floor; ordered to the Governor 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 no less than 90 calendar 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 claim was not submitted within another applicable filing deadline. Potential CalOptima Health Impact: Modified claims review process.	08/24/2026 Senate concurred in amendments; ordered to the Governor 08/20/2026 Passed Assembly floor; 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.	08/30/2026 Assembly concurred in amendments; ordered to the Governor 08/30/2026 Amended and re-passed Senate floor 09/04/2025 Passed Senate floor 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 use a designated central utility that follows uniform provider directory standards to collect, manage, and verify the consistency and completeness of their provider directories. If a patient relies on inaccurate directory information, would require the provider to be reimbursed at the agreed-upon or otherwise reasonable amount without the patient incurring charges beyond in-network cost-sharing amounts. 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. Potential CalOptima Health Impact: In future Covered California line of business, modified processes for managing provider directory; increased coordination with providers.	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. Potential CalOptima Health Impact: Increased access to autism services for eligible members; additional provider contracting and credentialing.	08/25/2026 Assembly concurred in amendments; ordered to the Governor 08/20/2026 Passed Senate floor 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. Potential CalOptima Health Impact: 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 have required an approved prior authorization for a health care service requested by an in-network provider to remain valid for at least one year from the date of approval, or the period requested by the treating provider if less than one year. <i>Potential CalOptima Health Impact:</i> Modified UM procedures for covered Medi-Cal benefits; decreased number of prior authorizations; increased costs.	09/20/2026 Vetoed	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

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<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.	08/30/2026 Assembly concurred in amendments; ordered to the Governor 08/30/2026 Passed Senate floor 05/21/2026 Passed Assembly floor	CalOptima Health: Watch
<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.	08/30/2026 Assembly concurred in amendments; ordered to the Governor 08/30/2026 Passed Senate floor 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.	08/13/2026 Passed Senate Appropriations Committee; referred to Senate floor 06/24/2026 Passed Senate Health 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

Bill Number Author	Bill Summary	Bill Status	Position/Notes
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
<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.	08/13/2026 Passed Senate Appropriations Committee; referred to Senate floor 06/03/2026 Passed Senate Health 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

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<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: September 21, 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. In addition, 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 (FFS), 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.
 - The QNC population includes asylees, refugees, battered noncitizens (and their parents and children), human trafficking victims, humanitarian parolees, Amerasian immigrants, conditional entrants granted before April 1980, individuals paroled into the United States for one year or more, and individuals granted withholding of deportation or removal.
- 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 support staffing to enable DHCS to clear the Medi-Cal Home and Community Based Alternatives (HCBA) Waiver waitlist, when future slots are available, to 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 million to \$300 million 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: September 24, 2026

TO: CalOptima Health Board of Directors

FROM: Michael Hunn, Chief Executive Officer

SUBJECT: CEO Report — October 1, 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. Since receiving provisional approval from the California Department of Managed Health Care (DMHC) on August 11 for our Knox-Keene Act license material modification, staff continues to respond to three final items within the DMHC filing. On September 17, DMHC approved the CalOptima Health Covered awareness advertising campaign materials. As such, our general awareness marketing campaign has now launched in the community. Staff also continues to engage with Covered California's contract managers, and the first phase of system testing between Covered California and CalOptima Health is nearly complete. In addition, staff continues to develop educational materials for member and broker audiences and held a broker kick-off event on September 23 to educate brokers on CalOptima Health Covered in advance of open enrollment, which begins on November 1. Finally, operational implementation activities are progressing with a targeted focus on open enrollment readiness. Based on information shared by Covered California, CalOptima Health is preparing to receive enrollment files for renewing Covered California enrollees with January 2027 effective dates as early as October 2. Staff is conducting daily meetings to monitor all readiness activities.

