

Date of Hearing: August 20, 2025

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

SB 278 (Cabaldon) – As Amended July 17, 2025

Policy Committee:	Health	Vote:	15 - 0
	Privacy and Consumer Protection		15 - 0

Urgency: No State Mandated Local Program: No Reimbursable: No

SUMMARY:

This bill authorizes the disclosure of a Medi-Cal managed care (MCMC) beneficiary's HIV test result that includes identifying information to the beneficiary's MCMC plan, without the beneficiary's authorization, for the purpose of administering quality improvement programs.

Specifically, this bill:

- 1) Allows, notwithstanding existing penalties and prohibitions on disclosure of HIV test results, and except for a person who has opted out of disclosure through the mechanism in item 3, below, disclosure of results of a MCMC beneficiary's HIV test that provides identifying information to the beneficiary's MCMC plan, without that beneficiary or their representative's written authorization, for the purpose of administering quality improvement programs. The quality improvement programs include value-based payment programs and healthy behavior incentive programs designed to improve HIV care for Medi-Cal beneficiaries.
- 2) Clarifies that HIV test results that do not provide identifying characteristics of the subjects may be disclosed without written authorization by the MCMC plan to Department of Health Care Services (DHCS) staff for the purpose described in item 1, above.
- 3) Requires DHCS, by December 31, 2026 and in consultation with the California Department of Public Health (CDPH), develop a mechanism by which a Medi-Cal beneficiary may opt out of the disclosure of the results of an HIV test that identifies or provides identifying characteristics of the beneficiary to their MCMC plan for the purpose described in item 1, above.
- 4) Prohibits the disclosure of an MCMC beneficiary's HIV test that provides identifying information to a health plan, except the beneficiary's MCMC plan, without the written authorization of the beneficiary or their representative.
- 5) Provides that the provisions of this bill are subject to specified statutes protecting privacy and restricting disclosure of HIV test results.
- 6) Clarifies that this bill does not authorize further disclosure of an individual's HIV test results to a federal agency or an authority in another state, unless otherwise required by federal law.

FISCAL EFFECT:

One-time costs to DHCS of an unknown amount, potentially over \$150,000 (50% General Fund, 50% federal funds), to develop and implement an opt-out mechanism.

No costs to CDPH.

COMMENTS

- 1) **Purpose.** This bill is sponsored by San Francisco AIDS Foundation. According to the author:

Nearly one-third of Californians living with HIV rely on Medi-Cal for their healthcare. Yet, about one in four of these individuals are not receiving essential care, such as viral load testing. Under current law, managed care organizations responsible for coordinating this care are restricted from accessing key tools that could improve health outcomes.

Due to existing law, incentive programs—such as value-based payment programs that reward quality improvement—cannot be used to support HIV-positive Medi-Cal recipients. This limitation prevents providers from utilizing performance-based funding to enhance care for this vulnerable population.

SB 278 will allow Medi-Cal enrollees living with HIV to benefit from these programs by allowing viral load data to be shared confidentially for the purpose of administering quality improvement programs. This change will ensure that Medi-Cal enrollees living with HIV can benefit from the same incentive-driven improvements in care as other patients.

- 2) **Background.** To protect people living with HIV from undesired disclosure of their HIV status, California law severely restricts the sharing and disclosure of HIV-related data. However, restrictions on data sharing can pose difficulties for health care and public health entities seeking to identify, prevent, and treat HIV.

Medicaid quality-based incentive programs have been successful throughout the country. For example, Louisiana's Medicaid agency began withholding a portion of its payments to managed care plans unless the plans achieved or made progress toward a target HIV viral suppression rate among their members. The state reports this value-based payment strategy improved collaboration between the plans and the state's public health agency. The viral suppression rate among Louisiana's Medicaid enrollees increased from 67% to 80%.

- 3) **Related Legislation.** SB 504 (Laird), also pending in this committee, authorizes a health care provider of a patient diagnosed with HIV to disclose personally identifying information to a local health officer or CDPH under specified circumstances.

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