

Date of Hearing: May 6, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 2348 (Bonta) – As Amended April 20, 2026

Policy Committee: Health

Vote: 16 - 0

Urgency: No

State Mandated Local Program: No

Reimbursable: No

**SUMMARY:**

This bill authorizes Medi-Cal managed care plans to continue to cover community supports (services meant to address non-health care related barriers to health) approved by the Department of Health Care Services (DHCS) in the Medi-Cal program and creates processes and requirements to promote transparency, consistency, and stability in the delivery of these services.

Specifically, this bill:

- 1) Authorizes a Medi-Cal managed care plan to continue to cover community supports approved by DHCS.
- 2) Requires DHCS to continue to publish a quarterly public report on community supports utilization data.
- 3) Requires DHCS to provide ongoing technical assistance to Medi-Cal managed care plans and providers to enhance their ability to effectively provide community supports.
- 4) Requires DHCS, by July 1, 2027, to engage stakeholders, including providers of each community support, to develop and produce a model “Evidence of Coverage” document and related policies for each community support.
- 5) Requires the Evidence of Coverage document and related policies provide comprehensive and detailed instructions on model eligibility and coverage policies sufficient for a Medi-Cal managed care plan to adopt as its coverage policy.
- 6) Requires DHCS, until December 1, 2030, to regularly review and update the document and policy guidance as needed.
- 7) Establishes a regular process and timeline for policy updates.
- 8) Requires a Medi-Cal managed care plan track and report to DHCS the number and percentage of providers that are community providers, and the number and percentage of services that are provided by community providers, and report this information by plan at least annually.
- 9) Requires DHCS to continue to convene a currently established California Advancing and Innovating Medi-Cal (CalAIM) Implementation Advisory Group.

- 10) Defines "community provider" as a locally available community-based nonprofit organization that has direct experience with providing services to Medi-Cal beneficiaries in the county or region where the organization operates.

**FISCAL EFFECT:**

One-time and ongoing costs of an unknown amount, potentially in the hundreds of thousands of dollars for DHCS to engage stakeholders and develop the Evidence of Coverage and related policies for every community support, regularly update policies, and continue convening the CalAIM Implementation Advisory Group. There are additional cost pressures of an unknown amount, potentially in the hundreds of thousands of dollars, for DHCS to maintain some of its current activities related to community supports (General Fund, federal funds).

**COMMENTS:**

- 1) **Purpose.** According to the author:

CalAIM has been a transformative journey for the Medi-Cal program, challenging entities throughout the state to collaborate, innovate and improve care so that Medi-Cal enrollees stay healthier and get the right care, from the right provider, in the right setting and at the right time. As the state, local governments, Medi-Cal managed care plans, health care providers and other stakeholders have worked toward robust implementation of Community Supports,...there are emerging best practices as well as known pain points and uncertainties that threaten to unwind years of progress and billions of dollars of investment. This bill requires a continued commitment to timely public data reporting, promotes consistency and best practices...by requiring DHCS to publish a model "Evidence of Coverage" document and implements other provisions designed to enhance transparency, accountability, stability, consistency, and continuous improvement in Community Supports. As we move from building CalAIM to refining it, this bill will cement Community Supports for the long term and help the state truly realize the promise of CalAIM.

- 2) **Background.** CalAIM is a collection of major initiatives DHCS spearheaded to improve Medi-Cal, including addressing social drivers of health, reducing program complexity and increasing flexibility, and modernizing payment structures to promote better outcomes. The majority of CalAIM proposals were put forward in 2021 through two comprehensive applications to the federal government for a "Section 1115 demonstration" and "Section 1915(b) waiver." DHCS received approval on December 29, 2021, for both the demonstration and waiver, effective through December 31, 2026. Although CalAIM expires this year, the administration has signaled its intention to continue community supports, which were explicitly intended to outlast the initial 5-year period, beyond 2026. The CalAIM authorizing statute provides DHCS the discretion to continue these programs.

Community supports are one component of CalAIM that addresses social drivers of health and that Medi-Cal managed care plans can provide as cost-effective alternatives to traditional

medical services or settings. DHCS has a pre-approved list of 14 community supports that are designed to provide flexibility to address specific needs of complex populations:

- a) Housing transition navigation services.
  - b) Housing deposits.
  - c) Housing tenancy and sustaining services.
  - d) Short-term post-hospitalization housing.
  - e) Recuperative care or medical respite.
  - f) Respite.
  - g) Day habilitation programs.
  - h) Nursing facility transition or diversion to assisted living facilities, including, but not limited to, residential care facilities for the elderly or adult residential facilities.
  - i) Nursing facility transition to a home.
  - j) Personal care and homemaker services.
  - k) Environmental accessibility adaptations or home modifications.
  - l) Medically supportive food and nutrition services, including medically tailored meals.
  - m) Sobering centers.
  - n) Asthma remediation.
- 3) **Related Legislation.** AB 804 (Wicks and Stefani), of the current legislative session, transitions CalAIM housing supports (a subset of community supports) to permanent covered benefits under Medi-Cal. AB 804 was held on this committee's suspense file.

SB 324 (Menjivar), of the current legislative session, requires Medi-Cal managed care plans to contract with community providers for delivery of the Enhanced Care Management benefit and community supports, and requires DHCS to take other actions to support this requirement. SB 324 was held on this committee's suspense file.

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