

Date of Hearing: June 30, 2026

ASSEMBLY COMMITTEE ON HEALTH
Mia Bonta, Chair
SB 526 (Pérez) – As Amended June 11, 2026

SENATE VOTE: Not relevant.

SUBJECT: Health facilities: affiliate clinic licensing.

SUMMARY: Authorizes a clinic that meets the conditions for licensure as an affiliate clinic, and is in good standing, to use streamlined processes to change location or ownership. Specifically, **this bill:**

- 1) Authorizes a primary care clinic that meets the conditions for licensure as an affiliate clinic, regardless of when it was licensed or whether it was initially licensed using a specified, streamlined affiliate license process, to do either of the following:
 - a) File a change of location (CHOL); or,
 - b) File a change of ownership, provided that the clinic corporation acquiring ownership meets the requirements of a parent clinic as described in 2) of Existing Law, below.
- 2) Requires a primary care clinic described in 1) above, regardless of when it was licensed or whether it was initially licensed using the affiliate process, to be permitted to identify a parent clinic through a simple notice to the Department of Public Health (DPH).
- 3) Authorizes, if a primary care clinic described in 1) above identifies a parent clinic that subsequently closes or surrenders its license, the clinic corporation to designate a new parent clinic through a simple notice to DPH.
- 4) Makes minor and clarifying changes to the existing law that establishes the affiliate clinic licensing process.

EXISTING LAW:

- 1) Licenses and regulates clinics by DPH. [Health and Safety Code (HSC) § 1200, *et seq.*]
- 2) Authorizes a clinic corporation, on behalf of a primary care clinic that has held a valid, unrevoked, and unsuspended license for at least the immediately preceding five years, with no demonstrated history of repeated or uncorrected violations that pose immediate jeopardy to a patient, and that has no pending action to suspend or revoke its license, to file an affiliate clinic application to establish a primary care clinic at an additional site or a mobile health care unit. Requires DPH, upon receipt of the completed affiliate clinic application submitted by the clinic corporation, to approve a license for the affiliate clinic, without the necessity of first conducting an initial onsite survey, if all of the following conditions are met:
 - a) The clinic corporation that operates the existing licensed primary care clinic (the parent clinic), has submitted a completed affiliate clinic application and the associated application fee;

- b) The parent and affiliate clinics' corporate officers, are the same;
 - c) The parent and affiliate clinics are owned and operated by the same nonprofit organization with the same board of directors; and,
 - d) The parent and affiliate clinics have the same medical director or directors and medical policies, procedures, protocols, and standards. [HSC § 1218.1]
- 3) Requires the affiliate clinic application to consist solely of a simple form and required supporting documents giving the following information:
- a) The name and address of the clinic corporation's administrative office;
 - b) The name and contact information of the clinic corporation's chief executive officer or executive director;
 - c) The name and address of the new affiliate primary care clinic site or the location of the new affiliate mobile health care unit;
 - d) The name and contact information of the administrator of the new affiliate primary care clinic site or mobile health care unit;
 - e) The expected days and hours of operation and the services to be provided at the new affiliate primary care clinic site or mobile health care unit;
 - f) Evidence that the new affiliate mobile health care unit meets the requirements of the Mobile Health Care Services Act pursuant to 8) below;
 - g) The type and the manufacturer of the new affiliate mobile health care unit and the proposed area or areas where the new affiliate mobile health care unit will be providing services;
 - h) To the extent otherwise required by law, evidence of compliance with minimum construction standards, as specified;
 - i) Evidence of fire clearance for the new affiliate clinic site;
 - j) A copy of the lease or purchase agreement for the new affiliate clinic site;
 - k) A copy of the transfer agreement between the new affiliate clinic and a local hospital; and,
 - l) A current list of clinic corporation board members. [*Ibid.*]
- 4) Requires the affiliate clinic application to be signed by an officer of the clinic corporation's board of directors or the clinic corporation's chief executive officer or executive director. [*Ibid.*]
- 5) Requires DPH to issue a clinic license within 30 days of receipt of a completed affiliate clinic application. Requires, if approved, a clinic license to be issued within seven days of approval. Requires, if DPH determines that an applicant does not meet the conditions stated in 2)

above, DPH to identify, in writing and with particularity, the grounds for that determination, and to instead process the application within 100 days. [*Ibid.*]

