Senate Budget and Fiscal Review—Scott Wiener, Chair

SUBCOMMITTEE NO. 3 Agenda

Senator Dr. Akilah Weber Pierson, Chair
Senator Shannon Grove
Senator Caroline Menjivar

Thursday, March 13th, 2025
9:30 am, or upon adjournment of session
1021 O Street – Room 1200

Consultant: Scott Ogus

PUBLIC COMMENT

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FOR VOTE ONLY

4265 CALIFORNIA DEPARTMENT OF PUBLIC HEALTH

Issue 1: Opioid Settlements Fund Allocations

Local Assistance – Governor's Budget. CDPH requests reduction in expenditure authority from the Opioid Settlements Fund of $8.4 million in 2025-26 that currently supports the California Overdose Prevention and Harm Reduction Initiative (COPHRI).

Multi-Year Funding Request Summary		
Fund Source	**2025-26**	**2026-27**
3397 – Opioid Settlements Fund	($8,391,000)	$-
Total Funding Request:	**($8,391,000)**	**$-**

Background. Abuse of opioids has devastated California families and communities over the past several years, with more than 6,800 deaths related to opioid overdoses in 2021, a six-fold increase since 1999. The events and decisions that led to this tragic epidemic are manifold, but one of the biggest contributing factors was opioid manufacturers' and distributors' efforts to promote, market, distribute, and dispense opioid medications to maximize profits, often at the expense of patients who would later develop dependency. These actions led the California Attorney General, in a coalition with attorneys general in 47 other states, to investigate and file suit against manufacturers and distributors of opioids for the damage caused to victims of the opioid epidemic.

Beginning in 2021, the coalition of attorneys general announced several settlement agreements with manufacturers and distributors of opioids:

McKinsey and Company – In February 2021, the Attorney General announced a $573 million nationwide settlement with McKinsey and Company related to the company's role in advising opioid companies, helping those companies promote their drugs, and profiting from the opioid epidemic. In particular, McKinsey advised opioid manufacturers on how to maximize profits from opioid products, including targeting high-volume prescribers, using specific messaging to get physicians to prescribe more opioids to more patients, and circumventing pharmacy restrictions to deliver high-dose prescriptions. According to the Attorney General, California is estimated to receive $59.6 million from this settlement.

Distributors (Cardinal, McKesson, and AmerisourceBergen) and Janssen Pharmaceuticals – In July 2021, the Attorney General announced a $26 billion nationwide settlement with Cardinal, McKesson, and AmerisourceBergen, the three largest pharmaceutical distributors, and Janssen Pharmaceuticals, Inc. (and its parent company Johnson and Johnson) for their role in the opioid epidemic. Under the settlement agreement, the three distributors will collectively pay up to $21 billion over 18 years, while Janssen will pay up to $5 billion over nine years with $3.7 billion to be paid in the first three years. The substantial majority of the money is to be spent on opioid treatment and prevention and each state's share of funding is subject to a formula that considers the impact of the opioid crisis on the state and the population of the state. According to DHCS, California and its cities and counties could receive approximately $2.2 billion for substance use prevention, harm reduction, treatment, and recovery activities pursuant to the settlement.

Purdue Pharma and the Sackler Family – In March 2022, the Attorney General announced a $6 billion nationwide settlement with opioid manufacturer Purdue Pharma, as well as the Sackler family who owns Purdue. The Attorney General estimated California would receive approximately $486 million to fund opioid addiction treatment and prevention.

In addition, the Attorney General announced proposed settlements with Teva and Allergan, as well as pharmacies including Walgreens, Walmart, and CVS. The Attorney General indicates these settlements would provide substantial funds for the abatement of the opioid epidemic in California and require changes in the ways these companies conduct business.

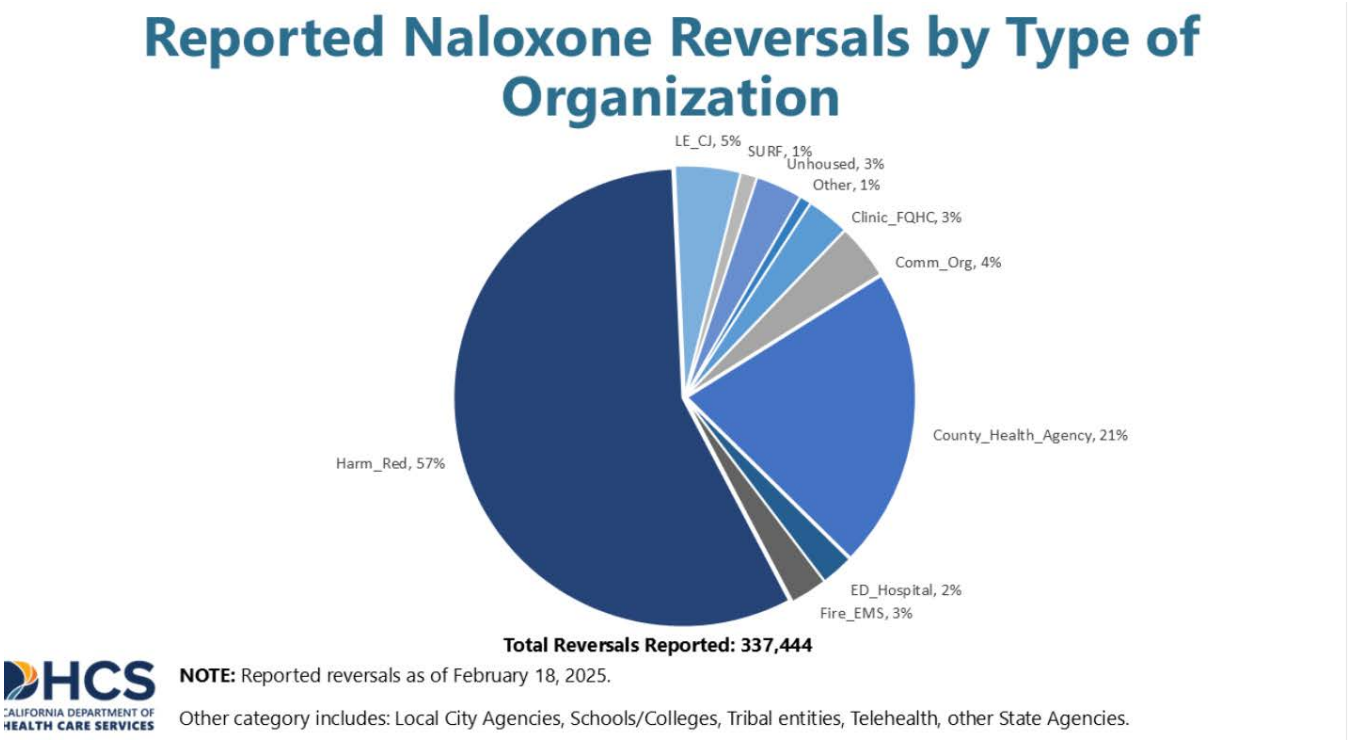
Opioid Settlements Fund. The revenue California receives from these settlement agreements is deposited in the Opioid Settlements Fund (OSF), established in the 2022 Budget Act to receive settlement revenue and allow its use to support state efforts to remediate the impacts of opioid use disorders in California. The 2022 Budget Act included 11 positions and expenditure authority from the Opioid Settlement Fund of $33.9 million in 2022-23 and $2.6 million in 2023-24 and annually thereafter through the terms of California's national opioid settlements, or 18 years. These positions and resources will support oversight of two of the opioid settlements, substance use disorder (SUD) workforce training, establishment of a web-based statewide addiction treatment locator platform, and an outreach and anti-stigma campaign.

In addition, the 2022 Budget Act included expenditure authority from the OSF for the following:

- Naloxone Distribution Project Augmentation - $15 million one-time
- Substance Use Disorder Provider Workforce Training - $51.1 million one-time
- ATLAS Platform Operation and Outreach Campaign - $7.5 million one-time
- Fentanyl Education and Awareness Campaigns - $40.8 million one-time
- Opioid Overdose Data Collection and Analysis - $5 million one-time
- Integrating Employment in Recovery Pilot Project - $4 million one-time

The 2023 Budget Act also included expenditure authority from the OSF of $74.8 million in 2023-24, $35.8 million in 2024-25, $24.8 million in 2025-26, and $24.1 million in 2026-27 for expansion of the Naloxone Distribution Project. The Legislature also approved provisional budget bill language authorizing an increase in expenditure authority from the OSF of up to $15.3 million annually for four years if resources are available in the fund to support additional expansion of the project.

California Overdose Prevention and Harm Reduction Initiative. The 2023 Budget Act included expenditure authority from the Opioid Settlements Fund of $15.3 million annually for four years, beginning in 2023-24, to support the California Overdose Prevention and Harm Reduction Initiative (COPHRI). COPHRI supports harm reduction sites to prevent overdose by distributing naloxone and training people who use drugs on how to use it to prevent death. According to DHCS data, harm reduction sites were responsible for 57 percent of reported naloxone reversals in California, as of February 18, 2025.



Source: californiaopioidresponse.org/outcomes/naloxone-distribution-project-data (Accessed February 24, 2025).

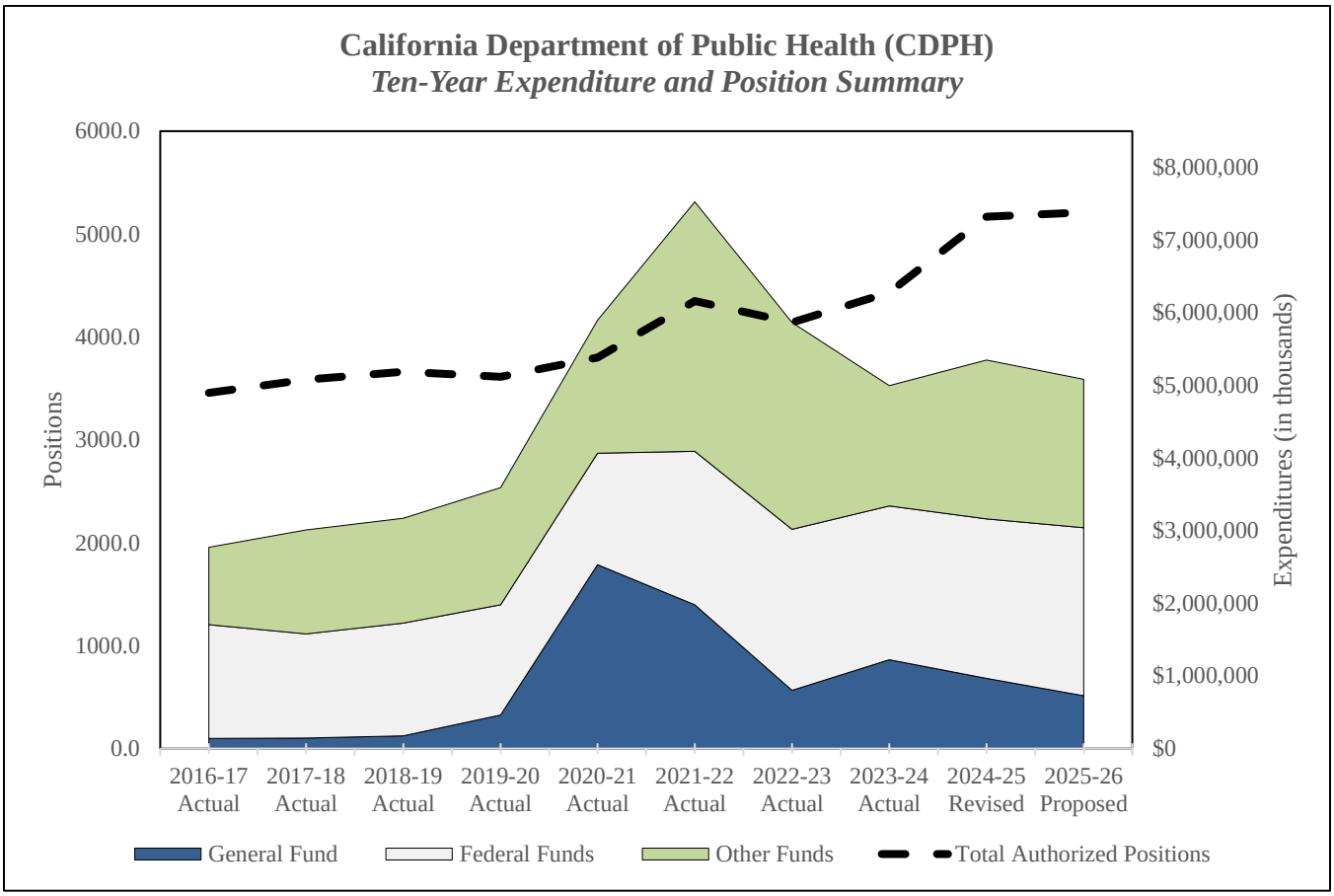
Naloxone Distribution Project. The Naloxone Distribution Project was created in 2018 in response to a sharp increase in overdoses and aims to reduce opioid overdose deaths through the provision of free naloxone in the form of a spray that can be used by laypeople. Eligible entities for the distribution of naloxone include law enforcement, fire departments, first responders, schools and universities, county public health and behavioral health departments, and community based organizations, such as harm reduction organizations or community opioid coalitions.

Resource Reduction Request. CDPH requests reduction in expenditure authority from the Opioid Settlements Fund of $8.4 million in 2025-26 that currently supports the California Overdose Prevention and Harm Reduction Initiative (COPHRI). According to CDPH, this reduction is necessary due to lack of available resources in the Opioid Settlement Fund. However, in a separate request rejected by the subcommittee, DHCS requests expenditure authority from the Opioid Settlements Fund of $8.4 million in 2025-26 to support expansion of the Naloxone Distribution Project.

