SENATE THIRD READING
SB 660 (Menjivar)
As Amended September 02, 2025
Majority vote

SUMMARY

Shifts responsibility for the Data Exchange Framework (DxF) from the California Health and Human Services Agency (CalHHS) to the Department of Health Care Access and Information (HCAI). Makes changes to, and requires HCAI to oversee, an existing stakeholder advisory group, and specifies the group's duties. Prohibits the stakeholder advisory group from exceeding 17 members and requires the group to maintain a balance of perspectives with no more than 50% of voting members who are signatories to the data-sharing agreement. Requires the stakeholder advisory group, on or before January 1, 2027, to develop recommendations about demographic and health related social needs data. Modifies a number of provisions related to data exchange requirements, adds emergency medical services as a required entity to execute the data sharing agreement, and clarifies which physician organizations and medical groups are subject to the data-sharing agreement, as specified. Requires health care providers and plans to comply with DxF as a condition for contracting with or providing services through state health care programs. Exempts specified information from data-sharing requirements. Authorizes HCAI to update the framework and establishes public notice requirements for such updates. Authorizes HCAI to adopt enforcement actions and enforce compliance with DxF. Requires HCAI to publish an annual report on compliance with DxF and other specified assessments and evaluations, including an evaluation of the need for an independent governing board to oversee DxF. Requires HCAI to establish a process to designate qualified health information organizations as data sharing intermediaries that have demonstrated their ability to meet the requirements of the DxF.

COMMENTS

Health Information Exchange (HIE). According to the federal Assistant Secretary for Technology Policy, Office of the National Coordinator for Health Information Technology (ONC), HIE allows doctors, nurses, other health care providers and patients to appropriately 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) fact sheet, "*Data Exchange and the Need for Enduring Leadership*," such data exchange is critical to the success of a range of state programs, from improving homelessness interventions to bringing down the cost of care by eliminating repetitive medical tests and patient visits.

The most common architecture for data exchange allows providers to securely share with and access patient information from other health care providers. An alternative model of data exchange provides patients with access to their health information, allowing them to share their own information with providers. The state's current DxF framework is the former: a provider-to-provider framework.

Efforts to Enhance Data Exchange.

1) *Federal Efforts.* ONC provides federal oversight and leadership for data exchange, and was established by the 2009 federal HITECH Act, a set of funding initiatives passed as a

component of the Great Recession-era American Recovery and Reinvestment Act (ARRA). In addition to providing nearly $29 billion in federal incentive funds to providers to procure and implement electronic health records systems, the HITECH Act built capacity, including federal programs, governance, standard-setting, and technical assistance. The ability to exchange health data was a key goal of the HITECH Act; the electronic health records systems financed through these federal investments were required to demonstrate their ability to share data.

2) *California Efforts*.

   a) *Data Exchange History.* California has long had a decentralized approach to health information sharing, characterized by enterprise data exchange, where a single health system or integrated delivery network exchanges data within its system, and various community-based data exchanges, where unaffiliated health care organizations exchange data, often within a geographic medical service area. According to the CalHHS Center for Data Insights and Innovation (CDII), while parts of California's health care system rely on coordinated, interoperable electronic systems, other parts have relied 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 to share data between payers, providers, hospitals, and public health systems was a significant hindrance to addressing public health crises, as demonstrated by challenges faced during COVID-19 pandemic.

   b) *Data Exchange Framework.* To address the problems of data fragmentation while building on California's existing infrastructure, AB 133 (Committee on Budget), Chapter 143, Statutes of 2021, established the DxF and required by July 1, 2022, in consultation with members of a Stakeholder Advisory Group, CalHHS to finalize a data-sharing agreement. The DxF is not a new technology or centralized data repository; instead, it is an agreement across health and human services systems and providers to share information safely. The DxF defines the parties that will be subject to these new 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. These functions are currently overseen by CDII; this bill moves the functions to HCAI, consistent with a strategic reorganization announced by CDII in their June 24, 2025, "DxF Bi-Weekly Update."

      The DxF "Single Data Sharing Agreement" requires each participant to engage in the exchange of health and social services information as set forth in the policies and procedures established by CDII (or, under the bill, HCAI). It specifies this can be done either through execution of an agreement with a qualified health information organization (QHIO), through execution of an agreement with another entity that provides data exchange, or through use of the participant's own technology. A QHIO is state-designated data exchange intermediary that facilitates the exchange of health and social services information between DxF participants. According to "*Data Exchange Framework*

Roadmap," published by CDII, of ambulatory providers that reported information, approximately 80% reported using a QHIO to meet DxF requirements.

