
SENATE COMMITTEE ON APPROPRIATIONS

Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

AB 2352 (Valencia) - Medi-Cal providers: nonprofit public benefit corporations

Version: May 18, 2026

Urgency: No

Hearing Date: August 3, 2026

Policy Vote: HEALTH 11 - 0

Mandate: No

Consultant: Agnes Lee

Bill Summary: AB 2352 would allow nonprofit benefit corporations that provide nonspecialty mental health services to enroll as a Medi-Cal provider.

Fiscal Impact: The Department of Health Care Services (DHCS) estimates the following:

- One-time costs of \$1.1 million (\$275,000 General Fund and \$825,000 federal funds) in 2027-28, to update the online enrollment portal to require providers to indicate whether or not the provider intends to render nonspecialty mental health services as a nonprofit corporation.
- One-time costs of \$631,000 (\$316,000 General Fund and \$315,000 federal funds) in 2027-28 and \$595,000 (\$298,000 General Fund and \$297,000 federal funds) in 2028-29 for staffing resources.

Background: The Medi-Cal program provides health care services to qualified low-income individuals. Medi-Cal coverage includes nonspecialty mental health services for mild-to-moderate distress or mild-to-moderate impairment of mental, emotional, or behavioral functioning resulting from mental health disorders. These services are covered by a Medi-Cal managed care plan or through the Medi-Cal fee-for-service delivery system.

In general, an applicant or provider seeking to provide services in the Medi-Cal program must submit a complete application package through the Medi-Cal Provider Application and Validation for Enrollment (PAVE) system. While reviewing an application and supporting documents, DHCS may conduct a background check of an applicant or provider for the purpose of verifying information. This review may also include an unannounced on-site inspection, a review of business records, and data searches to ensure that the applicant or provider meets enrollment criteria. Current law limits the DHCS provider enrollment process to individual health care providers or professional corporations.

Proposed Law: AB 2352 would allow nonprofit benefit corporations, as defined, that provide nonspecialty mental health services to enroll as a Medi-Cal provider.

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