Subcommittee Staff Comment and Recommendation—Reject. Subcommittee staff recommends rejecting this proposed reduction, consistent with its previous action to reject the related augmentation to the DHCS Naloxone Distribution Project with these redirected funds. Because harm reduction entities are responsible for 57 percent of reported naloxone reversals in California, this redirection of Opioid Settlements Fund resources is counterproductive to the goal of preventing opioid overdose deaths in the state.

4265 CALIFORNIA DEPARTMENT OF PUBLIC HEALTH

Issue 1: Overview



California Department of Public Health - *Department Funding Summary (dollars in thousands)*				
Fund Source	***2023-24 Actual***	***2024-25 Budget Act***	***2024-25 Revised***	***2025-26 Proposed***
General Fund	$1,222,617	$787,253	$967,845	$727,909
Federal Funds	$2,117,193	$2,195,190	$2,194,362	$2,311,878
Other Funds	$1,656,006	$2,167,473	$2,186,628	$2,042,472
Total Department Funding:	**$4,995,816**	**$5,149,916**	**$5,348,835**	**$5,082,259**
Total Authorized Positions:	**4431.2**	**5168.4**	**5168.4**	**5210.4**
Other Funds Detail:				
Breast Cancer Research Account (0007)	$718	$620	$620	$1,520
Nuclear Planning Assessment Acct (0029)	$983	$1,091	$1,096	$1,097
Motor Vehicle Acct, Trans. Fund (0044)	$1,597	$1,723	$1,718	$1,626

Sale of Tobacco to Minors Ctrl Acct (0066)	($1,577)	$1,063	$1,002	$1,003
Occup. Lead Poisoning Prev Acct (0070)	$2,078	$3,100	$3,084	$4,108
Medical Waste Management Fund (0074)	$2,714	$3,276	$3,282	$3,292
Radiation Control Fund (0075)	$30,453	$31,902	$32,323	$32,339
Tissue Bank License Fund (0076)	$435	$1,675	$1,682	$1,659
Child. Lead Poisoning Prev Fund (0080)	$39,439	$47,922	$47,893	$47,272
Export Document Program Fund (0082)	$472	$706	$546	$586
Clinical Lab. Improvement Fund (0098)	$12,361	$16,607	$16,735	$16,408
Health Statistics Special Fund (0099)	$26,114	$33,686	$33,528	$33,606
Dept. of Pesticide Regulation Fund (0106)	$307	$363	$361	$320
Air Pollution Control Fund (0115)	$269	$320	$319	$279
CA Health Data and Planning Fund (0143)	$240	$240	$240	$240
Food Safety Fund (0177)	$10,969	$13,305	$13,122	$13,101
Genetic Disease Testing Fund (0203)	$174,816	$176,806	$175,101	$176,301
Health Education Account, Prop 99 (0231)	$43,106	$41,066	$41,074	$35,720
Research Account, Prop 99 (0234)	$3,847	$4,213	$4,214	$3,618
Unallocated Account, Prop 99 (0236)	$1,591	$1,819	$1,812	$1,619
Inf. Botulism Treatment/Prev Fund (0272)	$10,385	$18,278	$18,273	$16,584
Child Health and Safety Fund (0279)	$550	$551	$551	$551
Registered Enviro. Health Spec Fund (0335)	$509	$510	$514	$515
Indian Gaming Spec Dist Fund (0367)	$6,123	$8,519	$8,511	$8,515
Vectorborne Disease Account (0478)	$199	$195	$196	$216
Toxic Substances Control Acct (0557)	$368	$586	$580	$467
Domestic Violence Training/Ed Fund (0642)	$463	$709	$708	$708
CA Alzheimers Research Fund (0823)	$661	$687	$687	$687
Special Deposit Fund (0942)	$3,225	$9,868	$12,733	$10,597
Reimbursements (0995)	$347,504	$756,977	$764,973	$617,656
Drug and Device Safety Fund (3018)	$6,912	$7,461	$7,275	$7,990
WIC Manufacturer Rebate Fund (3023)	$179,504	$183,995	$188,288	$186,443
Medical Marijuana Program Fund (3074)	$0	$0	$0	$0
AIDS Drug Assistance Prog. Fund (3080)	$267,685	$311,459	$290,225	$364,585
Cannery Inspection Fund (3081)	$4,267	$4,511	$4,451	$4,458
Mental Health Services Fund (3085)	$3,147	$2,767	$4,281	$3,227
Licensing and Certification Fund (3098)	$307,790	$313,858	$312,910	$315,652
Gambling Addiction Program Fund (3110)	$150	$350	$350	$350
Birth Defects Monitoring Prog Fund (3114)	$2,475	$2,579	$2,576	$2,504
Lead-Related Construction Fund (3155)	$785	$1,401	$1,398	$6,360
Cost/Impl Acct, Air Poll. Ctrl Fund (3237)	$150	$410	$407	$409
Cannabis Control Fund (3288)	$512	$601	$601	$602

State Dental Program Acct., Prop 56 (3307)	$39,409	$35,100	$35,104	$25,416
DPH Tobacco Law Enforc, Prop 56 (3318)	$6,472	$4,071	$3,712	$3,729
DPH, Tobacco Prev/Ctrl, Prop 56 (3322)	$87,205	$89,850	$78,079	$67,964
TGI Wellness and Equity Fund (3385)	$2,310	$5,000	$10,419	$5,000
Ind. Hemp Enroll/Oversight Fund (3396)	$0	$1,327	$722	$1,034
Opioid Settlement Fund (3397)	$26,314	$18,750	$52,752	$6,759
Electronic Cig. Settlements Fund (8141)	$0	$5,600	$5,600	$7,780

Background. The California Department of Public Health (CDPH) delivers a broad range of public health programs. Some of these programs complement and support the activities of local health agencies in controlling environmental hazards, preventing and controlling disease, and providing health services to populations who have special needs. Others are primarily state-operated programs, such as those that license health care facilities.

According to CDPH, the goals of these programs include the following:

1. Achieve health equities and eliminate health disparities.
2. Eliminate preventable disease, disability, injury, and premature death.
3. Promote social and physical environments that support good health for all.
4. Prepare for, respond to, and recover from emerging public health threats and emergencies.
5. Improve the quality of the workforce and workplace.

The department is composed of eight major program areas, or "centers":

(1) Center for Healthy Communities (CHC) – This center works to prevent and control chronic diseases, such as cancer, cardiovascular diseases, asthma, adverse pregnancy outcomes, and diabetes; reduce the prevalence of obesity; provide training programs for the public health workforce; prevent and control injuries, violence, deaths, and diseases related to behavioral, environmental, and occupational factors; promote and support safe and healthy environments in all communities and workplaces; and prevent and treat problem gambling. CHC programs include: chronic disease prevention and management, tobacco control, environmental health, occupational health, injury and violence prevention, oral health, and problem gambling.

(2) Center for Environmental Health (CEH) – This center works to protect and improve the health of all California residents by utilizing investigation, inspection, laboratory, technical assistance, regulatory and emergency response activities to improve the safety of food, drugs, and medical devices; conduct underage tobacco enforcement; oversee the use of radiation and radioactive materials; regulate medical waste; and conduct other environmental management programs.

(3) Center for Family Health (CFH) – This center provides improvement to the health and well-being of pregnant people, children and youth as well as reduce disparities in perinatal health outcomes by providing nutritional support and screening newborns and pregnant women for genetic diseases. CFH programs include: Genetic Disease Screening Program (GDSP); Maternal, Child, and Adolescent Health Division; and the Women, Infants, and Children (WIC) Supplemental Nutrition Program.

(4) Center for Health Care Quality (CHCQ) – This center provides regulatory oversight and monitoring for the quality of care in public and private health facilities, clinics, and agencies throughout the state; licenses nursing home administrators, and certifies nurse assistants, home health aides, and hemodialysis technicians; and oversees the prevention, surveillance, and reporting of healthcare associated infections in California's health facilities.

(5) Center for Infectious Disease (CID) – This center works to prevent and control infectious diseases such as Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Syndrome (AIDS), tuberculosis, viral hepatitis, influenza and other vaccine preventable illnesses, emerging infections, vector-borne disease, sexually transmitted diseases (STD), infant botulism, and foodborne illnesses.

(6) Center for Health Statistics and Informatics (CHSI) – This center works to improve public health by managing information systems and facilitating the collection, validation, analysis, and dissemination of health statistics and demographic information on California's population.

(7) Center for Preparedness and Response (CPR) – This center provides overall statewide planning and preparedness for public health disasters and emergencies, distributing and monitoring funding for disaster planning at the local level, operating the Medical Health Coordination Center, developing, and maintaining a standard public health and medical emergency management system for local and state entities.

(8) Center for Laboratory Science (CLS) – This center provides oversight for clinical and public health laboratory operations and clinical and public health laboratory personnel, and is responsible for issuing licenses and certificates.

Subcommittee Staff Comment. This is an informational item.

Questions. The subcommittee has requested CDPH to respond to the following:

1. Please provide a brief overview of CDPH's programs and budget.

Issue 2: State of the State's Public Health

State of the State's Public Health. SB 184 (Committee on Budget and Fiscal Review), Chapter 47, Statutes of 2022, requires the Director of CDPH to submit a written report every other year, beginning in 2024, to the Governor and the Legislature on the state of public health in California.

Background. The 2018 Budget Act included supplemental reporting language requiring CDPH to report to the health and human services budget subcommittees of the Legislature certain information about public health statistics in California. The language was as follows:

Item 4265-001-0001—Department of Public Health

1. ***State of the State's Public Health***. At its first budget subcommittee hearings of the 2019-20 budget process, the Department of Public Health shall report to the health and human services budget subcommittees of both houses of the Legislature a summary of key public health statistics in California. The briefing and related handout shall include excerpted information from the County Health Status Profiles report on key public health indicators, including available information about these indicators' trends, for issues that the department considers major existing or emerging public health issues. The briefing and related handout may, for example, provide statistics on issues such as opioid overdoses and naloxone treatments, the number of people infected with sexually transmitted diseases (STDs) and the geographic regions in which STD transmissions are highest, rates of diabetes and/or other chronic diseases among various subpopulations, or recent public health outbreaks.

After the initial presentation during the 2019-20 budget process, CDPH staff continued to provide the State of the State's Public Health presentation in subsequent years, through the COVID-19 pandemic years, until codification of the requirement in trailer bill language adopted as part of the 2022 Budget Act.

Future of Public Health – SB 184. After the COVID-19 pandemic, the Legislature adopted a package of public health infrastructure initiatives, collectively known as the Future of Public Health, which made significant investments in state and local public health departments, and implemented reforms to improve data sharing between public health officials and state and local elected officials. Among these reforms was codification of the previous State of the State's Public Health presentation, previously reflected in non-binding supplemental reporting language, into the Health and Safety Code. SB 184 (Committee on Budget and Fiscal Review), Chapter 47, Statutes of 2022, requires the State Public Health Officer to, on or before February 1 of every other year, submit a written report to the Governor and the Legislature on the state of public health in California. SB 184 also requires the State Public Health Officer to present an update annually to the relevant budget subcommittees of the Legislature during legislative budget hearings. The written report must include the following information:

1. Information on key public health indicators that California is experiencing, as determined to be relevant by the State Public Health Officer.

2. Information on health disparities identified as part of the indicators and trends, if any.

3. The leading causes of morbidity and mortality in California and evidence of increasing or decreasing rates of morbidity and mortality over the prior three to five years, inclusive.

4. Data on the incidence and prevalence of communicable and noncommunicable chronic diseases and conditions.

5. Data on the incidence and prevalence of intentional and unintentional injuries, including data specific to suicides and gun violence.

6. Data on the prevalence of morbidity and mortality related to mental illness and substance abuse.

Subcommittee Staff Comment—This is an informational item.

Questions. The subcommittee has requested CDPH respond to the following:

1. Please present the 2025 State of the State's Public Health Report update, pursuant to the requirements of SB 184 (Committee on Budget and Fiscal Review), Chapter 47, Statutes of 2022.

Issue 3: AIDS Drug Assistance Program (ADAP) Estimate

AIDS Drug Assistance Program (ADAP) Estimate. The Office of AIDS within CDPH administers the AIDS Drug Assistance Program (ADAP), which provides access to life-saving medications for Californians living with HIV and assistance with costs related to HIV pre-exposure prophylaxis (PrEP) and post-exposure prophylaxis (PEP) for Californians at risk of acquiring HIV. Clients are eligible for ADAP services if they meet the following criteria:

1. are HIV infected;
2. are a resident of California;
3. are 18 years of age or older;
4. have a Modified Adjusted Gross Income that does not exceed 600 percent of the Federal Poverty Level; and
5. are not fully covered by or eligible for Medi-Cal or any other third-party payer.

ADAP Programs. ADAP provides services to its clients through support for medications, health insurance premiums and out-of-pocket costs. Participating clients generally fall into one of five categories:

1. *Medication-only clients* are people living with HIV who do not have private insurance and are not enrolled in Medi-Cal or Medicare. ADAP covers the full cost of prescription medications on the ADAP formulary for these individuals, who only receive services associated with medication costs.

2. *Medi-Cal Share of Cost clients* are persons living with HIV enrolled in Medi-Cal who have a share of cost for Medi-Cal services. ADAP covers the share of cost for medications for these clients, who only receive services associated with medication costs.

3. *Private insurance clients* are persons living with HIV who have some form of health insurance, including through Covered California, privately purchased health insurance, or employer-based health insurance and who receive services associated with medication costs, health insurance premiums and medical out-of-pocket costs.

4. *Medicare clients* are persons living with HIV enrolled in a Medicare plan. This group is divided into three client subgroups: Part B, Part C, and Part D. These groups receive medication benefits and may also receive assistance with health insurance premiums and medical out-of-pocket costs.