- 6) Clarifies that nothing in the provisions of existing law above prohibit DPH from conducting a licensing inspection of the affiliate clinic at any time after receipt of the completed affiliate clinic application. [*Ibid.*]
- 7) Defines “immediate jeopardy to a patient” to mean a situation in which the clinic’s noncompliance with one or more requirements of licensure has caused, or is likely to cause, serious injury, harm, impairment, or death to a patient. [*Ibid.*]
- 8) Establishes the Mobile Health Care Services Act which authorizes the use of mobile units to provide medical, diagnostic, and treatment services, in order to help ensure the availability of quality health care services for patients who receive care in remote or underserved areas and for patients who need specialized types of medical care provided in a cost-effective way. [HSC § 1765.101]

FISCAL EFFECT: Unknown. This bill, as recently amended, has not been analyzed by a fiscal committee.

COMMENTS:

- 1) **PURPOSE OF THIS BILL.** According to the author, licensing an affiliate community health center is a complicated and time-consuming process, even for health centers with good history. In response, SB 442 (Ducheny), Chapter 502, Statutes of 2010, required DPH to develop a clinic “affiliate” expedited licensure process to consolidate paperwork and ensure a seamless transition of operations. The author states that this expedited licensing process has been critical to expanding health care capacity and access. In addition, if a health center was initially licensed using the expedited affiliate process, then that health center may also take advantage of an affiliate “change of location” (CHOL) process, which requires significantly less paperwork and is approved more quickly by DPH. However, currently, the ability to take advantage of an affiliate CHOL is tied to how the original health center license was secured.

The author explains this problem is affecting Planned Parenthood Pasadena and San Gabriel Valley (PPPSGV) as it looks to move its current Pasadena health center to a new flagship health center location in Pasadena that will also serve as its headquarters. Establishing a new PPPSGV flagship health center will address growing service demands, while also accounting for continued impacts from the Eaton Fire. The author concludes that this bill will streamline the clinic’s planned change in location even though PPPSGV was not licensed under the newer affiliate licensing process.

- 2) **BACKGROUND.**

- a) **Affiliate Clinic Licensure.** As noted above, SB 442 streamlined provisions related to clinic affiliate licensure. Under SB 442, a clinic that has held a license for five years with no history of repeated or uncorrected violations can apply for an “affiliate clinic” license to establish a clinic at an additional site. An affiliate license application does not require an initial onsite survey, and is a more simplified and streamlined process than applying for a new stand-alone license. Additionally, clinics operating under a single corporation utilizing the affiliate licensing option are entitled to consolidate certain administrative

functions such as billing and related financial functions, purchasing functions, and offsite storage and maintenance of certain patient and personnel records. Finally, clinics licensed as affiliate clinics under the SB 442 process are also afforded an expedited process for a CHOL.

This bill clarifies in existing law that a health center that meets the requirements for the existing DPH affiliate licensing process may utilize the expedited CHOL licensing process for affiliated clinics, regardless of when and how health center was initially licensed.

- b) PPPSGV and the CHOL Process.** As noted by the author, the PPPSGV health center that is moving to a new facility will address growing service demands, while also accounting for continued impacts from the Eaton Fire. The current 60-year-old PPPSGV health center has reached its limit: while initially receiving 3,000 patient visits per year, it now receives 18,000. This site, one of five operated by PPPSGV, provides one-third of PPPSGV's annual patient visits. The 2025 Eaton Fire, which rendered the administrative office uninhabitable and forced their 100+ administrative employees to use temporary workspaces, has further hampered operations. If this clinic was able to utilize the expedited CHOL process, it would more expeditiously be able to offer improved and expanded health care in a newer facility and save the affiliate the time and costs associated with the delay.

