UNFINISHED BUSINESS

Bill No: SB 164
Author: Committee on Budget and Fiscal Review
Chaptered: 6/29/26
Vote: 21

SENATE FLOOR: 28-10, 3/20/25
AYES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Richardson, Rubio, Smallwood-Cuevas, Umberg, Wahab, Weber Pierson, Wiener
NOES: Alvarado-Gil, Choi, Dahle, Grove, Jones, Niello, Ochoa Bogh, Seyarto, Strickland, Valladares
NO VOTE RECORDED: Reyes, Stern

ASSEMBLY FLOOR: 56-14, 6/29/26 - See last page for vote

SUBJECT: Health

SOURCE: Author

DIGEST: This bill is an omnibus health trailer bill and contains changes to implement the 2026-27 budget.

Assembly Amendments of 6/26/29 delete the senate version of this bill and instead add the current language.

ANALYSIS: This bill makes technical and clarifying statutory revisions affecting health programs necessary to implement the Budget Act of 2026-27. Specifically, this bill:

Various Departments

1) Implements various statutory changes regarding menopause, including:

a. Requires a health care service plan or insurer, as well as the Medi-Cal program, to include coverage of treatments approved to treat menopausal symptoms by the United States Food and Drug Administration, including, but not limited to, all of the following:

   i. Hormone therapy
   ii. Low-dose antidepressants
   iii. Anticonvulsants
   iv. Medications to prevent or treat osteoporosis
   v. Nonhormonal medications for vasomotor-related symptoms

b. Requires a health care service plan or insurer to include a program to ensure enrollees have access to current menopause information and covered items and services.

c. Imposes requirements to follow certain standards, criteria, and guidelines on health care service plan or insurer when making decisions regarding medical necessity or utilization review.

d. Authorizes civil penalties for violation of these provisions by health care service plans or insurers.

e. Beginning July 1, 2027, allows qualifying physicians and surgeons, and qualifying osteopathic physicians and surgeons, to receive two hours of continuing medical education credits for every hour of coursework completed related to perimenopause, menopause, and postmenopausal care, not to exceed eight course hours, toward the continuing medical education requirements established by the Medical Board of California.

f. Beginning July 1, 2027, allows nurse practitioners who provide care to a patient population composed adult women under 65 years of age to receive two hours of continuing education credit for every hour of coursework completed related to perimenopause, menopause, and postmenopausal care, not to exceed six hours, under certain conditions.

g. Beginning July 1, 2027, allows physician assistants who provide care to a patient population composed of adult women under 65 years of age to receive two hours of continuing education credit for every hour of coursework completed related to perimenopause, menopause, and

postmenopausal care, not to exceed eight hours, toward physician assistant continuing education requirements.

Department of Health Care Access and Information (HCAI)

2) Establishes the Hospital Fair Pricing Penalties Fund to collect administrative penalties for non-compliance with the Hospital Fair Pricing Act, AB 1312 (Schiavo, Chapter 450, Statutes of 2025.)

3) Transfers responsibilities for the Office of the Patient Advocate from the California Health and Human Services Agency (CalHHS) to HCAI.

4) Expands the availability of grant funding from the Reproductive Health Equity Fund to also support gender affirming care services through the California Reproductive and TGI Health Equity Program.

Department of Health Care Services (DHCS)

5) Makes statutory changes and imposes certain requirements on DHCS related to implementation of House Resolution (HR) 1, including the following:

   a. Requires DHCS to conduct various outreach activities to Medi-Cal beneficiaries regarding new work and community engagement requirements, more frequent redeterminations, and changes to retroactive eligibility related to HR 1.

   b. Requires DHCS to establish a data dashboard to provide data on applications, enrollment, redeterminations, disenrollments, and terminations, stratified by county and demographic data, and including specific data for work and community engagement requirements and exemptions under HR 1.

   c. Requires the dashboard information to be posted on a quarterly basis in a downloadable format no later than January 1, 2028.

   d. Requires counties to perform eligibility redeterminations for the Medi-Cal program every six months, pursuant to the requirements of HR 1.

   e. Requires Medi-Cal beneficiaries to meet work and community engagement requirements, subject to specified exemptions pursuant to the requirements of HR 1.

f. Requires DHCS, no later than January 1, 2027, to establish a process to regularly obtain address information for individuals enrolled in Medi-Cal for the purpose of preventing simultaneous enrollment under Medicaid state plans or waivers in multiple states.

g. Provides full-scope Medi-Cal benefits to certain qualified immigrants between October 2, 2026 and June 30, 2027, subject to certain service limitations.

h. Transitions certain qualified immigrants to restricted scope Medi-Cal coverage effective July 1, 2027.

i. Transitions Medi-Cal beneficiaries with unsatisfactory immigration status from the managed care delivery system to the fee-for-service delivery system effective no sooner than January 1, 2027.