5. *Pre-exposure prophylaxis (PrEP) Assistance Program (PrEP-AP) clients* are individuals who are at risk for, but not infected with, HIV and have chosen to take pre-exposure prophylaxis (PrEP), or post-exposure prophylaxis (PEP), as a way to prevent infection. For insured clients, PrEP-AP pays for PrEP- and PEP-related medical out-of-pocket costs and covers the gap between what the client's insurance plan and the manufacturer's co-payment assistance program pays towards medication costs. For uninsured clients, PrEP-AP only provides assistance with PrEP- and PEP-related medical costs and medication costs for clients who are ineligible for a medication assistance program through a drug manufacturer or other assistance programs.

ADAP is funded by federal funds and the ADAP Rebate Fund (Fund 3080). The federal government began funding state programs to assist people living with HIV to purchase antiretroviral medications in 1987. Since 1990 with the passage of the Ryan White Comprehensive AIDS Resources Emergency Act, now known as the Ryan White Program, the federal Health Resources and Services Administration (HRSA) provides funding to states for ADAP programs. In addition to federal funds, ADAP receives significant funding from mandatory and voluntary manufacturer rebates for ADAP drug expenditures.

ADAP Estimate – Governor's Budget. The November 2024 ADAP Local Assistance Estimate reflects revised 2024-25 expenditures of $392.5 million ($277.3 million ADAP Rebate Fund and $115.2 million federal funds), a decrease of $1.8 million or 0.4 percent compared to the 2024 Budget Act. According to CDPH, this decrease is primarily due staggered implementation of program enhancements adopted in the 2024 Budget Act using ADAP Rebate Funds, as well as not including funding for condom distribution in the November 2024 Estimate. Funding has subsequently been allocated for condom distribution and, according to CDPH, will be reflected in the May 2025 Estimate.

For 2025-26, CDPH estimates ADAP expenditures of $462.3 million ($352 million ADAP Rebate Fund and $110.3 million federal funds), an increase of $69.8 million or 17.8 percent compared to revised expenditures for 2024-25. According to CDPH, the significant increase in expenditures between 2025-26 and 2024-25, compared to the 2024 Budget Act, is due to implementation of program enhancements adopted in the 2024 Budget Act, including expanding eligibility from 500 to 600 percent of the federal poverty level, moving to an open formulary, and providing funding to support harm reduction.

ADAP Local Assistance Funding Summary		
Fund Source	**2024-25**	**2025-26**
0890 – Federal Trust Fund	$115,230,000	$110,263,000
3080 – AIDS Drug Assistance Program Rebate Fund	$277,277,000	$352,013,000
Total ADAP Local Assistance Funding	**$392,507,000**	**$462,276,000**

ADAP tracks caseload and expenditures by client group. CDPH estimates ADAP caseload and expenditures for 2024-25 and 2025-26 will be as follows:

Caseload by Client Group	**2024-25**	**2025-26**
Medication-Only	8,642	7,594
Medi-Cal Share of Cost	50	50
Private Insurance	9,215	9,168
Medicare	6,879	6,648
PrEP Assistance Program	7,720	8,921
TOTAL	**32,506**	**32,380**

Expenditures by Client Group	2024-25	2025-26
Medication-Only	$228,013,305	$249,523,961
Medi-Cal Share of Cost	$799,595	$908,835
Private Insurance	$107,924,777	$131,092,117
Medicare	$20,882,170	$26,510,933
PrEP Assistance Program	$20,528,177	$37,155,125
TOTAL	**$378,148,023**	**$445,190,972**

Costs for administration of ADAP are estimated to be $5.5 million in 2024-25 and $6.1 million in 2025-26. Costs for administration of PrEP-AP are estimated to be $5.4 million in 2024-25 and $5.4 million in 2025-26. Enrollment costs are estimated to be $7.8 million in 2024-25 and $8.3 million in 2025-26.

In addition, ADAP's pharmacy benefit manager, Magellan Rx Management, contracts with a safety net recovery vendor, Health Management Systems (HMS) to pursue recovery of paid claims when a liable third party is identified post-payment. CDPH estimates recoveries of $16.4 million in 2024-25 and $14.7 million in 2025-26.

ADAP Rebate Fund Loans to the General Fund. The 2024 Budget Act authorized a $500 million from the ADAP Rebate Fund to the General Fund to support the General Fund shortfall. The 2023 Budget Act similarly included a $400 million loan from the fund to the General Fund. According to CDPH, the fund is expected to maintain a reserve of $189.5 million after program expenditures in 2025-26. The loans are expected to be repaid in 2028-29.

ADAP Program Enhancements – Early Action Package. The 2024 Budget Act included expenditure authority from the ADAP Rebate Fund of $23 million and the Legislature approved budget bill language to implement the following program enhancements to reduce transmission of HIV/AIDS in California:

- *ADAP Program Eligibility Expansion***.** Beginning January 1, 2025, or as soon as is technically feasible thereafter, increase financial eligibility standards for ADAP and the Pre-Exposure and Post-Exposure Prophylaxis Assistance Program (PrEP-AP) from 500 percent of the federal poverty level to 600 percent of the federal poverty level.

- *Increase Cap on Premium Payments in Office of AIDS Health Insurance Premium Payment Program***.** Beginning January 1, 2025, or as soon as is technically feasible thereafter, increase the cap on premium payments from $1,938 to $2,996 per month for the Office of AIDS Health Insurance Premium Payment (OA-HIPP) program, the Employer-Based HIPP program, and the Medicare Premium Payment Program.

- *Open Formulary in ADAP***.** Beginning January 1, 2025, or as soon as is technically feasible thereafter, modify the ADAP formulary to an open formulary.

- *TGI Wellness and Equity Fund***.** Allocate $5 million annually for three years, beginning July 1, 2024, to the Transgender, Gender Nonconforming, and Intersex (TGI) Wellness and Equity Fund to fund services related to care and treatment for eligible individuals living with HIV and AIDS.

- *Harm Reduction Supply Clearinghouse***.** Allocate $10 million annually for three years, beginning July 1, 2024, to fund the Harm Reduction Supply Clearinghouse to fund HIV prevention supplies to California syringe access programs.

- *Office of AIDS Programs Needs Assessment and Analysis***.** Allocate $200,000, available until June 30, 2027, to support a needs assessment and analysis to identify needs for client navigation and retention services for clients enrolled in a Ryan White HIV/AIDS Program through the Office of AIDS.

- *PrEP Navigation Services Program Needs Assessment and Analysis***.** Allocate $200,000, available until June 30, 2027, to support a needs assessment and analysis aimed at understanding potential needs for PrEP Navigation Services Program.

- *Condom Distribution***.** Allocate $5 million, available until June 30, 2027, to distribute funding to a community-based organization to make internal and external condoms available to prevent the transmission of HIV and sexually transmitted infections.

The language also requires CDPH to submit, as part of the 2025-26 Governor's Budget, a plan for modernization and expansion of ADAP and related programs with a focus on addressing the epidemic of HIV/AIDS in California.

According to CDPH, because the language governing the condom distribution component of the program enhancements referenced approval of SB 954 (Menjivar), a policy bill from the 2024 legislative session that was vetoed by the Governor, this component was not included in the November 2024 ADAP Estimate. However, after subsequent discussions with CDPH and the Administration, the condom distribution component will be implemented and the costs included in the May 2025 ADAP Estimate.

ADAP Rebate Fund Cleanup – Trailer Bill Language Proposal. CDPH proposes trailer bill language to authorize the use of ADAP Rebate Fund for HIV prevention as part of the TGI Wellness and Equity Fund component of the ADAP program enhancements, as well as clarify that implementation of the condom distribution program is not linked to approval of any policy bill. Specifically, the language would:

1. Add "HIV prevention" to the list of allowable uses of ADAP Rebate Fund.

2. Transfer administration of the TGI Wellness and Equity Fund from the Office of Health Equity, to CDPH broadly.

3. Revise one of the authorized uses of TGI Wellness and Equity Fund resources to refer to "evidence-based therapeutic arts programs", rather than specifically referencing "dancing, painting, or writing".

4. Delay implementation date of the transfer from the ADAP Rebate Fund to the TGI Wellness and Equity Fund by one year, until July 1, 2025, to reflect the programmatic delay due to the need for these statutory changes.

5. Remove references to SB 954 from sections regarding the condom distribution program enhancement.

Subcommittee Staff Comment and Recommendation—Hold Open. Subcommittee staff recommends holding this item open to allow continued discussions in advance of the May Revision.

Questions. The subcommittee has requested CDPH and Department of Finance to respond to the following:

1. Please provide a brief overview of the major changes to the ADAP Estimate.

2. Please provide an overview of the two loans to the General Fund from the ADAP Rebate Fund, including the terms of repayment, the condition of the fund balance, and the expected repayment date.

3. Please provide a status update on implementation of each of the components of the ADAP Early Action program enhancements including, if applicable, the impacts on ADAP enrollment and expenditures.

4. Please describe the department's plan to engage stakeholders to develop an expenditure plan for the $900 million in ADAP Rebate Fund resources that will be repaid by the General Fund beginning in 2028-29.

Issue 4: Maintenance and Operations Support Public Health Information Technology Systems

Budget Change Proposals – Governor's Budget. CDPH requests General Fund expenditure authority to support three public health information technology (IT) systems.

CalCONNECT Maintenance and Operations. CDPH requests General Fund expenditure authority of $18 million in 2025-26. If approved, these resources would support maintenance and operations costs for the California Confidential Network for Contact Tracing (CalCONNECT), California's contact tracing system used to manage case and contact records and notify individuals of possible exposure to people who test positive for infectious diseases.

Multi-Year Funding Request Summary - CalCONNECT		
Fund Source	**2025-26**	**2026-27**
0001 – General Fund	$18,000,000	$-
Total Funding Request:	**$18,000,000**	**$-**
Total Requested Positions:	**0.0**	**0.0**

SaPHIRE Maintenance and Operations. CDPH requests 15 positions and General Fund expenditure authority of $27 million in 2025-26, $20.4 million in 2026-27, and $16.3 million annually thereafter. If approved, these positions and resources would support maintenance and operations of the Surveillance and Public Health Information Reporting and Exchange (SaPHIRE) system, an integrated data system that provides 24-hour processing of lab results for all reportable infectious diseases.

Multi-Year Funding Request Summary - SaPHIRE		
Fund Source	**2025-26**	**2026-27***
0001 – General Fund	$27,000,000	$20,400,000
Total Funding Request:	**$27,000,000**	**$20,400,000**
Total Requested Positions:	**15.0**	**15.0**

* Additional fiscal year resources requested – 2027-28 and ongoing: $16,300,000

CAIR3 Design, Development, and Implementation. CDPH requests General Fund expenditure authority of up to $5.1 million in 2025-26. If approved, these resources would support the design, development, and implementation of the California Immunization Registry 3 (CAIR3) Project, which would upgrade California's statewide immunization information system used to capture, store, track, and consolidate vaccination data.

Multi-Year Funding Request Summary - CalCONNECT		
Fund Source	**2025-26**	**2026-27**
0001 – General Fund	$5,100,000	$-
Total Funding Request:	**$5,100,000**	**$-**
Total Requested Positions:	**0.0**	**0.0**

Cal-CONNECT Maintenance and Operations

Background – CalCONNECT. The California Confidential Network for Contact Tracing (CalCONNECT) is California's system for case and outbreak investigation, contact tracing, symptom monitoring of exposed individuals, and communication with affected persons, including the dissemination of isolation and quarantine guidance to cases and contacts. CalCONNECT was developed during the COVID-19 pandemic and was recently expanded to support Mpox, tuberculosis, and sexually transmitted infections. CalCONNECT has also incorporated a new generic disease condition function that can be utilized for monitoring persons exposed to avian influenza, Ebola, and other infectious diseases. CalCONNECT also supports outbreak investigations by providing workplaces and schools streamlined ways to report exposure events directly to their LHD and CDPH. As a result of CalCONNECT's success related to COVID-19, numerous stakeholder groups, including local health jurisdictions, have requested that CDPH build upon the system and expand its functionality to support additional disease conditions that require case investigation and contact tracing, such as tuberculosis, human immunodeficiency virus (HIV), syphilis, perinatal hepatitis B, and measles.

The 2022 Budget Act included General Fund expenditure authority of $39.6 million in 2022-23 to provide maintenance and operations for one year to support and operate CalCONNECT. The one-year funding strategy was designed to allow CDPH to obtain ongoing maintenance and operations costs for CalCONNECT through a competitive process and include these costs in a proposal for 2023-24. CDPH engaged in a challenge-based procurement process in March 2022, resulting in a new contract with the existing vendor.

The 2023 Budget Act included General Fund expenditure authority of $74.4 million in 2023-24 for maintenance and operations for one year. According to CDPH, support for 2024-25 maintenance and operations was supported with federal funds that will not be available in subsequent years.

Resource Request – CalCONNECT. CDPH requests General Fund expenditure authority of $18 million in 2025-26 to support maintenance and operations costs for the California Confidential Network for Contact Tracing (CalCONNECT), California's contact tracing system used to manage case and contact records and notify individuals of possible exposure to people who test positive for infectious diseases. Specifically, CDPH requests these resources to support external technology service contracts, software licenses, and interdepartmental services. These services include system operations, system monitoring, ensuring compliance with the latest security and privacy policies, routine quality assurance, automated regression testing, help desk, and system modifications to remediate security findings. According to CDPH, the one-year funding strategy is designed to allow a transition of some maintenance and operations activities from contract staff to state staff, similar to the proposed transition for SaPHIRE discussed below.

SaPHIRE Maintenance and Operations

Background - SaPHIRE. The Surveillance and Public Health Information Reporting and Exchange (SaPHIRE), previously known as the California COVID Reporting System (CCRS), was implemented in October 2020 to address the challenges of managing COVID-19 laboratory data, providing upgraded capabilities for managing all communicable disease laboratory data sent electronically. During the COVID-19 pandemic, CDPH data systems were not able to manage the high volume of data associated

with COVID-19. According to CDPH, there were also substantial quality problems with the data, including: incomplete fields such as race and ethnicity, duplicate reports, incorrect or incomplete information for accurate patient matching, inconsistent use of codes and test labels for laboratory test and result values, system limitations to ingest and handle the rapid surge in lab result submissions, and architecture limitations that prevented adequate system performance monitoring.