B. CalOptima Health Medi-Cal Earns 4 Stars in NCQA Quality Rating

On September 16, the National Committee for Quality Assurance (NCQA) released its ratings of Medicaid plans nationwide on quality of care, member experience with their care and quality processes. NCQA aggregates these factors into a health plan rating on a scale of 1 to 5 stars. CalOptima Health Medi-Cal's 2026 rating is 4 stars, an increase from the prior rating of 3.5 stars. The rating reflects care delivered in 2025. The lower rating in 2025 was due to a 0.5-point decrease in overall points, which meant we barely missed the 4-star threshold. We take the quality of members' care seriously, and in response to last year's score, we implemented ongoing initiatives to improve the identified areas with declining performance. Our performance improved meaningfully through a data-driven, member-centric approach that expanded at-home care models and deepened collaboration with providers and health networks. We launched Cozeva PayerOne to obtain the most accurate, complete data possible, strengthened our data foundation by securing historical lab results from partners, and significantly improved our ability to capture evidence of services already provided through monthly supplemental

data collection efforts. We also expanded our at-home testing program to include multiple quality measures, including colorectal cancer screening and diabetes-related measures. CalOptima Health was one of nine plans statewide to achieve a 4-star rating, with only four plans getting above a 4-star rating.

C. California State Legislature Adjourns 2025–26 Session

On September 1, the California State Legislature formally adjourned the 2025–26 legislative session. During the final two days of session, the state legislature passed several budget-related bills to amend the Fiscal Year (FY) 2026–27 state budget that was enacted earlier this summer. The following is a summary of the two bills impacting the Medi-Cal program:

AB 113: Budget Bill Jr.:

- Clarifies that the \$31 million previously allocated to the Department of Health Care Services (DHCS) for care coordination services to support the transition of Unsatisfactory Immigration Status (UIS) beneficiaries from Medi-Cal managed care plans (MCPs) to the Medi-Cal fee-for-service (FFS) system is for enhancements to Medi-Cal Connect and the nurse advice line.
- Allocates \$9 million to support gender-affirming care services for children and youth. As these dollars are going through the California Department of Health Care Access and Information (HCAI) rather than DHCS, this will be grant-based funding.

AB 173: Health Trailer Bill Jr.:

- Exempts pregnant and postpartum individuals from the upcoming elimination of Medi-Cal dental coverage for UIS individuals ages 19 years or older, effective July 1, 2027.
- Beginning October 1, 2026, requires medically necessary dialysis, including related transportation services, to be covered for individuals with restricted-scope Medi-Cal, even when the treatment does not meet the definition of an emergency medical condition.
- Beginning October 1, 2026, Qualified Non-Citizens (QNC) no longer eligible for federal match funding due to H.R. 1 can continue to receive full-scope Medi-Cal through June 30, 2027, but they will be included in the UIS transition from Medi-Cal MCPs to Medi-Cal FFS on January 1, 2027. Subsequently, on July 1, 2027, QNC individuals will only be eligible for restricted-scope Medi-Cal. QNC populations include asylees, refugees, battered noncitizens (and their parents and children), human trafficking victims, humanitarian parolees, Amerasian immigrants, conditional entrants granted before April 1980, individuals paroled into the United States for one year or more, and individuals granted withholding of deportation or removal.
- Requires DHCS and the California Department of Aging to examine Community-Based Adult Services (CBAS) center closures and their impact by March 1, 2029.
- Expands DHCS authority to take the following actions to improve Medi-Cal provider oversight and program integrity:
 - Deny or terminate Medi-Cal provider enrollment when a provider has certain affiliations with entities that have experienced a disclosable event and DHCS determines there is an undue risk of fraud, waste and abuse (FWA).
 - Temporarily suspend providers under investigation for FWA and make suspensions effective more quickly.
 - Impose provider enrollment moratoria, including removing existing exemptions for certain clinics and health professionals.
- Directs the state to develop recommendations for sustainable funding of mobile crisis teams and behavioral health crisis services, including maximizing Medi-Cal rates and federal funding.

- Appropriates \$112.8 million in federal funds to DHCS for State Opioid Response Grant and Substance Abuse Prevention and Treatment Block Grant activities through June 30, 2027.