6) Delays the elimination of dental benefits for Medi-Cal beneficiaries with unsatisfactory immigration status until July 1, 2027.

7) Delays the elimination of prospective payment system reimbursement of clinics for Medi-Cal beneficiaries with unsatisfactory immigration status until July 1, 2027.

8) Makes technical changes to the Breast Cancer Fund and Breast Cancer Control Account.

9) Implements reforms to county expenditures and reserves of Behavioral Health Services Fund (BHSF) resources, pursuant to the requirements of SB 326 (Eggman, Chapter 790, Statutes of 2023), approved by voters as Proposition 1, including the following provisions:

a. Requires DHCS to, in consultation with the County Behavioral Health Directors Association, establish a methodology for determining annual minimum expenditure levels for BHSF resources, using the average amount of distributed funds for a county in the preceding three years.

b. Beginning in fiscal year 2028-29, requires DHCS to calculate minimum expenditure levels for each county for the following three fiscal years, with annual updates.

c. Beginning in fiscal year 2029-30, requires counties to annually spend an amount of distributed BHSF funds equal to, or greater than, the minimum expenditure level calculated for that fiscal year.

d. Authorizes counties to spend funds from their prudent reserves during a fiscal year in which the department publishes a revised minimum expenditure level, during a fiscal year when the amount of distributed funds is less than the minimum expenditure level, or during a fiscal year in which the county determines there has been a change in local behavioral health needs or circumstances such that transfers from the prudent reserve are necessary to maintain behavioral health services, respond to local, state, or federally declared emergencies, or mitigate unanticipated fiscal constraints.

10) Aligns state standards for substance use disorder treatment facilities licensed or certified by DHCS with current, evidence-based standards of care, and updates outdated clinical terminology for substance use disorder treatment in state law.

11) Beginning July 1, 2027, revises the asset limit for determining Medi-Cal eligibility for seniors and persons with disabilities from $130,000 per individual and $65,000 for each additional household member, to $21,000 per individual, $31,000 per couple, and $1,550 for each additional household member.

12) Requires the Governor's 2027-28 May Revision to include the level of monthly premiums imposed on Medi-Cal beneficiaries with unsatisfactory immigration status, between $30 and $50, beginning on July 1, 2027.

13) Authorizes redirection of medical loss ratio (MLR) remittances from Medi-Cal managed care plans from the Medi-Cal Loan Repayment Program Special Fund to the General Fund.

14) Authorizes DHCS to apply to the federal government for renewal of the California Advancing and Innovating Medi-Cal (CalAIM) waiver, and authorizes DHCS to implement employment supports and BridgeCare as CalAIM initiative components.

15) Suspends until July 1, 2027, statutory provisions that automatically grant provisional enrollment status as a provider in the Medi-Cal program if certain application determination deadlines are not met.

16) Deletes the 2026-27 and 2027-28 fiscal years from legislative intent language regarding years in which the state will not provide a cost-of-doing-business adjustment to counties for eligibility workload related to the Medi-Cal program, consistent with the provision of such an adjustment to counties in the 2026 Budget Act.

California Department of Public Health (CDPH)

17) Authorizes CDPH to utilize AIDS Drug Assistance Program (ADAP) Rebate Fund to support the following programs to reduce transmission of HIV/AIDS and other sexually transmitted infections (STIs), and provide other related services, as follows:

a. For the 2026-27 fiscal year:
   i. $33.8 million, available over four years, for pre-exposure and post-exposure prophylaxis initiation and retention projects.
   ii. $14.5 million, available over four years, for rapid antiretroviral therapy projects.
   iii. $14.1 million, available over four years, for HIV and aging projects.
   iv. $30 million, available over three years, for emergency department syndemic screening projects.
   v. $550,000 to fund Hepatitis C testing training.
   vi. $640,000 annually for four years, to support state operations personnel to implement these programs
   vii. $16.3 million annually for four years to support the California Overdose Prevention and Harm Reduction Initiative (COPHRI).