In August 2020, during the height of the pandemic, CDPH conducted a challenge-based procurement to develop and implement the CCRS system. For the maintenance and operations phase of this project, CDPH engaged in a new, challenge-based procurement process in March 2022, resulting in a contract with a new vendor. A transition between the old and new vendor was completed by December 31, 2022.

The SaPHIRE system receives laboratory results for COVID-19 and other infectious diseases related to California residents from laboratories across the United States in accordance with state regulations. The great majority of laboratory results are submitted electronically and managed by the system. More than 350 entities are connected directly to this system and submit results on behalf of thousands of other entities, including laboratories that report their own results, and aggregators or hubs that report results for multiple laboratories. Incoming laboratory results are compared against existing laboratory results to identify, match, and remove duplicate records. Processed laboratory results are transferred to CDPH's Enterprise Rhapsody Gateway for routing to downstream public health systems, including CalREDIE, and the Los Angeles and San Diego County disease surveillance systems. Data processed through SaPHIRE is used to monitor infectious disease and testing trends.

The 2022 Budget Act included General Fund expenditure authority of $26.3 million in 2022-23 to provide maintenance and operations for one year to support and operate CCRS. The one-year funding strategy was designed to allow CDPH to obtain updated maintenance and operations costs through a competitive process and include these costs in a proposal for 2023-24. As part of the transition, CCRS was renamed to SaPHIRE to recognize that the system receives data for all reportable conditions, not just COVID-19.

The 2023 Budget Act included General Fund expenditure authority of $30.9 million in 2023-24 for maintenance and operations costs for SaPHIRE. These resources were approved to support integration and critical data exchange between SaPHIRE and other core CDPH systems, including the California Reportable Disease Information Exchange (CalREDIE) and the California Confidential Network for Contact Tracing (CalCONNECT).

The 2024 Budget Act included General Fund expenditure authority of $26.9 million in 2024-25 to support continued maintenance of SaPHIRE. Of this amount, $26.3 million supported technology service contracts, software licenses, and interdepartmental services, while $622,000 supported personnel costs to make permanent three redirected staff.

Staffing and Resource Request - SaPHIRE. CDPH requests 15 positions and General Fund expenditure authority of $27 million in 2025-26, $20.4 million in 2026-27, and $16.3 million annually thereafter to support maintenance and operations of the Surveillance and Public Health Information Reporting and Exchange (SaPHIRE) system, an integrated data system that provides 24-hour processing of lab results for all reportable infectious diseases. CDPH reports it plans to migrate the SaPHIRE system from the current vendor's environment to its in-house Azure environment, reducing operating costs and consolidating systems within the department's own infrastructure. In addition, CDPH plans to work with

the current vendor to migrate support services to reduce reliance on the vendor, beginning work in 2025-26, with completion and elimination of vendor costs in 2026-27. Specifically, CDPH requests the following positions and resources:

SaPHIRE Data Quality and Submitter Support Team – Seven positions

- **One Research Data Manager, two Research Data Specialist (RDS) II** positions, and **four RDS I** positions would provide data quality and submitter management support, including ongoing support for public health data submitters, management and resolution of data quality issues, and outreach. This workload is currently being supported by the SaPHIRE system vendor and would be brought in-house.

Information Technology Services Division (ITSD) Data Quality Support Team – Three positions

- **One Information Technology Specialist (ITS) II** position and **two ITS I** positions would provide technical expertise needed to transition the data quality analysis from the current vendor, and to support the SaPHIRE Data Quality and Submitter Support Team.

ITSD Data Warehouse Support Team – Two positions

- **Two ITS II** positions would provide technical expertise to transition data warehouse support from the vendor to CDPH staff including full maintenance and operations support of data transformation and load processes, monitoring of data warehouse processes, troubleshooting of issues, managing accounts, and continuously improving performance.

ITSD Reportable Conditions and Immunization Board Operations – Two positions

- **One ITS II** position and **one ITS I** position would operate, manage, and mature the governance processes for the Reportable Conditions and Immunizations (RCI) Board, including assisting the department and stakeholders to prioritize efforts and efficiently manage IT capacity and services to achieve both business and IT strategic objectives.

Administration Division – One position

- **One Associate Governmental Program Analyst** would support general administrative functions including budget building, human resources, contracting, purchasing, and conducting analytical and administrative support.

Contract Costs - $24.1 million

- Of the amount requested in this proposal, $24.1 million in 2025-26 would support technology service contracts, software licenses, and interdepartmental services related to the current vendor, while $2.9 million supports the personnel costs listed above. In 2026-27, of the $20.4 million total costs, $2.9 million continues to support personnel costs, but contract costs decrease to $17.5 million. In 2027-28 and annually thereafter, personnel costs continue at $2.9 million, while contract costs decrease to $13.4 million.

CAIR3 Design, Development, and Implementation

Background – CAIR3. AB 1797 (Weber), Chapter 582, Statutes of 2022, requires all administered vaccines in California to be reported to the state immunization registry, as of January 1, 2023. The California Immunization Registry 2 (CAIR2) is the statewide immunization information system used to capture, store, track, and consolidate vaccination data. According to CDPH, the COVID-19 pandemic highlighted significant weaknesses and limitations in the CAIR2 system due to the high volume of vaccination data traffic submitted after approval of the COVID-19 vaccine. The CAIR2 system was unable to sustain this level of traffic, causing system and data reporting delays. Specifically, CAIR2 suffered from the following limitations:

- Inability to support high volumes of incoming electronic data interchange messages.
- Ineffective patient matching leading to large numbers of duplicate patient records, resulting in inaccurate records of patient vaccine doses.
- Limited reporting ability for system users, including counties and health plans.
- Poorly performing dose replacement (historical vs. administered doses) and record update logic.
- Lack of ability to manage and schedule future vaccine doses.

As a result of these limitations, the federal Centers for Disease Control and Prevention (CDC) provided grant funding for the CAIR3 Project, to replace and address the limitations of CAIR2. According to CDPH, the CAIR3 Project is currently in Stage 3 of the California Department of Technology's Project Approval Lifecycle (PAL). According to CDPH, these efforts were supported by federal grant funds which have been exhausted. However, allocation of state funding will enable the department to secure federal matching funds to continue CAIR3 development.

Resource Request – CAIR3. CDPH requests General Fund expenditure authority of up to $5.1 million in 2025-26 to support the design, development, and implementation of the California Immunization Registry 3 (CAIR3) Project, which would upgrade California's statewide immunization information system used to capture, store, track, and consolidate vaccination data. According to CDPH, the Department of Health Care Services indicates federal Medicaid matching funds are available for this project, with a 90 percent federal match rate for the 70 percent of total Medicaid eligible patients covered by the system. This will result in $8.6 million federal funds and $5.1 million state funds. These funds would support vendor costs and redirected staff to continue design, development, and implementation of the CAIR3 Project.

California Vaccine Management System (myCAvax)

Background – myCAvax. The California Vaccine Management System (myCAvax) connects vaccination providers and local health departments with tools and functionality for managing and administering vaccines. The system supports the Vaccines for Children (VFC) program, Vaccines for Adults (VFA), and the LHD 317 and State General Fund vaccine programs for individuals with limited access to healthcare.

No Funding Proposed in the Governor's January Budget for myCAvax. The Governor's January budget includes no resources to continue myCAvax. According to advocates, continued operation of the system would cost $44 million.

Subcommittee Staff Comment and Recommendation—Hold Open. Subcommittee staff recommends holding this item open to allow continued discussions in advance of the May Revision.

Questions. The subcommittee has requested CDPH to respond to the following:

1. Please provide a brief overview of the CalCONNECT, SaPHIRE, and CAIR 3 proposals.

2. Why is CDPH proposing no resources for the continuation of the myCAvax system? What would be the cost to continue the system? What would be the consequences of allowing the system to shut down?

Issue 5: Biomonitoring California Funding Realignment

Budget Change Proposal – Governor's Budget. CDPH requests to shift two positions and General Fund expenditure authority of $425,000 to the Department of Toxic Substances Control (DTSC) annually, beginning in 2025-26. If approved, this shift of resources would transition funding directly to DTSC for laboratory services it currently provides under an interagency agreement. There is no net cost to the General Fund.

Multi-Year Funding Request Summary		
Fund Source	**2025-26**	**2026-27***
0001 – General Fund – CDPH	($425,000)	($425,000)
0001 – General Fund – DTSC	$425,000	$425,000
Total Funding Request:	**$-**	**$-**
Total Requested Positions:	**0.0**	**0.0**

* Resources ongoing after 2026-27.

Background. Biomonitoring is the measurement of chemicals or their metabolites in a person's body fluids or tissues, such as blood or urine. These measurements tell us the amount of the chemical that actually gets into people from all sources including air, soil, water, dust, and food combined. According to CDPH, biomonitoring can provide useful information on how much exposure to toxic chemicals a person has had.

SB 1379 (Perata), Chapter 599, Statutes of 2006, established the California Environmental Contaminant Biomonitoring Program. The program requires CDPH to utilize biological specimens to identify designated chemicals that are present in the bodies of Californians. Participants in the program must reflect the age, economic, racial, and ethnic composition of the state.

AB 164 (Committee on Budget), Chapter 84, Statutes of 2021, allocated nine positions and General Fund expenditure authority of $2 million to Biomonitoring California. These resources allowed CDPH to enter into an interagency agreement with DTSC to provide laboratory testing services for Biomonitoring California to assess chemical exposures in the state. According to CDPH, the regular renewal of the interagency agreement and processing fund transfers has created administrative delays in DTSC implementation of deliverables and prevents DTSC from hiring permanent positions for this workload.

Resource Request. CDPH requests to shift two positions and General Fund expenditure authority of $425,000 to the Department of Toxic Substances Control (DTSC) annually, beginning in 2025-26 to transition funding directly to DTSC for laboratory services it currently provides under an interagency agreement. There is no net cost to the General Fund.

According to CDPH and DTSC, this shift would support the permanent establishment of **two Research Scientist III** positions, which were previously limited term. These positions would continue to analyze specific toxic chemical contaminants in human and other biological samples from the current statewide biomonitoring program and population-based investigations, allowing timely dissemination of results and science-based decision making.

Subcommittee Staff Comment and Recommendation—Hold Open. Subcommittee staff recommends holding this item open to allow continued discussions in advance of the May Revision.

Questions. The subcommittee has requested CDPH to respond to the following:

1. Please provide a brief overview of this proposal.

Issue 6: Extension of Governor's Advisory Council on Physical Fitness and Mental Well Being

Budget Change Proposal and Budget Bill Language – Governor's Budget. CDPH requests reappropriation of General Fund expenditure authority of $2.5 million, originally approved in the 2022 Budget Act. CDPH also requests provisional budget bill language to extend encumbrance and expenditure authority for these funds through June 30, 2027. If approved, these reappropriated resources would continue to support the Governor's Advisory Council on Physical Fitness and Mental Well Being.

Background. On June 16, 2021, Governor Newsom announced the formation of the Governor's Advisory Council on Physical Fitness and Mental Well-Being, a new advisory council tasked with exploring health strategies to ensure Californians can thrive. With a special emphasis on child physical and mental health, the council is led and convened by First Partner Jennifer Siebel Newsom and Pro Football Hall of Fame inductee and former San Francisco 49ers cornerback Ronnie Lott. The council includes representatives from health and wellness organizations, youth sports programs, education, the entertainment and fitness industry, and others from around the state. The council's activities include:

- Advising on the development of physical activity and wellness goals for Californians of all ages
- Advising on methods to increase awareness among all age groups, particularly children and youth, about how physical activity, sport, nutrition, and mental wellness contribute to healthy and productive lives
- Encouraging inter-generational physical fitness activities including the use of physical activity and sport to strengthen families
- Facilitating collaboration among federal, state, and local agencies, education, business, industry, the private sector, and others in the promotion of physical activity and mental wellness.

According to CDPH, councils of this type have been convened under several previous governors, beginning in 1993 with an Executive Order from Governor Pete Wilson. The 1993 council was charged with developing fitness goals for school children and Californians of all ages, creating public awareness campaigns, and encouraging coordination between governments, education, and the private sector in the promotion of physical fitness. In 2005, Governor Arnold Schwarzenegger launched a new council as a non-profit organization that would raise funds and hire its own staff. The goal of the 2005 council was to promote physical activity of all Californians, with an emphasis on children and youth, to reduce the risk of diseases such as type 2 diabetes and obesity and to contribute to academic success.

The 2022 Budget Act included three positions and General Fund expenditure authority of $10 million, available until June 30, 2025, to support the Council.

Reappropriation Request and Budget Bill Language Proposal. CDPH requests reappropriation of General Fund expenditure authority of $2.5 million, originally approved in the 2022 Budget Act, and provisional budget bill language to extend encumbrance and expenditure authority for these funds through June 30, 2027, to continue support for the Governor's Advisory Council on Physical Fitness and Mental Well Being.

Subcommittee Staff Comment and Recommendation—Hold Open. Subcommittee staff recommends holding this item open to allow continued discussions in advance of the May Revision.

