

Date of Hearing: May 13, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS  
Buffy Wicks, Chair  
AB 2278 (Ávila Farías) – As Amended April 14, 2026

Policy Committee:	Human Services	Vote:	5 - 0
	Privacy and Consumer Protection		15 - 0

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

**SUMMARY:**

This bill requires the California Department of Social Services (CDSS) to develop and make available a five-year pilot project for the County of Contra Costa for the purpose of improving In-Home Supportive Services (IHSS) eligibility and processing times through the use of innovative technologies.

Specifically, this bill:

- 1) Requires the County of Contra Costa to test innovative technologies that facilitate transcription and summarization of IHSS in-home eligibility interviews.
- 2) Requires the pilot project be designed to decrease IHSS application processing times for recipients participating in the Community First Choice Option (CFCO) program.
- 3) Prohibits the County of Contra Costa from using innovative technologies to transcribe or summarize information provided by an individual during an IHSS eligibility interview without first obtaining the individual's separate and distinct written consent, as specified.
- 4) Requires any transcriptions or summaries generated by innovative technologies to be reviewed by a human caseworker prior to being used to make or facilitate a decision regarding the provision, denial, timing, or quality of IHSS services or benefits.
- 5) Prohibits any use of information collected or generated by innovative technologies other than for the purpose of transcribing or summarizing information provided by an applicant during an interview, including by a third-party vendor.
- 6) Allows a county caseworker to cease using innovative technologies during an interview, or discard any transcript or summary generated, if the caseworker determines the transcription or summary does not accurately reflect the content of the interview.
- 7) Requires the county to post on its website annual reports on progress and outcomes of the pilot project during the implementation period.
- 8) Requires the pilot project be available between the 2027 and 2031 calendar years, inclusive.

**FISCAL EFFECT:**

One-time General Fund automation costs in the low millions of dollars to CDSS to integrate the pilot project in this bill with the state's Case Management and Information and Payrolling System (CMIPSS), which is used for IHSS enrollment.

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 Contra Costa County Board of Supervisors. According to the author:

Contra Costa, like many other counties, is faced with significant financial pressures as a result of H.R. 1, the state budget, and recession signals in the broader economy. County revenues are declining as a result of decreasing sales tax revenue and slowing property tax revenue growth. Increasing unfunded spending requirements for social services administration and health care are exacerbating these challenges of the County's already-underfunded IHSS administration. The new CFCO penalties will amount to nearly \$2.5 million in the first full year of implementation and are expected to climb to almost \$5 million. Faced with these challenges, the County is seeking ways to improve services for IHSS enrollees and decrease application processing times without significantly increasing administrative costs.

- 2) **Background.** CFCO is a federally authorized Medicaid State plan option, established by the Affordable Care Act of 2010, that provides home- and community-based services to eligible individuals. A state that elects to implement CFCO must comply with federal requirements, and in return, the state receives an enhanced federal medical assistance percentage for services provided.

IHSS is a Medi-Cal benefit established under California law that provides in-home supportive services to eligible aged, blind, and disabled individuals. The program is administered by CDSS in coordination with county welfare departments. Eligible individuals receive a specified number of service hours, which they may use to hire providers who are compensated through the program. Eligibility for IHSS requires Medi-Cal enrollment and a functional need for services, as determined by a county social worker.

In California, IHSS serves as a delivery mechanism for CFCO-covered services. Counties are responsible for carrying out program requirements pursuant to federal law and are held financially liable for errors that result in a loss of federal funding. Beginning in July 2026, if the state ceases to receive enhanced federal financial participation under CFCO due to a county's noncompliance with timely case reassessment requirements, the county will be responsible for paying 100% of the resulting federal penalty. For the 2025–26 fiscal year only, the state and the county are each responsible for 50% of the federal penalty.

To improve customer experience, reduce administrative burden on social services employees, and avoid federal penalties, the county is looking to test innovative technologies to allow the county to accelerate IHSS eligibility and enrollment processing times.

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