b. For the 2027-28 fiscal year:
   i. $30 million, available over six years, for the Syphilis and Congenital Syphilis Outbreak Strategy.
   ii. $10 million annually for three years for the Harm Reduction Supply Clearinghouse.
   iii. $5 million annually for three years for the Two-Spirit, Transgender, Gender Nonconforming, and Intersex (2TGI) Wellness and Equity Fund.
   iv. $3.4 million, available over five years, to implement strategies to maintain HIV viral suppression among state prison inmates released to the community.
   v. $200,000 annually for three years for the TakeMeHome program to allow the program to offer delivery of home test kits for HIV, STIs and hepatitis C through delivery services in addition to the mail.

vi. $19 million to provide housing support for individuals living with HIV.
vii. $25 million annually for three years to supplement federal HIV Prevention funding for CDPH and local health departments, with portions of these funds set aside for efforts to conduct outreach to migrant farmworkers.
viii. $25 million annually for three years to supplement Ryan White HIV/AIDS Program funding.

c. For the 2028-29 fiscal year:
i. $18 million, available over two years, to provide housing support for individuals living with HIV.
ii. $10 million, available over five years, to support investments to end the epidemic of hepatitis C.
iii. $8 million, available over five years, for demonstration projects to improve health and well-being of Californians living with, or at risk for, hepatitis B.
iv. $8.5 million to make internal and external condoms available, aimed at preventing the transmission of HIV and STIs.

d. For the 2029-30 fiscal year:
i. $30 million, available over three years, for the Emergency Department Syphilis/HIV/Hepatitis C Virus Screening Program.

18) Authorizes CDPH to utilize ADAP Rebate Funds of up to $50 million to support continuation of state or local agencies or other entities providing federally-funded services that have been delayed, reduced, canceled, or eliminated as a result of federal policy actions.

19) Clarifies that CDPH may utilize ADAP Rebate Funds to support state and local disease intervention and investigation activities and services for HIV, STIs, hepatitis C, mPox, and other sexually or physically transmissible communicable diseases.

20) Imposes a moratorium on the licensure of new home health agencies until 90 days following the effective date of revised regulations, and imposes other requirements on such agencies.

21) Clarifies the responsibilities of providers participating in a standby perinatal services pilot program authorized by SB 669 (McGuire, Chapter 603, Statutes of 2025.)

22) Establishes licensing requirements on general acute care hospitals seeking to obtain licensure for composite distinct part skilled nursing facilities that are part of the hospital's campus.

Department of State Hospitals (DSH)

23) Includes statutory changes to remove the June 30, 2026 sunset date for the Independent Placement Panel (IPP) program at the Department of State Hospitals, and makes other technical and conforming changes. IPP was established in the 2022 budget package to facilitate placements in Conditional Release Programs (CONREPs) and increase availability of DSH beds for incompetent to stand trial (IST) placements SB 184 (Committee on Budget and Fiscal Review, Chapter 47, Statutes of 2022). Through the IPP program, a panel of independent evaluators help identify, evaluate, and find placements for individuals at appropriate CONREPs throughout the state.

California Health Benefits Exchange (Covered California)

24) Authorizes the Health Care Affordability Reserve Fund to support the one-dollar premium subsidy program that covers the one dollar per member per month required for inclusion of abortion services in qualified health plans in the Covered California health benefit exchange.

FISCAL EFFECT: Appropriation: Yes Fiscal Com.: Yes Local: Yes

Authorizes the Health Care Affordability Reserve Fund to support the one-dollar premium subsidy program that covers the one dollar per member per month required for inclusion of abortion services in qualified health plans in the Covered California health benefit exchange.

SUPPORT: (Verified 6/26/26)

None received

OPPOSITION: (Verified 6/26/26)

None received

ASSEMBLY FLOOR: 56-14, 6/29/26
AYES: Addis, Aguiar-Curry, Ahrens, Alvarez, Arambula, Ávila Farías, Bauer-Kahan, Bennett, Berman, Bonta, Bryan, Calderon, Caloza, Carrillo, Connolly, Elhawary, Fong, Gabriel, Garcia, Gipson, Mark González, Haney, Harabedian, Hart, Irwin, Jackson, Kalra, Krell, Lee, Lowenthal, McKinnor, Nguyen, Ortega, Pacheco, Papan, Patel, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Valencia, Ward, Wilson, Zbur, Rivas
NOES: Castillo, Chen, Davies, DeMaio, Dixon, Ellis, Jeff Gonzalez, Hadwick, Johnson, Macedo, Patterson, Sanchez, Ta, Tangipa
NO VOTE RECORDED: Alanis, Bains, Boerner, Flora, Hoover, Lackey, Muratsuchi, Wallis, Wicks

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