Questions. The subcommittee has requested CDPH to respond to the following:

1. Please provide a brief overview of this proposal.

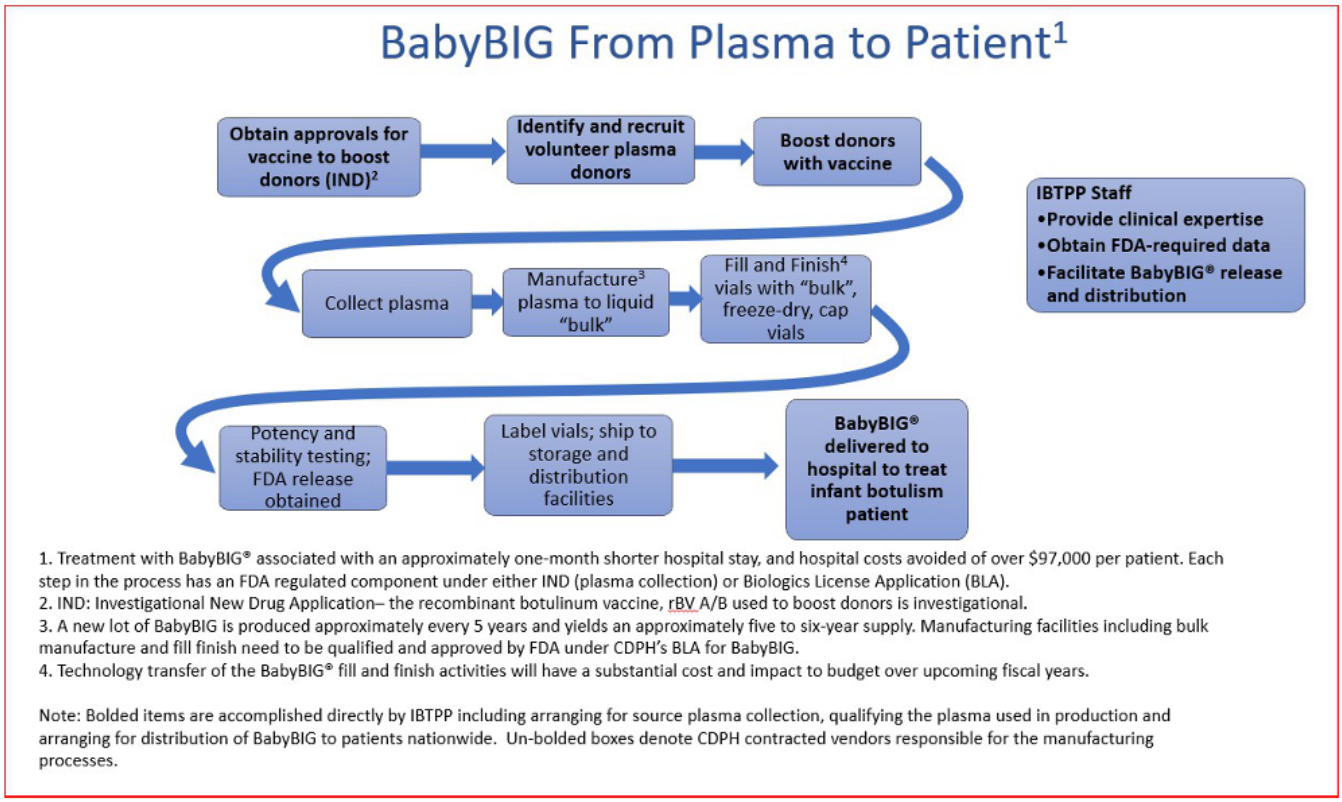
Issue 7: BabyBIG Infant Botulism Treatment and Prevention Program

Budget Change Proposal – Governor's Budget. CDPH requests two positions and expenditure authority from the Infant Botulism Treatment and Prevention Fund of $3 million in 2025-26 and $2.2 million annually thereafter. If approved, these positions and resources would support the increased manufacturing and regulatory costs associated with producing Lots 8 and 9 of Human Botulism Immune Globulin Intravenous (BabyBIG), used for the treatment of infant botulism.

Multi-Year Funding Request Summary		
Fund Source	**2025-26**	**2026-27***
0272 – Infant Botulism Treatment and Prevention Fund	$3,000,000	$2,200,000
Total Funding Request:	**$3,00,000**	**$2,200,000**
Total Requested Positions:	**2.0**	**2.0**

* Positions and resources ongoing after 2026-27.

Background. BabyBIG is an orphan drug that consists of human-derived anti-botulism-toxin antibodies and is approved by the U.S. Food and Drug Administration (FDA) for the treatment of infant botulism types A and B. BabyBIG is the only licensed treatment for infant botulism in the United States, and CDPH is the only source of BabyBIG in the world. BabyBIG is distributed nationwide for a fee to treat patients with infant botulism, as required by the Federal Orphan Drug Act and California law. The U.S. Food and Drug Administration (FDA) licensed BabyBIG to CDPH in October 2003. The license for BabyBIG stipulates using specified processes, facilities, and equipment. There is presently only one facility in the world approved by FDA for production of BabyBIG, Shire Biotechnology in Los Angeles.



Production of Lots 8 and 9 of BabyBIG. CDPH reports it plans to undertake a technology transfer of the BabyBIG fill and finish activities, in which the vial is filled with bulk product, it is freeze-dried, and the vial is capped and sealed. This transfer is required due to the acquisition of the existing fill and finish vendor by another company. CDPH reports there will be additional costs associated with updated regulatory filings to update the BabyBIG Biologics License Application. In addition, CDPH plans to implement a fee increase, effective July 1, 2025, from $57,300 to $69,300, from hospitals requesting BabyBIG. These fee increases support the increased regulatory and manufacturing costs associated with BabyBIG.

Staffing and Resource Request. CDPH requests two positions and expenditure authority from the Infant Botulism Treatment and Prevention Fund of $3 million in 2025-26 and $2.2 million annually thereafter to support the increased manufacturing and regulatory costs associated with producing Lots 8 and 9 of Human Botulism Immune Globulin Intravenous (BabyBIG), used for the treatment of infant botulism. Specifically, CDPH requests the following positions and resources:

Infant Botulism Treatment and Prevention Program (IBTPP) – Two positions

- **One Public Health Medical Officer III** position would supervise IBTPP regulatory staff and initiate, lead, direct, supervise, administer, maintain, and improve CDPH production of BabyBIG.

- **One Research Scientist Supervisor II** position would supervise all epidemiological staff and contract vendor staff and collaborate on all epidemiological activities related to infant botulism.

Subcommittee Staff Comment and Recommendation—Hold Open. Subcommittee staff recommends holding this item open to allow continued discussions in advance of the May Revision.

Questions. The subcommittee has requested CDPH to respond to the following:

1. Please provide a brief overview of this proposal.

Issue 8: Laboratory Field Sciences Fees

Trailer Bill Language – Governor's Budget. CDPH requests trailer bill language to address inconsistencies in licensure fees for clinical laboratories and laboratory personnel, tissue banks, and biologics facilities, including allowing CDPH to increase fees, establish a fee methodology to administer the program, update the phlebotomist certification fee from a biennial to an annual fee, and make other technical corrections.

Background. The Laboratory Field Services (LFS) branch at CDPH safeguards the health of Californians by ensuring accurate and reliable clinical and public health laboratory testing, safe and reliable sources of human tissue and blood for transplantation and transfusion, and safe and effective biologics produced from human tissue and blood. LFS is responsible for licensure, inspection, proficiency testing, and oversight of clinical and public health labs, tissue banks, biologics facilities, and blood banks. LFS also has oversight over education, training, examination, and licensure of laboratory personnel.

Applications for issuance or renewal of clinical and public health laboratory licenses under LFS' jurisdiction are subject to licensing fees. These fees are currently calculated by dividing the current fiscal year appropriation to the Clinical Laboratory Improvement Fund (CLIF), which supports LFS programs, by the General Fund appropriation to LFS in the preceding fiscal year. According to CDPH, utilizing this formula will result in the CLIF being insolvent by 2027-28 due to expenditures outpacing revenues. For 2024-25, LFS revenue will be $13.7 million with projected expenditures of $17.5 million.

In addition, application for licensure or renewal for tissue banks require a $950 fee, adjusted annually in the Budget Act. However, CDPH indicates that the Tissue Bank License Fund, which supports this program, will be insolvent by 2028-29 due to projected expenditures outpacing revenues.

Trailer Bill Language Proposal. CDPH requests trailer bill language to address inconsistencies in licensure fees for clinical laboratories and laboratory personnel, tissue banks, and biologics facilities, including allowing CDPH to increase fees, establish a fee methodology to administer the program, update the phlebotomist certification fee from a biennial to an annual fee, and make other technical corrections. Specifically, the language would:

- Replace the existing CLIF licensure and renewal fee calculation with a requirement that the annual adjustment be done by the department to cover the estimated licensing program costs. This is similar to other licensing programs administered by CDPH.

- Replace the existing tissue bank licensure and renewal fee calculation with a requirement that the annual adjustment be done by the department to cover the estimated licensing program costs.

- Charge $100 for the application and annual renewal fee for a phlebotomist's certification.

- Make other technical changes.

Subcommittee Staff Comment and Recommendation—Hold Open. Subcommittee staff recommends holding this item open to allow continued discussions in advance of the May Revision.

Questions. The subcommittee has requested CDPH to respond to the following:

1. Please provide a brief overview of this trailer bill language proposal.

2. What would be the expected percent change in licensure and/or renewal fees for applicants in each of these programs?

Issue 9: Women, Infants, and Children (WIC) Program Estimate

WIC Program Estimate – Governor's Budget. The November 2024 Women, Infants, and Children (WIC) Program Estimate includes total expenditure authority of $1.4 billion ($1.2 billion federal funds and $188.3 million WIC manufacturer rebate funds) in 2024-25 and $1.5 billion ($1.2 billion federal funds and $186.4 million WIC manufacturer rebate funds) in 2025-26. The federal fund amounts include state operations costs of $69.5 million in 2024-25 and $71.1 million in 2025-26.

Women, Infants, and Children (WIC) Funding Summary			
	2024-25	**2025-26**	**BY to CY**
Fund Source	***Revised***	***Proposed***	***Change***
0890 – Federal Trust Fund			
State Operations:	$69,473,000	$71,105,000	$1,632,000
Local Assistance:	$1,183,504,000	$1,227,125,000	$43,624,000
3023 – WIC Manufacturer Rebate Fund			
Local Assistance:	$188,288,000	$186,443,000	($1,845,000)
Total WIC Expenditures	**$1,441,265,000**	**$1,484,673,000**	**$43,408,000**

Background. The WIC program provides nutrition services and food assistance for pregnant, breastfeeding, and non-breastfeeding individuals, infants, and children up to their fifth birthday at or below 185 percent of the federal poverty level. WIC program services include nutrition education, breastfeeding support, assistance with finding health care and other community services, and vouchers for specific nutritious foods that are redeemable at WIC-authorized retail food outlets throughout the state. The WIC program receives federal funds from the United States Department of Agriculture (USDA) under the federal Child Nutrition Act of 1966. Specific uses of WIC Program funds are governed by federal laws and regulations, and CDPH must report funds and expenditures monthly.

The WIC program's food expenditures are funded by a combination of federal grants and rebates from manufacturers of infant formula. Federal WIC regulations require that state WIC programs have sole supplier rebate contracts in place with infant formula manufacturers for milk-based and soy-based infant formula. As infant formula is provided to WIC recipients, the program receives a rebate from the manufacturer which is used to fund additional food expenditures. In addition to food expenditures, the program receives federal funds from the Nutrition Services and Administration (NSA) grant, which are used to contract with local agencies for direct services provided to WIC families including intake, eligibility determination, benefit issuance, nutrition education, breastfeeding support, and referrals to health and social services. The NSA grant also funds state operations for administering the WIC program.

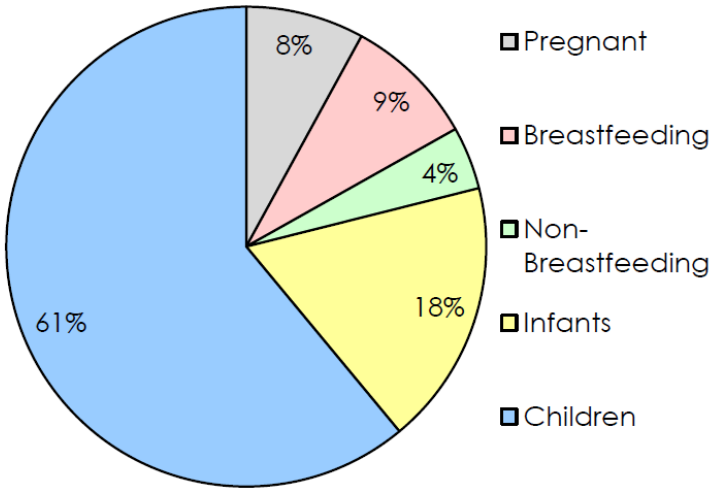
WIC Participant Caseload. Food expenditures are divided into five participant categories, each with special nutrition needs that influence food costs:

- **Pregnant individuals** are eligible for the WIC program at any point in their pregnancy, and receive supplemental foods high in protein, calcium, iron, folate and folic acid, vitamin A, and vitamin C to support optimal fetal development.

- **Breastfeeding individuals** are eligible for benefits up to their infant's first birthday, and receive an enhanced supplemental food package with foods high in protein, calcium, iron, vitamin A, and vitamin C to support caloric needs during breastfeeding.
- **Non-breastfeeding individuals** are eligible for benefits up to six months post-partum, and receive a supplemental food package to help in rebuilding nutrient stores, especially iron and calcium, and achieving a healthy weight after delivery.
- **Infants** are eligible from birth until one year of age. The WIC Program promotes breastfeeding as the optimal infant feeding choice due to its many health, nutritional, economic, and emotional benefits to parents and babies. Infants may also receive supplemental foods that are rich in protein, calcium, iron, zinc, vitamin A, and vitamin C during this critical period of development.
- **Children** are eligible from age one up to age five, and receive supplemental foods rich in protein, calcium, iron, vitamin A, and vitamin C. These nutrients have been shown to be lacking in the diets of children who qualify for WIC benefits and are needed to meet nutritional needs during critical periods of development.