Notably, these bills did not include the proposal by the County of Santa Clara to assume control of Santa Clara Family Health Plan. This is the result of successful advocacy efforts by Government Affairs staff, contracted state lobbyists at Clear Advocacy, and our partners at other local Medi-Cal MCPs and Local Health Plans of California (LHPC). However, it is anticipated that the author, State Assemblymember Patrick Ahrens, may revisit this proposal next year.

Finally, Assembly Bill 2194 by State Assemblymember Avelino Valencia, which would implement staggered terms on the CalOptima Health Board of Directors and require an external audit of CalOptima Health's governance policies, is currently on the governor's desk. The governor has until September 30, 2026, to sign or veto any bills passed by the state legislature.

D. CalOptima Health Holds Enhanced Care Management (ECM) Community Stakeholder Meeting

On Friday, September 11, CalOptima Health leadership, along with Director Isabel Becerra and representatives from Chair Vicente Sarmiento's office, met with leaders from the seven organizations that shared feedback regarding ECM during the Board meeting on September 3. The discussion was productive and provided an opportunity to better understand the organizations' perspectives, clarify CalOptima Health's current ECM network approach and capacity, discuss near-future program and reimbursement changes, and identify a potential path forward. As a result, subcontracting with one of the 62 existing ECM providers was identified as an opportunity to enable these interested organizations to support members eligible for ECM. The attendees responded positively to this suggestion. To support this solution, CalOptima Health shared a list of all contracted ECM providers with the group to facilitate their outreach regarding potential subcontracting opportunities.

E. Medi-Cal Changes Toolkit Created to Raise Awareness, Encourage Action

This month, CalOptima Health's Communications department released a [Medi-Cal Changes Toolkit](#), including flyers, posters, and social media content, to raise awareness about the Medi-Cal changes that began January 1, 2026, and will continue in 2027 and 2028. The materials direct members to the [Medi-Cal Changes webpage](#) for more details. This page provides information that aligns with DHCS messages. The toolkit enables community stakeholders, providers and health networks to easily share information with their communities and urge action so members don't lose their Medi-Cal.

F. Inaugural Senior Health and Wellness Event Welcomes Hundreds of OneCare Members

CalOptima Health held its first annual OneCare Wellness & Resource Fair on September 19, bringing together nearly 400 participants for a day focused on health, connection and community support. Seniors enjoyed breakfast and lunch, participated in engaging presentations, and benefited from on-site vaccinations and dental, medical and vision screenings. Eight internal departments provided resources and support, while 13 community-based organizations shared information and connected members with additional services. Services included:

- Mercy Health provided 29 flu, 19 COVID-19 and five shingles vaccines
- Central City Community Health Center Dental Mobile Unit conducted 23 dental screenings and provided dental education to 72 attendees

- Serve the People Community Health Center's Vision Mobile Unit conducted 11 vision screenings, provided 11 pairs of glasses, and scheduled three vision follow-ups and two vision exams
- Serve the People Community Health Center's Medical Mobil Unit conducted 20 medical screenings
- Pacific Health and Wellness, in partnership with CalOptima Health's medical management team, completed 10 Health Risk Assessments, 79 blood pressure screenings, and 67 A1C screenings, resulting in 22 care gaps being closed
- SSA completed one CalFresh and four Medi-Cal applications
- Community Action Partnership OC distributed 1,075 pounds of eggs, 1,604 pounds of onions and 630 pounds of tortillas. The organization also enrolled 56 attendees in the Commodities Supplemental Food Program (CSFP) and distributed 22 food boxes to previously enrolled CSFP members.
- CalOptima Health's Pharmacy department conducted two medication reviews
- CalOptima Health distributed 4,200 adult diapers and one pallet of wipes. An insulated cooler cart was also given to each participant

