

Date of Hearing: August 20, 2025

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

SB 228 (Cervantes) – As Amended May 23, 2025

Policy Committee: Health

Vote: 16 - 0

Urgency: No

State Mandated Local Program: No

Reimbursable: No

SUMMARY:

This bill requires the California Department of Public Health (CDPH), in collaboration with the Department of Health Care Services (DHCS), update regulations, create a provider training, and collect information on the Comprehensive Perinatal Services Program (CPSP). The bill requires DHCS to enhance oversight of Medi-Cal managed care plans' provision of CPSP services and to prepare a report on the number of people offered and receiving CPSP services every three years.

Specifically, this bill:

- 1) Requires CDPH, in collaboration with DHCS, update regulations related to the CPSP to clarify the roles and responsibilities from each department and adjust the current monitoring and oversight systems, including the monitoring of managed care plans and fee-for-service (FFS) providers, by July 1, 2027.
- 2) Requires CDPH, in collaboration with DHCS, develop a training on administering the CPSC and require all perinatal CPSP providers, including managed care plan and FFS providers, attend the training.
- 3) Requires, no later than January 31, 2026, CDPH, in collaboration with DHCS, develop a form for providers to collect information on the offer and use of perinatal services and requires CDPH share the information collected with DHCS for inclusion in all perinatal quality assurance efforts, including a pre-existing triennial report.
- 4) Requires DHCS do the following:
 - a) Require all Medi-Cal managed care plans include information on the enhanced perinatal program benefits in the plan member handbooks.
 - b) Require all Medi-Cal managed care plans ensure providers have received CDPH's training on administering the CPSC, described in item 2, above.
 - c) No later than January 1, 2026, implement a system to ensure Medi-Cal managed care plans and FFS providers offer and provide CPSP services to eligible beneficiaries.
 - d) Require Medi-Cal managed care plans conduct quality assurance reviews on perinatal providers at least once every three years, starting in January 2026, to ensure Medi-Cal plan enrollees are being offered and receiving CPSP services.

- e) Develop and implement a system, no later than January 31, 2026, to ensure Medi-Cal managed care plans and FFS providers offer and provide CPSP services to eligible enrollees.
- 5) Clarifies that DHCS, as the designated state agency responsible for administration of the Medicaid program, is the entity ultimately responsible for the CPSP benefit.
- 6) Requires DHCS, no later than July 15, 2026, submit to the Assembly and Senate health committees and post on its website a report identifying the number of pregnant and postpartum individuals offered CPSP services from January 1, 2022 through January 1, 2025.
- 7) Requires DHCS, commencing January 1, 2028, and every three years thereafter, submit to the Assembly and Senate Health Committees and post on its website a report identifying the number of pregnant and postpartum individuals that received CPSP services, and the number that were offered CPSP services during the previous three years.
- 8) States legislative intent to implement several recommendations made in California State Auditor Report 2023-13 to enhance monitoring and oversight of CPSP.

FISCAL EFFECT:

CDPH estimates General Fund (GF) costs of \$1.5 million in fiscal year (FY) 2026-27, \$5.3 million in FY 2027-28, \$3.1 million in FY 2028-29 and \$2.2 million in FY 2029-30 and ongoing.

DHCS estimates costs of \$176,000 (50% GF and 50% federal funds (FF)) in FY 2026-27 and \$167,000 (50% GF/50% FF) in FY 2027-28 and ongoing for one Health Program Specialist II.

DHCS' new staff will track submissions of facility site reviews (FSRs) and medical record reviews (MRRs), provide guidance regarding FSR and MRR protocols to Medi-Cal managed care plans (MCPs), lead the development of MCP policy guidance in various forms, including All Plan Letters, contract updates, and other MCP communications; research disputes and provide recommendations on resolution outcomes, and analyze and evaluate MCP performance and recommend enforcement actions, among other duties.

CDPH costs will cover two full-time equivalent positions to manage the development and delivery of training for all Medi-Cal providers, create a standardized data collection form, implement a system to track the offer and use of perinatal services, update regulations, and, due to information technology requirements, implement the Project Approval Lifecycle planning process.

COMMENTS:

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

According to a 2024 report of the State Auditor, CPSP does not provide sufficient data to track how often Medi-Cal consumers use [CPSP] services. [This bill] will help provide more transparency by enhancing the monitoring and oversight of the CPSP by providing

clarity and oversight collaboration between DHCS and CDPH... Reinstating the administration and oversight of the CPSP program will help inform the usage of one of many important maternal programs in the State.

- 2) **Background. CPSP.** The Legislature established CPSP in 1984 based on the results of a pilot that demonstrated obstetrical care, supplemented by psychosocial, health education and nutrition services and prenatal vitamins and minerals, could significantly reduce the incidence of low birth weight in infants. The Maternal, Child and Adolescent Health Program in CDPH oversees CPSP and the statewide system of perinatal care established in statute. The goals of CPSP are to: (a) decrease the incidence of low birthweight in infants; (b) improve the outcome of every pregnancy; (c) give every baby a healthy start in life; and, (d) lower health care costs by preventing catastrophic and chronic illness in infants and children.

CPSP is both a Medi-Cal benefit and a public health program, integrating Medi-Cal billing and coverage with quality and monitoring activities at local health jurisdictions (LHJs, usually county public health departments). To bill for CPSP services, a provider must enroll in and be CPSP-certified through their local LHJ. This certification is separate from and in addition to the basic requirement to enroll with DHCS as a Medi-Cal provider. Furthermore, to bill a Medi-Cal managed care plan for CPSP services, a provider must also be credentialed by and contracted with the plan. This design has created some implementation and coordination challenges, which were highlighted in a 2024 State Auditor's report, discussed further below.

Recent Medi-Cal Efforts Overlap with CPSP. Because of program changes since the creation of CPSP, pregnant and postpartum people in Medi-Cal also have, outside of CPSP, coverage for a range of other services that supplement standard obstetrical care. DHCS is currently implementing numerous Medi-Cal program efforts, most notably through a number of federal demonstrations and waivers known collectively as CalAIM (California Advancing and Innovating Medi-Cal). Several such efforts are targeted at improving maternal health or overlap with the provision of CPSP services. Examples of supplemental services available to pregnant and postpartum individuals outside CPSP include Enhanced Care Management, which offers care management relating to social and behavioral health needs for high-risk populations, with certain birthing populations receiving particular efforts; community health worker and doula services; and others.

California State Auditor (CSA) Report. In February 2024, the CSA released a report that concluded both CDPH and DHCS have provided limited oversight and have not exercised their respective authority to make program improvements. The CSA also found that both CDPH and DHCS have not sufficiently communicated the availability of the program to providers or members.