According to the WIC program Estimate, WIC participation by category, as of 2023-24, was as follows:

CHART 1:
Percentage of CA WIC Participation by Category: FY 2023-24



Participant Category	Annual Average Monthly Participation 2023-24
Pregnant	78,828
Breastfeeding	87,727
Non-Breastfeeding	41,844
Infants	176,938
Children	603,088
TOTAL	**988,425**

Caseload Estimates. The budget assumes 1,010,675 average monthly WIC participants in 2024-25, an increase of 36,804 or 3.9 percent compared to the average monthly actual WIC participants in 2023-24. The budget assumes 1,031,891 average monthly WIC participants in 2025-26, an increase of 21,216, or 2.1 percent, compared to the revised estimate for 2024-25.

Food Expenditures Estimate. The budget includes $1 billion ($841.8 million federal funds and $188.3 million WIC Manufacturer Rebate Fund) in 2024-25 for WIC program food expenditures, a decrease of $29.9 million or 2.8 percent, compared to estimates included in the 2024 Budget Act. According to CDPH, the decrease in costs is due to a decrease in estimated participation offset by a slight increase in per participant food costs. Food inflation is estimated to be 2.05 percent compared to 1.99 percent estimated in the 2024 Budget Act. In addition, WIC manufacturer rebate revenue is projected at $188.3 million, which is an increase of $4.3 million or 2.3 percent compared to estimates in the 2024 Budget Act. According to CDPH, this increase in rebate revenue is attributable to an increase in projected infant participation compared to estimates in the 2024 Budget Act.

The budget includes $1.1 billion ($885.4 million federal funds and $186.4 million WIC Manufacturer Rebate Fund) in 2025-26 for WIC program food expenditures, an increase of $41.8 million or 3 percent compared to the revised 2024-25 food expenditures estimate. According to CDPH, this increase in costs is driven by a moderate food inflation rate of 1.92 percent slightly offset by a reduced participation forecast for 2025-26. In addition, WIC manufacturer rebate revenue is projected at $186.4 million, a decrease of $1.8 million or 1 percent compared to the revised 2024-25 estimate.

Nutrition Services and Administration (NSA) Estimate. The budget includes $341.7 million for other local assistance expenditures for the NSA budget in 2024-25 and 2025-26, an increase of $19.7 million or 6.1 percent compared to estimates in the 2024 Budget Act. The budget also includes $69.5 million for state operations expenditures in 2024-25, a decrease of 0.01 percent from the level assumed in the 2024 Budget Act, and $71.1 million in 2025-26, an increase of $1.6 million or 2.3 percent from the revised 2024-25 estimate. According to CDPH, this increase is due to baseline adjustments and additional position and expenditure authority approved in the 2024 Budget Act to support WIC Modernization.

Subcommittee Staff Comment and Recommendation—Hold Open. Subcommittee staff recommends holding this item open to allow continued discussions in advance of the May Revision.

Questions. The subcommittee has requested CDPH to respond to the following:

1. Please provide a brief overview of the caseload and expenditure changes for the WIC program.

2. Please provide an update on participation in the program as a percentage of eligible individuals in the state.

Issue 10: Genetic Disease Screening Program (GDSP) Estimate

Genetic Disease Screening Program Estimate – Governor's Budget. The November 2024 Genetic Disease Screening Program Estimate includes expenditure authority from the Genetic Disease Testing Fund of $175.1 million ($38.6 million state operations and $136.5 million local assistance) in 2024-25, and $176.3 million ($37.4 million state operations and $138.9 million local assistance) in 2025-26.

Genetic Disease Screening Program (GDSP) Funding Summary			
	2024-25	**2025-26**	**BY to CY**
Fund Source	***Revised***	***Proposed***	***Change***
0203 – Genetic Disease Testing Fund			
State Operations:	$38,625,000	$37,447,000	($1,178,000)
Local Assistance:	$136,476,000	$138,854,000	$2,378,000
Total GDSP Expenditures	**$175,101,000**	**$176,301,000**	**$1,200,000**

Background. According to CDPH, the Genetic Disease Screening Program (GDSP) performs the following tasks to support its mission:

- Screens newborns and pregnant individuals for genetic and congenital disorders in a cost-effective and clinically effective manner. The screening programs provide testing, follow-up, and early diagnosis of disorders to prevent adverse outcomes or minimize clinical effects.
- Ensures quality of analytical test results and program services by developing standards and quality assurance procedures, and monitoring compliance.
- Fosters informed participation in its programs in an ethical manner through a combination of patient, professional, and public education, and accurate and up-to-date information and counseling.
- Provides ongoing critical review, testing, and evaluation of existing programs to ensure program objectives and goals are being met.
- Develops programs to adopt new methods and implement new services that further enhance the effectiveness and efficiency of current and future prevention programs.
- Promotes use of high-quality consumer education materials on genetic disorders, screening for birth defects and genetic services.

GDSP operates two primary screening programs: the Newborn Screening Program and the Prenatal Screening Program. Caseload and expenditures for these programs are reflected in the GDSP Estimate along with operational support costs for the programs.

Newborn Screening (NBS) Program. Newborn screening, recognized nationally as an essential preventive health measure, began in California in 1966 with the testing of infants for phenylketonuria (PKU). In 1980, the program was expanded to include galactosemia, primary congenital hypothyroidism, and included a more comprehensive follow-up system. In 1990, screening for sickle cell disease was added to the screening program, which allows for identification of related non-sickling hemoglobin disorders, including beta-thalassemia major, and Hb E/beta thalassemia. In 1999, the program implemented screening for hemoglobin H and hemoglobin H - Constant Spring disease. In 2005 the screening panel was expanded to include additional metabolic disorders and congenital adrenal hyperplasia (CAH), and

in 2007, the screening panel was expanded to include cystic fibrosis (CF) and biotinidase deficiency (BD). In 2010, Severe Combined Immunodeficiency (SCID) was added to the screening panel.

According to CDPH, disorders screened for by the program have varying degrees of severity and, if identified early, many can be treated before they cause serious health problems. Between 1980 and 2017, 18,920,529 babies were screened resulting in early identification of the following disorders:

Disorder	Cases
Phenylketonuria (PKU)	1,264
Primary Congenital Hypothyroidism	7,857
Galactosemia	1,018
Sickle Cell Disease and other clinically significant Hemoglobinopathies	5,006
Biotinidase Deficiency (BD)	209
Cystic Fibrosis (CF)	636
Congenital Adrenal Hyperplasia (CAH)	376
Metabolic Fatty Acid Oxidation Disorders	741
Metabolic Amino Acid Disorders (other than PKU)	203
Metabolic Organic Acid Disorders	518
Other Metabolic Disorders	62
Severe Combined Immunodeficiencies	75
X-Linked Adrenoleukodystrophy (ALD) and Other Peroxisomal Disorders	50
TOTAL	**18,015**

The NBS program currently screens infants in California for more than 80 separate disorders. Pursuant to SB 1095 (Pan), Chapter 363, Statutes of 2016, two additional disorders, Mucopolysaccharidosis type I (MPS-I) and Pompe disease, were added to the screening panel in 2018. In addition, as conditions are added to the federal Recommended Uniform Screening Panel (RUSP), SB 1095 requires them to be added to the NBS program screening panel within two years. The current fee for screening in the NBS program is currently $226.

NBS Caseload Estimate: The budget estimates NBS program caseload of 399,861 in 2024-25, a decrease of 306 or 0.1 percent, compared to 2023-24 actual total caseload of 399,555. The budget estimates NBS program caseload of 395,705 in 2025-26, a decrease of 4,156 or 1 percent, compared to the revised 2024-25 estimate. These estimates are based on state projections of the number of live births in California. CDPH assumes 100 percent of children born in California will participate in the NBS program annually.

Prenatal Screening (PNS) Program. The Prenatal Screening (PNS) program provides prenatal screening services and follow-up diagnostic services, where indicated, to all pregnant individuals in California to detect birth defects during pregnancy. The program offers two types of prenatal screening:

- Cell-free DNA (cfDNA) Screening - Cell-free DNA (cfDNA) is a non-invasive screening test for fetal chromosomal abnormalities that relies on extraction of maternal and fetal cells from a pregnant individual's blood sample. cfDNA can detect chromosomal abnormalities and birth defects including trisomy 21 (Down syndrome), trisomy 18 (Edwards syndrome), trisomy 13 (Patau syndrome), and sex chromosome aneuploidies. cfDNA can also detect all single and twin pregnancies. Compared to the

metabolic screening methods previously used by PNS, cfDNA screening results in fewer false positives and better accuracy resulting in fewer pregnant individuals being referred for diagnostic follow-up services.

- Maternal Serum Alpha-Fetoprotein (MSAFP) Screening – Alpha-fetoprotein (AFP) is a protein mainly produced in the fetal liver and released into the maternal serum (MSAFP) and amniotic fluid. A small amount crosses the placenta and becomes measurable in the maternal serum towards the end of the first trimester. Levels rise steadily through the second trimester. This screening detects neural tube defects, such as open spina bifida or anencephaly, which result in higher than normal MSAFP in maternal serum.

For pregnant individuals with screening results indicating a high risk for a birth defect, the program provides free follow-up diagnostic services at state-approved Prenatal Diagnosis Centers (PDCs). Services offered at these centers include genetic counseling, ultrasound, and amniocentesis. Participation in the screening testing and follow-up services is voluntary and the fee for testing through the PNS program is $334. This represents an increase of $112 from the previous fee level to support cfDNA screening and the addition of prenatal screening for sex chromosome aneuploidy (SCA). Of the total fee, $324 is deposited into the Genetic Disease Testing Fund (GDTF) and $10 is deposited in the California Birth Defect Monitoring Fund. There is a separate fee for neural tube defect (NTD) screening of $85, of which $75 is deposited in the GDTF and $10 is deposited in the California Birth Defect Monitoring Fund.

PNS Caseload Estimate: The budget estimates PNS program caseload of 202,771 cfDNA specimens in 2024-25, an increase of 331 or 0.2 percent, compared to 2023-24 actual total caseload of 202,440 specimens. The budget estimates PNS program caseload of 205,817 cfDNA specimens in 2025-26, an increase of 3,046 or 1.5 percent, compared to the revised 2024-25 estimate. These estimates are based on state projections of the number of live births in California, with 50.5 percent projected to participate in PNS in 2024-25 and 51.7 percent in 2025-26.

Subcommittee Staff Comment and Recommendation—Hold Open. Subcommittee staff recommends holding this item open to allow continued discussions in advance of the May Revision.

Questions. The subcommittee has requested CDPH to respond to the following:

1. Please provide a brief overview of the caseload and expenditure changes for the Newborn Screening Program.

2. Please provide a brief overview of the caseload and expenditure changes for the Prenatal Screening Program.

Issue 11: Genetic Counselor License Fees

Trailer Bill Language – Governor's Budget. CDPH requests trailer bill language to authorize the establishment of fees for genetic counselor licensure by regulation, rather than fixed in statute.

Background. California's genetic counselors support expecting parents in the nation's only state supported prenatal screening program and one of the largest newborn screening programs in the world. Genetic counselors are responsible for interpretation of family and medical histories to assess the chance of disease occurrence or recurrence, and education about genetic diseases and related resources and research.

CDPH is responsible for licensure of genetic counselors. Applications for genetic counseling licensure or renewal require a fee established in state law. Currently, the fee for an original or renewal of a genetic counselor license is not to exceed $200, while the fee for a temporary genetic counselor license is set at $200. Collected fees are deposited into the Genetic Disease Screening Fund to support the Genetic Disease Screening Program (GDSP).

According to CDPH, while fees collected through the various GDSP programs have increased over time, the state has not increased fees for the genetic counselor license since the inception of the program in 2011. The current fee structure does not support the operational costs of the licensure program or the anticipated increase in systems and services, which will update application technology. The program is experiencing an operational deficit that is currently covered by the Genetic Disease Testing Fund (GDTF) 0203.

Trailer Bill Language Proposal. CDPH requests trailer bill language to authorize the establishment of fees for genetic counselor licensure by regulation, rather than fixed in statute. Specifically, the language would:

1) Amends genetic counselor licensure fee provisions to require the fee, and any subsequent adjustments, to be established by regulation in order to meet the reasonable costs of the licensure program.

2) Amends temporary genetic counselor licensure fee provisions to align with those established by regulation for genetic counselor licensure fees.

Subcommittee Staff Comment and Recommendation—Hold Open. Subcommittee staff recommends holding this item open to allow continued discussions in advance of the May Revision.

Questions. The subcommittee has requested CDPH to respond to the following:

1. Please provide a brief overview of this proposed trailer bill language.

2. What would be the average fee increase for genetic counselors if this language were to be approved?

Issue 12: Center for Health Care Quality Estimate

Center for Health Care Quality Program Estimate – Governor's Budget. The budget includes expenditure authority for the Center for Health Care Quality of $486.1 million ($7.5 million General Fund, $137.3 million federal funds, and $341.3 million special funds and reimbursements) in 2024-25, an increase of $11.5 million or 2.4 percent compared to assumptions in the 2024 Budget Act, and $486.1 million ($5 million General Fund, $139.3 million federal funds, and $341.9 million special funds and reimbursements) in 2025-26, an increase of $65,000 or 0.01 percent compared to the revised 2024-25 estimate. According to CDPH, the increase in 2024-25 is attributable to baseline adjustments and a projected increase in federal grant expenditures, while the increase in 2025-26 is attributable primarily to an increase in federal expenditure authority, various baseline adjustments, and four budget change proposals: 1) Policy and Legislation Branch Expansion; 2) Internal Department Quality Improvement Account; 3) Health Care Services: Artificial Intelligence (AB 3030); and 4) Long-Term Healthcare Facilities: Payment Source and Resident Census (SB 1354).