While PPPSGV can apply for an affiliate license as a new location, the administrative and fiscal challenges associated with licensing a new health center are significant compared to simply using the CHOL process that is afforded to clinics licensed as affiliate clinics under the current, streamlined process. This bill would allow PPPSGV and other health centers in good standing, who otherwise meet the conditions for affiliate clinics licensure under the current process, to also use the expedited CHOL process.

- 3) SUPPORT.** Planned Parenthood Affiliates of California (PPAC) is a cosponsor of this bill and states that although PPPSGV meets every requirement for its new flagship health center to qualify for the fast-tracked affiliate CHOL pathway, it cannot pursue this licensing process because the original health center is so old that it was not initially licensed using the faster affiliate licensing process. A traditional CHOL application takes significantly longer to be approved and requires much more paperwork. Each week that the PPPSGV health center cannot move results in additional costs to PPPSGV. PPAC argues that this bill simply clarifies that a community health center that meets the definition of an affiliate for the purposes of the existing DPH affiliate licensing process may utilize this expedited licensing process to change location or management, regardless of how or when the health center was initially licensed. This change would allow PPPSGV – and any other affiliate health centers in the same situation – to be “grandfathered” into the expedited affiliate licensing process to better serve their patients and community with trusted, quality health care.

CPCA Advocates are a cosponsor of this bill and state that community health centers and clinics provide high-quality, comprehensive care to 7.8 million people in California each year. These health centers and clinics provide care to nearly a third of the Medi-Cal population. CPCA argues that at a time when California faces persistent provider shortages and increasing demand for healthcare services, policymakers should remove unnecessary barriers that slow the delivery of care. CPCA concludes that this bill advances that goal by

enabling community health centers and other licensed clinic providers to expand services more quickly and efficiently, ensuring patients receive timely access to the care they need.

4) PREVIOUS LEGISLATION.

- a) SB 442 required DPH to develop a clinic “affiliate” expedited licensure process to consolidate paperwork and ensure a seamless transition of operations.
- b) AB 1612 (Pacheco) of 2023 would have authorized a licensed primary care clinic (PCC) with a license in good standing with DPH for the preceding five years to construct a new outpatient clinic, acquire ownership or control of an outpatient setting, or acquire ownership or control of a previously licensed PCC. Would have authorized a facility constructed or acquired by a licensed PCC under these provisions to be deemed compliant with the minimum construction standards of adequacy and safety required for the PCC constructing or acquiring the facility. Would have required DPH to immediately approve a license for these facilities without the necessity of first conducting an initial onsite survey upon receipt of a written notice. AB 1612 was vetoed by Governor Newsom who stated, in part: “I support the author's goal to encourage expansion of primary care clinics to increase their capacity to provide care. However, this bill removes important health and safety protections for patients, clinic staff, and the public. Every primary care clinic, regardless of location, should meet the applicable state licensing standards and building codes. This bill exempts certain facilities from those safety measures.”
- c) AB 2053 (Gonzalez), Chapter 639, Statutes of 2016, established a process for DPH to issue a single consolidated license to clinics that include more than one physical plant operated on separate premises, as long as the physical plants are within one-half of a mile of the licensed PCC. The concept for a consolidated license was to avoid the need for multiple licenses (even if affiliated licenses) when several buildings, close by but not physically attached, functioned as a single clinic.
- d) AB 1130 (Gray), Chapter 412, Statutes of 2015, expanded the licensure exemption for intermittent clinics that are operated by licensed clinics on separate premises by permitting these intermittent clinics to be open for up to 30 hours per week, instead of only 20 hours per week.
- e) SB 937 (Ducheny), Chapter 602, Statutes of 2003, revised provisions relating to the licensure and operation of primary care clinics. Permitted a primary care clinic to add a service or remodel a site without first having to apply for a new license from DPH. Required DPH to issue an affiliate license to a primary care clinic to allow it to open a clinic at an additional site, under specified conditions.

REGISTERED SUPPORT / OPPOSITION:

Support

Planned Parenthood Affiliates of California (cosponsor)
CPCA Advocates (cosponsor)

Opposition

None on file

Analysis Prepared by: Lara Flynn / HEALTH / (916) 319-2097