Data Exchange Adoption Has Been Slow and Uneven. Despite the 2021 law requiring hospitals, clinics, physician groups, health plans, and other health care organizations to sign the DxF data-sharing agreement, not all required signatories have signed, and even those that have are not necessarily sharing data. According to the CHCF fact sheet referenced above, the state currently has no mechanism to compel participation, resolve disputes, or approve new data exchange requirements. When organizations fail to comply with the DxF, the state has no clear recourse. CHCF notes strong governance has proved critical to successful data exchange in Michigan, Maryland, and New York, which have created boards of directors to manage statewide data exchanges with credible oversight, accountability, and incentives for providers to participate. CHCF notes a governance body must be able to support progress, build trust, and ensure transparency through enforcement tools, participation incentives, and public reporting.

According to the Author
According to the author, this bill is needed to ensure compliance with California's health care and social services DxF and data-sharing agreement. 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. The author notes this bill enacts a structure for oversight and enforcement of the DxF and its policies and procedures to ensure participation, accountability, and confidence for data exchange stakeholders and ultimately, better care for Californians. The author concludes that access to comprehensive, real-time information is essential for making care more affordable while improving quality, safety, and outcomes.

Arguments in Support
Connecting for Better Health, the sponsor of this bill and a nonprofit coalition promoting data exchange, writes that for safe, high-quality, and affordable care, primary care providers need access to historical immunization and test records, emergency services require timely allergy and medication information, and strong connections between hospitals and social service providers are essential for supported care transitions. They note a strengthened DxF is fundamental for the success of many state priorities, including health care affordability, CalAIM, behavioral health transformation, health equity, housing and homelessness, maternal health, public health, and responding to pandemics and natural disasters. This bill is supported by labor groups, health advocates, and health care provider groups.

Arguments in Opposition
California Hospital Association (CHA) and PointClickCare, a health care technology platform, both oppose this bill unless amended to address concerns specific to their organizations. CHA objects to limitations on the composition of the stakeholder advisory group, which they explain will restrict the participation of individuals with expertise in data exchange who are employed by signatories of the DxF. CHA also desires enforcement mechanisms to be deferred until additional policies, procedures, and technical specifications are developed. PointClickCare seeks amendments to delay effective and enforcement dates for skilled nursing facilities until Medi-Cal reimbursement reflects appropriate reimbursement methodologies for the necessary technology and there is adequate time to define which facilities are subject to the DxF requirements. PointClickCare also objects to mandating participation as a requirement for contracting with the state, asserting it is not equitable due to the lack of federal investment.

FISCAL COMMENTS

According to the Assembly Committee on Appropriations, General Fund costs of an unknown amount, possibly low millions of dollars annually, to support staffing the DxF program, manage enforcement, engage in dispute resolution, track consumer grievances, 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.

VOTES

SENATE FLOOR: 28-2-10
YES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Richardson, Rubio, Smallwood-Cuevas, Stern, Umberg, Wahab, Weber Pierson, Wiener
NO: Jones, Strickland
ABS, ABST OR NV: Alvarado-Gil, Choi, Dahle, Grove, Hurtado, Niello, Ochoa Bogh, Reyes, Seyarto, Valladares

ASM HEALTH: 14-0-2
YES: Bonta, Chen, Addis, Aguiar-Curry, Caloza, Carrillo, Flora, Mark González, Krell, Patel, Celeste Rodriguez, Schiavo, Sharp-Collins, Stefani
ABS, ABST OR NV: Patterson, Sanchez

ASM PRIVACY AND CONSUMER PROTECTION: 12-0-3
YES: Bauer-Kahan, Bryan, Irwin, Lowenthal, McKinnor, Ortega, Patterson, Pellerin, Petrie-Norris, Ward, Wicks, Wilson
ABS, ABST OR NV: Dixon, DeMaio, Macedo

ASM APPROPRIATIONS: 11-0-4
YES: Wicks, Arambula, Calderon, Caloza, Elhawary, Fong, Mark González, Ahrens, Pacheco, Pellerin, Solache
ABS, ABST OR NV: Sanchez, Dixon, Ta, Tangipa

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