CHCQ Funding Summary, November 2024 Estimate		
Fund Source	**2024-25**	**2025-26**
0001 – General Fund	$7,460,000	$4,963,000
0890 – Federal Trust Fund	$137,345,000	$139,266,000
0942 – Special Deposit Fund		
Internal Departmental Quality Improvement Account	$1,565,000	$4,301,000
State Health Facilities Citation Penalty Account	$2,144,000	$2,144,000
Federal Health Facilities Citation Penalty Account	$9,024,000	$4,152,000
0995 – Reimbursements	$15,613,000	$15,648,000
3098 – Licensing and Certification Program Fund	$312,910,000	$315,652,000
Total CHCQ Funding	**$486,061,000**	**$486,126,000**
Total CHCQ Positions	**1548.9**	**1560.2**

Background. CDPH's Center for Health Care Quality, Licensing and Certification Program (L&C) is responsible for administering the licensure, regulation, inspection, and certification of health care facilities and certain health care professionals in California. The program is organized into 14 district offices and Los Angeles County, which operates under a contract with the L&C program. L&C staff conduct periodic inspections and investigation of complaints and entity-reported incidents to ensure health care facilities comply with state and federal laws and regulations. L&C also contracts with the federal Centers for Medicare and Medicaid Services (CMS), which provides federal funding to ensure that facilities accepting Medicare and Medi-Cal payments comply with federal laws and regulatory requirements. L&C licenses and certifies over 14,000 health care facilities and agencies in California in 30 different licensure and certification categories. In addition to facility oversight, L&C oversees the certification of certified nurse assistants, home health aides, hemodialysis technicians, and the licensing of nursing home administrators.

Subcommittee Staff Comment and Recommendation—Hold Open. Subcommittee staff recommends holding this item open to allow continued discussions in advance of the May Revision.

Questions. The subcommittee has requested CDPH to respond to the following:

1. Please provide a brief overview of the Center for Health Care Quality, including regulatory responsibilities, organizational structure, funding, and performance.

2. Please provide an update on the L&C Program's vacancy rate, particularly for the HFEN classification, and the results of recent efforts to improve vacancy rates.

3. Please provide an update on the most current timeliness metrics for investigation of complaints and entity-reported incidents.

Issue 13: Center for Health Care Quality Internal Department Quality Improvement (IDQIA)

Budget Change Proposal – Governor's Budget. CDPH requests expenditure authority from the Internal Departmental Quality Improvement Account of $3.1 million in 2025-26. If approved, these resources would support planning and implementation costs for the Centralized Application Branch (CAB) Online Licensing Application Project.

Program Funding Request Summary		
Fund Source	**2025-26**	**2026-27**
0942 – Special Deposit Fund	$3,086,000	$-
Total Funding Request:	**$3,086,000**	**$-**
Total Requested Positions:	**0.0**	**0.0**

Background. The Centralized Application Branch (CAB) within the Center for Health Care Quality (CHCQ) processes health care facility licensure and certification applications for CHCQ, including all applications for initial facility licenses, changes to existing licenses, licensure renewals, and conducts activities associated with license expiration and license revocation. CAB processes applications on a first-in, first-out basis and often works with applicants to address incomplete or inaccurate application materials. CAB receives over 15,000 applications annually. Most of the application processing is manual and requires health care facilities to submit various required forms and supporting documentation to CAB via United States Postal Service mail, fax, or email.

AB 2798 (Maienschein), Chapter 922, Statutes of 2018, requires an automated application system to process licensing applications from general acute care hospitals and acute psychiatric hospitals. AB 2798 also authorizes utilization of resources from the Internal Departmental Quality Improvement Account (IDQIA), upon appropriation by the Legislature, to support this project. According to CDPH, the automated license application submission system went live in late 2019, reducing many cumbersome manual processes for hospital applications, eliminating the ability to submit an incomplete application, and reducing back and forth communications around incomplete applications. This system receives 1,000 applications annually with approximately 3,000 end users and an average of 537 technical tickets annually.

For the remaining 33 provider types other than general acute care hospitals and acute psychiatric hospitals licensed and certified by CHCQ, the application submission and review process has remained manual and paper based. As a result, CHCQ is requesting resources to support the CAB Online Licensing Application Project, which proposes to refresh, enhance, and expand the technology of CAB's original automated license application system to enable all 35 healthcare facility provider types to submit applications electronically, as well as to have the flexibility to add new facility types in the future. The project also seeks to integrate the license application submission system with other CHCQ systems, including the Electronic Licensing Management System (ELMS) and enable facilities to pay licensing fees electronically. According to CDPH, the project is currently in Stage 3 of the California Department of Technology's Project Approval Lifecycle (PAL) process and the project is expected to begin in June 2027.

Resource Request. CDPH requests expenditure authority from the Internal Departmental Quality Improvement Account of $3.1 million in 2025-26 to support planning and implementation costs for the Centralized Application Branch (CAB) Online Licensing Application Project. Specifically, CDPH

requests these resources to support **one Information Technology Specialist II** position (limited-term) to support the CAB Online Project implementation and maintenance. The position would support the completion of the planning stage and initiate implementation activities, including developing the scopes of work, contract terms with performance measures and outcomes, and requests for offers to solicit bids from contractors.

Subcommittee Staff Comment and Recommendation—Hold Open. Subcommittee staff recommends holding this item open to allow continued discussions in advance of the May Revision.

Questions. The subcommittee has requested CDPH to respond to the following:

1. Please provide a brief overview of this proposal.

Issue 14: Center for Health Care Quality Policy and Legislation Branch Expansion

Budget Change Proposal – Governor's Budget. CDPH requests seven positions and expenditure authority from the Licensing and Certification Fund of $1.1 million annually. If approved, these positions and resources would support expansion of the Center for Health Care Quality's Public Policy and Legislative Branch.

Multi-Year Funding Request Summary		
Fund Source	**2025-26**	**2026-27***
3098 – Licensing and Certification Fund	$1,138,000	$1,138,000
Total Funding Request:	**$1,138,000**	**$1,138,000**
Total Requested Positions:	**7.0**	**7.0**

* Positions and resources ongoing after 2026-27.

Background. The Center for Health Care Quality's (CHCQ) Public Policy and Legislative Branch researches, analyzes, and communicates CHCQ's policies and legal requirements to internal and external audiences to support safe, effective, and quality health care for all Californians. The branch is also responsible for promulgation of regulations required by enacted state law.

Currently, CHCQ has a total of 33 pending regulations packages that consist of over 75 topics or sub-packages that must be completed. According to CDPH, this number has the potential to increase each year with each passing legislative session. Many CHCQ regulations have not been updated in decades, and some facilities have never had state regulations. Of the existing regulations, many were implemented prior to the use of computers, tablets, smartphones, and modern medical technology; as such, they are severely outdated. CDPH reports that, because many regulations are so outdated, CHCQ frequently uses the program flex process to allow facilities to meet regulatory requirements using alternative methods to implement more current technologies or approaches to care. As part of this process, facilities submit a program flex request to CDPH asking to meet the intent of the specific state regulation using an alternative method. CDPH staff review each request to determine if the facility can still provide services in safe and reliable manner if the request is granted. While facilities operate under federal regulations, there are many instances where state statute is different than federal requirements and thus it is imperative that California has clear regulatory requirements for facilities.

According to CDPH, the CHCQ Regulation Section currently consists of the following staff:

- One Staff Services Manager II to oversee the section
- One Staff Services Manager I to oversee two units
- Five Associate Governmental Program Analysts to write regulations
- One Associate Governmental Program Analyst to serve as fiscal staff.

Based on this level of staffing, CDPH estimates it would take roughly 20 years for this section to complete each of the pending 33 regulation packages. CDPH is requesting additional staff in this branch to support its regulations backlog and ongoing workload.

Staffing and Resource Request. CDPH requests seven positions and expenditure authority from the Licensing and Certification Fund of $1.1 million annually to support expansion of the CHCQ Public Policy and Legislative Branch. Specifically, CDPH requests the following positions and resources:

- **One Staff Services Manager I** position would supervise and manage staff in a second Regulations Writing Unit in the branch, determine unit priorities, create project plans and monitor staff progress, assist in preparation of special projects, prepare annual staff performance and probation reports, and conduct hiring interviews and complete hiring packages and other personnel actions.

- **Five Health Program Specialist I** positions would act as program experts to independently develop regulation packages, perform independent research and analysis of statutory program requirements, coordinate and facilitate pre-notice stakeholder meetings, advise management on strategies to develop and promote regulations of statewide significance.

- **One Associate Governmental Program Analyst** would independently identify economic impacts for regulation packages, independently develop cost estimating methodology and fiscal analyses for regulations, perform independent research and data analysis of statutory program requirements, lead in advising management on strategies to develop and promote regulations of statewide significance.

Subcommittee Staff Comment and Recommendation—Hold Open. Subcommittee staff recommends holding this item open to allow continued discussions in advance of the May Revision.

Questions. The subcommittee has requested CDPH to respond to the following:

1. Please provide a brief overview of this proposal.

Issue 15: Special Deposit Sub-Fund Conversion to Special Funds

Budget Change Proposal and Trailer Bill Language – Governor's Budget. CDPH requests conversion of four special deposit sub-funds to their own, separate special funds. These special deposit funds include the Internal Departmental Quality Improvement Account (IDQIA), the Skilled Nursing Facility Minimum Staffing Penalty Account, the State Health Facilities Citation Penalties Account, and the Federal Health Facilities Citation Penalties Account.

CDPH also requests trailer bill language to implement these fund shifts.

Background. According to CDPH, the Center for Health Care Quality (CHCQ) receives federal grant funds through Title XVIII and Title XIX from the Center for Medicare and Medicaid Services, licensing fees paid by health care facilities, and penalties payments from various health facilities for violations of state or federal laws or regulations. These payments are deposited in sub-funds within the state's Special Deposit Fund (Fund 0942). These sub-funds include:

- Internal Departmental Quality Improvement Account (IDQIA) – Health and Safety Code Section 1280.15(f) establishes the IDQIA and provides that "moneys in the account shall be expended for internal quality improvement activities in the Licensing and Certification Program." The account is funded by administrative penalties CDPH imposes against health facilities for violations that meet the definition of immediate jeopardy of death or serious harm to a patient or administrative penalties associated with breaches of medical information.
- Skilled Nursing Facility Minimum Staffing Penalty Account – Health and Safety Code Section 1276.66(a)(1) establishes the Skilled Nursing Facility Minimum Staffing Penalty Account, which collects administrative penalties from skilled nursing facilities that violate nursing hours or direct care service hours per patient per day requirements. Resources in the account are continuously appropriated, without regard to fiscal years, to CDPH to support implementation of skilled nursing facility oversight of these requirements.
- State Health Facilities Citation Penalties Account – Health and Safety Code Section 1417.2(a) establishes the State Health Facilities Citation Penalties Account, which receives revenues from civil penalties in violation of state law by health facilities.
- Federal Health Facilities Citation Penalties Account – Health and Safety Code Section 1417. 2(a) establishes the Federal Health Facilities Citation Penalties Account, which receives revenues from civil penalties in violation of federal law by health facilities.

Fund Shifts and Trailer Bill Language Proposal. CDPH requests conversion of four special deposit sub-funds to their own, separate special funds, including the Internal Departmental Quality Improvement Account (IDQIA), the Skilled Nursing Facility Minimum Staffing Penalty Account, the State Health Facilities Citation Penalties Account, and the Federal Health Facilities Citation Penalties Account. According to CDPH, shifting these special deposit sub-funds to special funds would increase transparency of expenditures from these funds, as there are currently no official fund condition statements provided with annual budget documents. Lack of fund condition statements makes it more difficult to track revenues, expenditures, and the fund balance.

CDPH also requests trailer bill language to implement these shifts. The language would:

- Abolish the IDQIA sub-fund, create a new IDQIA special fund, and transfer the balance from the IDQIA sub-fund to the new IDQIA fund.
- Abolish the Skilled Nursing Facility Minimum Staffing Penalty Account, create a new Skilled Nursing Facility Minimum Staffing Penalty Account Fund, and transfer the balance from the sub-fund to the new special fund.
- Abolish the State Health Facilities Citation Penalties Account, create a new State Health Facilities Citation Penalties Account special fund, and transfer the balance from the sub-fund to the new special fund.
- Abolish the Federal Health Facilities Citation Penalties Account, create a new Federal Health Facilities Citation Penalties Account special fund, and transfer the balance from the sub-fund to the new special fund.

Subcommittee Staff Comment and Recommendation—Hold Open. Subcommittee staff recommends holding this item open to allow continued discussions in advance of the May Revision.

Questions. The subcommittee has requested CDPH to respond to the following:

1. Please provide a brief overview of these proposed fund shifts.

Issue 16: Implementation of Chaptered Legislation – AB 1775, AB 1282, AB 3030, SB 1354

AB 1775 (Haney)

Legislative Budget Change Proposal (AB 1775) – Governor's Budget. CDPH requests one position and General Fund expenditure authority of $183,000 annually. If approved, this position and resources would support implementation of secondhand cannabis smoke guidance pursuant to the requirements of AB 1775 (Haney), Chapter 104, Statutes of 2024.

Multi-Year Funding Request Summary – AB 1775		
Fund Source	**2025-26**	**2026-27***
0001 – General Fund	$138,000	$138,000
Total Funding Request:	**$138,000**	**$138,000**
Total Requested Positions:	**1.0**	**1.0**

* Position and resources ongoing after 2026-27.

Background. AB 1775 (Haney), Chapter 1004, Statutes of 2024, creates a new category of food service workers who would be unprotected from secondhand cannabis smoke exposure. The bill authorizes local jurisdictions to permit cannabis retailers to make and sell non-cannabis food and drinks, and sell tickets for live music or other performances on sites where cannabis consumption is permitted. AB 1775 also requires that employees at cannabis consumption sites are provided with written guidance from CDPH on secondhand cannabis smoke. As CDPH does not have existing guidance on secondhand cannabis smoke, additional staff and resources are required to develop this guidance.

