

Date of Hearing: August 20, 2025

# ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

SB 660 (Menjivar) – As Amended July 17, 2025

Policy Committee:	Health	Vote:	14 - 0
	Privacy and Consumer Protection		12 - 0

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

## SUMMARY:

This bill transfers authority to establish, implement, and maintain the California Health and Human Services (CalHHS) Data Exchange Framework (DxF) from the Center for Data Insights and Innovation (CDII) to the Department of Health Care Access and Information (HCAI), subject to an appropriation by the Legislature, and extends the DXF's scope by expanding required signatories, creating a governance board, establishing a compliance and enforcement structure, and creating new programs to report on consumer experiences, among other things.

For an enumeration of the specific provisions of this bill, please refer to the Assembly Privacy and Consumer Protection Committee analysis. The bill was amended after that committee analysis was published, as follows:

Requires the board be composed of seven, instead of five, voting members and nine nonvoting members. With respect to voting members, requires:

- a) The Secretary of CalHHS, or their designee, serve as the chair and as an ex officio member of the board.
- b) Four, instead of two, members be appointed by the Governor, one of whom must have a background in data privacy.

## FISCAL EFFECT:

HCAI anticipates General Fund costs of approximately \$12.9 million in budget year (BY) 2025-26, \$6.9 million in BY 2026-27, and \$7.4 million in BY 2027-28 and ongoing.

HCAI anticipates ongoing personnel costs to support staffing the DxF program, manage enforcement, engage in dispute resolution, track consumer grievances, administer the board and meetings, and conduct outreach to consumers. HCAI will require contractual services to facilitate public engagement activities, support program development and organizational change management, and project management services.

## COMMENTS:

- 1) **Purpose.** This bill is sponsored by Connecting for Better Health. According to the author:

[This bill establishes the CalHHS Data Exchange Board to review and approve changes to California's health care and social services DxF]

and data sharing agreement which will be regulated by [HCAI]. A statewide DxF was created to securely standardize and clarify data sharing policies and procedures, and a standard data sharing agreement ensures participants agree to follow the policies and procedures. With the passage of [this bill], a structure for governance of the DxF and its policies and procedures will be enacted that will ensure participation, accountability, and confidence for data exchange stakeholders and ultimately, better care for Californians. Access to comprehensive, real-time information is essential for making care more affordable while improving quality, safety, and outcomes.

- 2) **Background. *Health Data Exchange.*** Health information exchange allows health care providers and patients to access and securely share a patient's vital medical information electronically, improving the speed, quality, safety, and cost of patient care. According to a 2025 California Health Care Foundation (CHCF) publication, such data exchange is critical to the success of a range of state programs, from improving homelessness interventions to reducing the cost of care by eliminating duplicative medical tests and patient visits.

***California DxF.*** According to the CDII, parts of California's health care system rely on decentralized, manual, and siloed systems of clinical and administrative data exchange that has been voluntary. This patchwork imposes burdens on providers and patients, limits the health care ecosystem from making material advances in equity and quality, and functionally inhibits patient access to personalized, longitudinal health records. Further, CDII notes a lack of clear policies and requirements for data sharing among payers, providers, hospitals, and public health systems has been a significant hindrance to addressing public health crises, such as the COVID-19 pandemic.

AB 133 (Committee on Budget), Chapter 143, Statutes of 2021, established the DxF and required CalHHS, by July 1, 2022, in consultation with members of a Stakeholder Advisory Group, finalize a data-sharing agreement. The DxF is not a new technology or centralized data repository, but an agreement across health and human services systems and providers to share information safely. The DxF defines the parties subject to the data exchange rules and sets forth a common set of terms, conditions, and obligations to support secure, real-time access to and exchange of health and social services information, in compliance with applicable federal, state, and local laws, regulations, and policies. CDII oversees these functions; this bill moves the functions to HCAI, consistent with a reorganization CDII announced in June 2025.

Despite the 2021 law requiring hospitals, clinics, physician groups, health plans, and other health care organizations sign the DxF data sharing agreement, some required signatories have not signed, and even those that have signed are not necessarily sharing data. According to the 2025 CHCF publication referenced above, the state has no mechanism to compel participation, resolve disputes, or approve new data exchange requirements. CHCF notes strong governance has proved critical to successful data exchange in Michigan, Maryland, and New York.