G. Leadership Development Institute (LDI) Focuses on Priority Initiatives

On September 14 and 15, CalOptima Health leaders gathered for LDI to address two major initiatives: response to Medi-Cal changes stemming from H.R. 1 and state budget shortfalls and the launch of CalOptima Health Covered. On the first day of LDI, Board Chair Vicente Sarmiento and Vice Chair Maura Byron joined the group to talk about their background and commitment to the member experience as well as to discuss the CEO search. Later that day, the group reviewed the goals and activities of the H.R. 1 workgroups convened to address member, provider and community needs. On the second day, key members of the CalOptima Health Covered product team led the group in addressing common scenarios that members will encounter as they enroll in and use our new Covered California plan. The goal is a smooth journey toward a January 1, 2027, launch.

H. Press Releases and Media Coverage Highlight Innovative Grant Program

On August 28, CalOptima Health distributed a press release about our first-of-its-kind \$5.2 million City Health Improvement Grants for cities to use to improve health, wellness and quality of life for our members. As a result of the media outreach, we received the following coverage:

- [Orange County Register](#)
- [My News LA](#)
- [New Santa Ana](#)



Fast Facts

October 2026

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

Membership Data* (as of August 31, 2026)

Total CalOptima Health Membership	Program	Members
794,688 Prior month: 801,483	Medi-Cal	774,961
	OneCare (HMO D-SNP)	19,146
	Program of All-Inclusive Care for the Elderly (PACE)	581

*Based on unaudited financial report and includes prior period adjustments.

Key Financial Indicators (for the month ended August 31, 2026)

	Dashboard	YTD Actual	Actual vs. Budget (\$)	Actual vs. Budget (%)
Operating Income/(Loss)	●	(\$8.4M)	\$16.9M	(67.0%)
Non-Operating Income/(Loss)	●	\$19.1M	\$2.8M	17.3%
Covered California Start-up Expenses	●	(\$1.1M)	\$1.5M	58.6%
Bottom Line (Change in Net Assets)	●	\$9.7M	\$21.3M	184.2%
<i>Medical Loss Ratio (MLR)</i> (Percent of every dollar spent on member care)	●	95.5%	---	(1.4%)
<i>Administrative Loss Ratio (ALR)</i> (Percent of every dollar spent on overhead costs)	●	5.7%	---	1.1%

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

Reserve Summary (as of August 31, 2026)

	Amount (in millions)
Board Designated Reserves*	\$1,643.3
Statutory Designated Reserves	\$141.8
Capital Assets (Net of depreciation)	\$125.8
Unspent Balance of Allocated Resources	\$310.3
Unspent Balance of Board Approved Provider Rate Increase	
Increase from 7/1/24 – 12/31/26	\$70.2
Increase from 7/1/26 – 12/31/28	\$401.0
Unallocated Resources*	\$432.4
Total Net Assets	\$3,124.8

* Total Designated Reserves and Unallocated Resources can support about 178 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

October 2026

Personnel Summary (as of September 6, 2026, pay period)

	Filled	Open	Vacancy Administrative	Vacancy Medical	Vacancy % Combined
Staff	1,358	73.75	41	32.75	5.15%
Supervisor	86	2	1	1	2.27%
Manager	116	10	8	2	7.94%
Director	88	1	1	--	1.12%
Executive	21	1	--	1	4.55%
Total FTE Count	1,669	87.75	51	36.75	5.00%

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

Provider Network Data (as of September 21, 2026)

	Number of Providers
Primary Care Providers	1,262
Specialists	8,707
Pharmacies	498
Acute and Rehab Hospitals	46
Community Health Centers	73
Long-Term Care Facilities	254

Treatment Authorizations (as of July 31, 2026)

	Mandated	Average Time to Decision
Inpatient Concurrent Urgent	72 hours	43.76 hours
Prior Authorization – Urgent	72 hours	5.97 hours
Prior Authorization – Routine	5 days	1.19 days

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

Member Demographics (as of August 31, 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	10%	Seniors	13%
45 to 64	20%	Korean	1%	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%		