Date of Hearing: May 13, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS
Buffy Wicks, Chair
AB 2138 (Krell) – As Amended April 27, 2026

Policy Committee: Health Vote: 15 - 1

Urgency: No State Mandated Local Program: No Reimbursable: No

SUMMARY:

This bill requires the Department of Health Care Services (DHCS) to require a Medi-Cal Enhanced Care Management (ECM) provider whose caseload meets certain criteria maintain an interdisciplinary care team that includes at least one peer support specialist or trainee who is integrated into ECM service delivery and is available to support ECM members. This bill also prohibits DHCS, a county, a Medi-Cal managed care plan, or a Medi-Cal provider from disqualifying a peer support specialist solely or primarily on the basis of a criminal background check or similar screening.

FISCAL EFFECT:

Costs to DHCS of an unknown amount, potentially over $150,000 (General Fund, federal funds).

The Legislative Analyst's Office recently warned of General Fund structural deficits of around $35 billion per year in the 2027-28 fiscal year and ongoing.

COMMENTS:

1) **Purpose.** This bill is sponsored by The Steinberg Institute. According to the author:

> Peer Support Specialists can make a world of difference for behavioral health patients by providing relationship-based support grounded in shared lived experiences. This builds trust and helps patients navigate complex systems. However, current barriers deprive many patients of access to peer support.
>
> AB 2138 takes a two-pronged approach to improve access. It helps address the Peer Support Specialist workforce shortage by preventing the results of a criminal background check from being the sole reason an applicant is denied from becoming a Peer. It also requires that every Enhanced Care Management provider include at least one certified Peer as part of their interdisciplinary care team.

2) **Background.** DHCS established the California Advancing and Innovating Medi-Cal (CalAIM) initiative, effective from January 1, 2022 until December 31, 2026, with the following goals: to identify and manage the risk and needs of Medi-Cal beneficiaries through whole-person-care approaches and addressing social determinants of health; to transition and

transform the Medi-Cal program to a more consistent and seamless system by reducing complexity and increasing flexibility; and to improve quality outcomes, reduce health disparities, and drive delivery system transformation and innovation through value-based initiatives, modernization of systems, and payment reform. The CalAIM initiative requires a statewide ECM benefit, designed to address the clinical and nonclinical needs on a whole-person-care basis, for certain target populations of Medi-Cal beneficiaries enrolled in Medi-Cal managed care plans.

3) **Oppose Unless Amended.** Local Health Plans of California (LHPC) writes the requirement for peer support specialists should apply only to ECM providers that primarily serve members with behavioral health conditions, and the bill should allow plans and providers to determine when peer support specialists are appropriate based on member needs and local delivery systems, and allow for phased or optional implementation, aligned with workforce availability and regional readiness, and opposes the bill as it is written. LHPC states ECM was intentionally designed to allow flexibility in care team composition to reflect local needs and varying member acuity, and that a one-size-fits-all mandate risks undermining this flexibility and may lead to inefficient allocation of limited workforce resources.

4) **Concerns.** California Association of Alcohol and Drug Program Executives (CAADPE) notes that without clear alignment between this new requirement and rate-setting, providers will be expected to absorb the cost of hiring, training, supervising, and integrating peer staff within existing payment structures. CAADPE expresses concerns that this bill is an unfunded mandate and concerns around provider financial sustainability and access to ECM if providers cannot absorb these costs. CAADPE recommends requiring DHCS to account for the peer staffing requirement when establishing or updating ECM reimbursement rates and managed care plan contracts.

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