CONCURRENCE IN SENATE AMENDMENTS
AB 2499 (Gipson)
As Amended August 20, 2026
Majority vote

SUMMARY

Original Committee of Reference: PUB. S.

Requires, commencing May 26, 2028, a health plan or insurer to accept, and confirm, electronic medical records and supporting documentation necessary to process a claim through a standard electronic submission method, and prohibits a plan or insurer from denying, pending, or delaying a claim solely because the plan or insurer's systems are unable to accept documentation that otherwise meets state requirements.

Major Provisions

1) Permits a plan to continue denying, pending, or delaying claims as otherwise authorized under existing law. Exempts the application of this bill to periods in which a plan or insurer's ability to accept electronic medical records and supporting documentation is impacted by circumstances outside their reasonable control, including power outages, natural disasters, cybersecurity attacks, or similar incidents.

2) Requires a state or federal standard specific to file size, number, or other capacity requirements for claims-related supporting documentation submission, if adopted, to supersede the provisions of this bill.

Senate Amendments
Current Committee Recommendation: Concur

Delete the Assembly-approved version of this bill and instead require health plans and insurers to accept, and confirm, electronic medical records and supporting documentation necessary to process a claim through a standard electronic submission method.

COMMENTS

The 21st Century Cures Act and federal rules. This federal law was signed in 2016 and covers a wide range of topics from biomedical research to prevention and public health. According to a report by the Congressional Research Service, the law promotes the adoption and use of electronic health record technology. Final rules on the Cures Act seek to improve interoperability by requiring certified health information technology products to adopt new and updated vocabulary and content standards, including common clinical data composed of standardized data elements and improving health information systems to transmit, receive, and use standardized clinical documents. The Office of the National Coordinator (ONC) has developed an interoperability road map which discusses the payment and regulatory drivers for promoting interoperability, and policy and technical components of a fully interoperable nationwide health information infrastructure. Challenges identified were legal and governance barriers to trusted information exchange. According to the ONC, there is a Trusted Exchange Framework and Common Agreement which outlines a common set of principles, terms, and conditions to support the development of a common agreement that helps enable the nationwide exchange of

electronic health information across disparate health information networks. It is designed to scale electronic health information exchange nationwide and help ensure the health information networks, health care providers, health plans, individuals, and many more stakeholders have secure access to their electronic health information. A 2020 Final Rule issued by the Centers for Medicare & Medicaid Services (CMS) indicates more than 95% of hospitals and 75% of office-based clinicians are utilizing certified health information technology, but challenges remain in creating a comprehensive, longitudinal view of a patient's health history.

Data exchange framework. California's data exchange framework requires acute and psychiatric hospitals, physician organizations and medical groups, skilled nursing facilities, health plans, clinical labs, and other health and social service organizations who voluntarily choose to participate, (participants/signatories) to sign the data exchange agreement and exchange health and human services information in real time starting on January 31, 2024. The data exchange framework is not a centralized data repository; instead, participants agree to follow rules to securely and appropriately exchange health and social services information to best serve patients and join a shared commitment to providing safe, effective, whole-person care across California. Existing law requires certain entities, including health plans and insurers, to sign the data sharing agreement and exchange health information or provide access to health information to and from every other required signatory. The data exchange law defines "health information" for health insurers and health care service plans as, "at a minimum, the data required to be shared under the federal CMS Interoperability and Patient Access regulations for public programs as contained in United States Department of Health and Human Services final rule." The CMS final rule requires entities to share adjudicated claims, encounter information, and clinical data contained in the United States Core Data for Interoperability.

Standards for Health Care Claims Attachments. A March 2026 CMS Fact Sheet on a Final Rule related to Administrative Simplification describes the first-ever Health Insurance Portability and Accountability Act- adopted standards for health care claims attachments, enabling the secure electronic exchange of health care claims-related supporting clinical documentation such as medical records, x-rays and imaging, clinical notes, telemedicine visit documentation, and laboratory results. The Final Rule also establishes requirements for electronic signatures to ensure health care claims attachment transactions are secure, authenticated, and compliant with federal standards. According to the fact sheet, eliminating manual processes such as faxing and mailing, are projected to save the health care industry roughly $781 million annually; reduce administrative burden; accelerate claims processing, ensure secure, authenticated electronic exchanges, and streamline workflows for both providers and payers. Compliance deadlines for these standards are set for 24 months from the effective date of the Final Rule, which was May 26, 2026. Amendments taken in the Senate Health Committee align the implementation of this bill with the compliance timelines for this Final Rule.

According to the Author
Health care providers are forced to spend valuable time and resources fighting bureaucratic delays instead of focusing on patient care. The author continues that when health plans and insurers fail to process claims efficiently because of outdated systems or unnecessary administrative hurdles, providers are left waiting for reimbursement for services they have already delivered. The author states that this bill strengthens California's prompt payment laws by holding health plans and insurers accountable, improving transparency in the claims process, and ensuring providers can submit the documentation necessary to receive timely payment. The author concludes that by cutting red tape and modernizing claims processing, this measure will

help protect access to care, support the health care workforce, and ensure providers can continue serving communities across California.

Arguments in Support
Providence is the sponsor of this bill stating that caregivers must still fax or mail hundreds—and sometimes thousands—of pages of medical records to resolve claims when plans impose strict file-size limits or lack a workable electronic option. Providence continues that they have seen a more than 43% increase in manual touches per claim, creating unnecessary administrative burden, delayed claim resolution, and increased risks to protected health information. Providence argues that this bill offers a narrow, practical solution by requiring plans and insurers to accept electronic documentation required to process a claim through standard electronic submission methods. Providence continues that this bill preserves existing coverage rules, medical necessity standards, claims adjudication standards, and payer-liability review. Providence concludes that modernizing how providers submit records that plans request will reduce administrative waste, better protect patient information, avoid unnecessary claims delays, and allow caregivers to focus more time on patient care.

Arguments in Opposition
The California Association of Health Plans (CAHP) and the Association of California Life and Health Insurance Companies (ACLHIC) indicate it is unclear what specific problem this bill is attempting to solve as health plans already widely accept electronic claim submissions and have invested heavily in interoperable systems, provider portals, and clearinghouse infrastructure. CAHP and ACLHIC believe the vast majority of claims are submitted and adjudicated electronically today without issue. CAHP and ACLHIC argue that this bill is one-sided in its approach and should require providers to submit claims and/or prior authorization requests electronically using plan-designated portals or existing interoperability standards. CAHP and ACLHIC continue that ensuring providers fully embrace electronic prior authorization – just as plans have – will do far more to improve efficiency, transparency, and turnaround time for patients.

FISCAL COMMENTS

According to the Senate Appropriations Committee, pursuant to Senate Rule 28.8, negligible state costs.

VOTES

ASM PUBLIC SAFETY: 7-0-2
YES: Schultz, Alanis, Mark González, Harabedian, Nguyen, Ramos, Sharp-Collins
ABS, ABST OR NV: Haney, Lackey

ASM LABOR AND EMPLOYMENT: 7-0-0
YES: Ortega, Alanis, Chen, Elhawary, Kalra, Lee, Ward

ASM APPROPRIATIONS: 11-3-1
YES: Wicks, Aguiar-Curry, Calderon, Caloza, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache
NO: Hoover, Dixon, Tangipa
ABS, ABST OR NV: Ta

ASSEMBLY FLOOR: 59-13-8
YES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Connolly, Davies, Fong, Gabriel, Garcia, Gipson, Mark González, Haney, Harabedian, Hart, Irwin, Jackson, Kalra, Krell, Lee, Lowenthal, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Pellerin, Petrie-Norris, Ramos, Ransom, Michelle Rodriguez, Rogers, Blanca Rubio, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Valencia, Ward, Wicks, Wilson, Zbur, Rivas
NO: DeMaio, Dixon, Ellis, Gallagher, Jeff Gonzalez, Hadwick, Hoover, Johnson, Macedo, Patterson, Sanchez, Tangipa, Wallis
ABS, ABST OR NV: Castillo, Chen, Elhawary, Flora, Lackey, Quirk-Silva, Celeste Rodriguez, Ta

SENATE FLOOR: 39-0-1
YES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Reyes, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener
ABS, ABST OR NV: Dahle

ASM HEALTH: 13-0-3
YES: Bonta, Sanchez, Addis, Aguiar-Curry, Ahrens, Caloza, Jeff Gonzalez, Johnson, Patel, Patterson, Celeste Rodriguez, Schiavo, Stefani
ABS, ABST OR NV: Carrillo, Mark González, Sharp-Collins

UPDATED

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