Staffing and Resource Request. CDPH requests one position and General Fund expenditure authority of $183,000 annually to support implementation of secondhand cannabis smoke guidance pursuant to the requirements of AB 1775. Specifically, CDPH requests the following position:

- **One Health Program Specialist II** would be responsible for coordinating with subject matter experts and stakeholders to develop and disseminate guidance about secondhand cannabis smoke for workers at cannabis consumption sites.

AB 1282 (Lowenthal)

Legislative Budget Change Proposal (AB 1282) – Governor's Budget. CDPH requests expenditure authority from the Behavioral Health Services Fund of $463,000 in 2025-26 and $232,000 in 2026-27. If approved, these resources would support development and submission of a report to the Legislature on a statewide strategy to address the mental health risks linked to the use of social media in children and youth, pursuant to the requirements of AB 1282 (Lowenthal), Chapter 807, Statutes of 2024.

Multi-Year Funding Request Summary – AB 1282		
Fund Source	**2025-26**	**2026-27**
3085 – Behavioral Health Services Fund	$463,000	$232,000
Total Funding Request:	**$463,000**	**$232,000**

Total Requested Positions:	**0.0**	**0.0**

Background. According to CDPH, the number of children and youth using social media and time spent engaging with social media continues to grow, and children and youth are reporting higher levels of negative mental health. Although there are growing concerns about the impacts of social media on children and youth mental health, social media remains mostly unregulated. California has not developed a statewide strategy to address these concerns. The U.S. Surgeon General notes that both the positive and negative impact of social media on youth mental health is related to multiple complex factors and that more research is needed to fully understand those impacts. In 2022, a Pew Research Group survey reported that 32 percent of teens said social media has had a mostly negative effect on people their age, while 32 percent of teens said social media has had a positive effect on themselves. In addition, the survey reported that 80 percent of teens said that they felt more connected to what was happening in their friends' lives and 71 percent reported having a place to show their creative side through using social media.

AB 1282 (Lowenthal), Chapter 807, Statutes of 2024, requires CDPH to report to the Legislature a statewide strategy to understand, communicate, and mitigate mental health risks associated with the use of social media by children and youth to at least four identified legislative committees. AB 1282 includes three specific topics the report must include: 1) recommendations to strengthen children and youth resiliency strategies; 2) California's use of mental health services related to social media use; and 3) any barriers to receiving the relevant data.

AB 1282 also specifies five areas CDPH should explore in developing the report:

1. The types of social media.
2. The child and youth populations that use social media, including disproportionate rates and impacts among specific groups.
3. Opportunities to support resilience and mental well-being among children and youth around social media use.
4. Negative behavioral health risks, which includes mental health and substance misuse associated with social media use and misuse among children and youth.
5. The factors that contribute to positive, negative, and neutral impacts among various populations of children and youth.

AB 1282 also requires CDPH to engage with children and youth to prioritize their perspective and to consult with the California mental health community. The report is due by December 31, 2026.

Resource Request. CDPH requests expenditure authority from the Behavioral Health Services Fund of $463,000 in 2025-26 and $232,000 in 2026-27 to support development and submission of a report to the Legislature on a statewide strategy to address the mental health risks linked to the use of social media in children and youth, pursuant to the requirements of AB 1282 (Lowenthal), Chapter 807, Statutes of 2024. Specifically, CDPH requests the following resources:

- **One Health Program Specialist II** position (limited-term) would review and develop meeting and focus group materials, provide expertise in prevention and health education best practices, oversee the contractor, provide project management support, and lead development of the report to the Legislature.

- **One Research Scientist II** position (limited-term) would review materials relevant to report and meeting topics, analyze current data and information, prepare materials for meetings, summarize and synthesize information, and contribute to the development of the report to the Legislature.

- **Contract Resources** – CDPH also requests expenditure authority of $100,000 in 2025-26 and $50,000 in 2026-27 to support contract resources for community engagement. This external contractor would support engagement with children and youth, with a focus on transition-age youth, at-risk populations, in-need populations, and underserved cultural and linguistic populations. The contractor would also support CDPH consultation with the mental health community groups identified in AB 1282, including consumers, providers, and educators.

AB 3030 (Calderon)

Legislative Budget Change Proposal (AB 3030) – Governor's Budget. CDPH requests three positions and expenditure authority from the Licensing and Certification Fund of $672,000 annually. If approved, these positions and resources would support enforcement of requirements that health care service providers that use artificial intelligence to provide patient communications include a disclaimer and instructions describing how a patient may contact a human health care provider or other appropriate person, pursuant to the requirements of AB 3030 (Calderon), Chapter 848, Statutes of 2024.

Multi-Year Funding Request Summary – AB 3030		
Fund Source	**2025-26**	**2026-27***
3098 – Licensing and Certification Fund	$672,000	$672,000
Total Funding Request:	**$672,000**	**$672,000**
Total Requested Positions:	**3.0**	**3.0**

* Positions and resources ongoing after 2026-27.

Background. According to CDPH, as artificial intelligence becomes increasingly integrated in our health care systems, it is important to maintain the trust between a patient and their provider, while ensuring the accuracy of information being communicated to patients. AB 3030 (Calderon), Chapter 848, Statutes of 2024, requires specified entities that use generative artificial intelligence (GenAI) to generate verbal or written patient communications pertaining to patient clinical information to ensure those communications include both a disclaimer that GenAI generated the communication and clear instructions describing how the patient may contact a human health care provider or other appropriate person. Entities covered by the bill's requirements include clinics and health facilities, which are under the licensing oversight of CDPH.

Staffing and Resource Request. CDPH requests three positions and expenditure authority from the Licensing and Certification Fund of $672,000 annually to support enforcement of requirements that health care service providers that use artificial intelligence to provide patient communications include a disclaimer and instructions describing how a patient may contact a human health care provider or other appropriate person, pursuant to the requirements of AB 3030. Specifically, CDPH requests the following positions and resources:

- **Three Health Facilities Evaluator Nurse** positions would support enforcement of the requirements of AB 3030 on the 15,000 health facilities and clinics with active licenses regulated by CDPH. This

request assumes 40 percent of facilities use some form of GenAI, resulting in the need to review 6,000 facilities, and two hours of review per facility, resulting in 12,000 hours of workload during each two-year renewal cycle. As each nurse can manage 1,800 hours of work each year, three positions are needed to complete the required reviews.

CDPH also indicates that it plans to absorb workload for the period between the bill's effective date, January 1, 2025, and the beginning of the new fiscal year on July 1, 2025. These costs are estimated at $390,000.

SB 1354 (Wahab)

Legislative Budget Change Proposal (SB 1354) – Governor's Budget. CDPH requests 1.25 positions and expenditure authority from the Licensing and Certification Fund of $307,000 annually. If approved, these positions and resources would support oversight of skilled nursing facility requirements to make daily resident census and nurse staffing data available, pursuant to the requirements of SB 1354 (Wahab), Chapter 339, Statutes of 2024.

Multi-Year Funding Request Summary – SB 1354		
Fund Source	**2025-26**	**2026-27**
3098 – Licensing and Certification Fund	$307,000	$307,000
Total Funding Request:	**$307,000**	**$307,000**
Total Requested Positions:	**1.25**	**1.25**

Background. According to CDPH, older adults on Medi-Cal have struggled to find skilled nursing facilities (SNFs) willing to accept them because providers want higher reimbursement rates from private pay residents and Medicare beneficiaries. Low-income seniors are often forced to move away from family, friends, and their healthcare support team because they are denied access to a local facility due to the lower Medi-Cal reimbursement rates. Residents, families of residents, and the public have been demanding greater accountability of SNFs for many years now. SNFs receive funds from the Department of Health Care Services (DHCS) to accommodate both Medicare and Medicaid residents for their voluntary participation that requires an agreement certifying under penalty of perjury they will adhere to all state and federal laws, which include a prohibition against Medi-Cal discrimination. Despite these laws, for decades, nursing homes have found numerous ways of discriminating to reduce their Medi-Cal population and free beds up to make way for more lucrative private pay or Medicare residents.

SB 1354 (Wahab), Chapter 339, Statutes of 2024, requires all SNFs to make their current daily resident census and nurse staffing data available to the public by either posting it on the facility's website or by responding to telephonic requests. The bill also requires that long-term care health facilities certified by Medi-Cal provide the same care, services, and benefits to Medi-Cal beneficiaries as they do the public.

Staffing and Resource Request. CDPH requests 1.25 positions and expenditure authority from the Licensing and Certification Fund of $307,000 annually to support oversight of skilled nursing facility requirements to make daily resident census and nurse staffing data available, pursuant to the requirements of SB 1354. Specifically, CDPH requests the following staff and resources:

- **1.25 Health Facility Evaluator Nurse** would travel to and conduct in-depth surveys of healthcare facilities to determine compliance with state licensing and federal certification requirements including SB 1354 compliance, travel to and conduct investigations of facilities in response to complaints regarding patient care and healthcare delivery in licensed healthcare facilities, attend and present both written and verbal testimony for various enforcement-related proceedings, attend meetings and participate in local programs to improve uniform compliance in healthcare facilities, and advise and assist healthcare facility administrators in matters related to state requirements.

CDPH also indicates that it plans to absorb workload for the period between the bill's effective date, January 1, 2025, and the beginning of the new fiscal year on July 1, 2025. These costs are estimated at $190,000.

Subcommittee Staff Comment and Recommendation—Hold Open. Subcommittee staff recommends holding these items open to allow continued discussions in advance of the May Revision.

Questions. The subcommittee has requested CDPH to respond to the following:

1. Please provide a brief overview of these proposals.

NOT FOR PRESENTATION

Issue 17: Proposals for Investment

Proposals for Investment. The subcommittee has received the following proposals for investment:

ADAP Investments to End the Epidemic. Over the last two fiscal years, the ADAP Rebate Fund has provided loans to the General Fund of $900 million to address General Fund shortfalls in those fiscal years. The End the Epidemics Coalition, a coalition of 11 organizations, request expenditure authority from the ADAP Rebate Fund, after repayment of the General Fund loans, of $151 million in 2025-26, $350 million in 2026-27, and $250 million in 2027-28, to make the following investments in reducing transmission and ending the epidemic of HIV/AIDS in California:

- *Preventing Service Cuts to Equitable HIV Prevention.* $15 million, ongoing, to Office of AIDS (OA) to prevent service cuts to equity-informed, CDC-funded HIV-prevention activities, in the likely case that this funding is discontinued after the current funding period ends. CDC already attempted to discontinue the funding immediately, but was unsuccessful due to a court order. Focusing limited HIV-prevention resources on the populations at highest risk of HIV is not only the right thing to do, but the most efficient use of taxpayer dollars. If ADAP Rebate Fund dollars are not allocated to supplant reduced CDC funding, HIV-prevention services prioritizing Black/African-American and Latine populations, as well as the transgender community, across California will come to an end.

- *Youth Health Equity and Safety Act.* $5 million, ongoing (beginning in 2027-28), to sustain funding for the Youth Health Equity and Safety Act (Senate Bill 954), which helps supply schools with condoms in order to address rising STI rates among young people. Currently allocated funding for SB 954 will end in 2026-27.

- *TGI Wellness and Equity Fund.* $10 million, beginning in 2027-28 (and reduced to $6 million, ongoing, beginning in 2029-30), to sustain funding for the Transgender, Nonconforming, and Intersex (TGI) Wellness and Equity Fund, which provides grants for new or existing programs focused on TGI healthcare. Currently allocated funding for the Fund will end in 2026-27.

- *DIS Syndemic Workforce Supplemental Funding Grant.* $9 million in 2025-26, and $18 million in 2026-27 and 2027-28, to CDPH to partially replace rescinded funding from the federal DIS Syndemic Workforce Supplemental Funding Grant. This federal funding supported the hiring and training of disease-investigation specialists (DIS), vital public-health professionals who conduct outreach to locate and link to care people diagnosed with HIV and other infectious diseases, like Mpox and bird flu.

- *Routine Opt-Out Testing in Emergency Departments (ROOT-ED).* $15 million in 2025-26 and $15 million in 2026-27 to OA to expand a pilot program created by the Legislature to help emergency departments establish routine, opt-out testing for HIV, hepatitis C, and syphilis. This appropriation would allow the pilot to expand from 28 sites to 73 sites.

- *Hepatitis C Testing Equipment.* $1 million in 2025-26 and $1 million in 2027-28 to CDPH to support the purchase of rapid hepatitis C virus (HCV) testing equipment by facilities serving highly HCV-impacted populations (e.g., substance use disorder treatment facilities). The recent development of a rapid HCV test offers a high-potential opportunity to test people for HCV and link those who test positive to treatment on the same day. However, the equipment needed to analyze the new rapid test is currently prohibitively expensive for many service-providers.

- *ADAP COBRA Bridge.* $500,000 in 2025-26, $500,000 in 2026-27, and $500,000 in 2027-28 to OA for a program to maintain continuous health-insurance coverage for people living with HIV (PLWH) who experience a short-term loss of income. Currently, PLWH whose incomes have dropped to 138 percent of the federal poverty level or below are required to enroll in Medi-Cal, even if they expect to be eligible for only a brief time. This program would instead allow them to maintain their employer-provided coverage (via COBRA) until their income increases, avoiding both harmful disruptions in their HIV care and costly "churn" in the Medi-Cal program.

- *Medi-Cal Waiver Program.* $10 million, ongoing, to DHCS to supplement reimbursement rates for certain services provided under the Medi-Cal Waiver Program (MCWP, formerly known as the AIDS Waiver). The MCWP provides case management, nursing, attendant care, and other services for PLWH who need help to live independently and avoid institutionalization. This appropriation will empower MCWP service providers to compete in the healthcare labor market, at a time when the aging population of PLWH means that MCWP services are more needed than ever.

- *Oral Healthcare.* $10 million, ongoing, to OA for Oral Health Care services in the HIV Care Program. People living with HIV are at higher risk of oral-health issues such as cavities and bone loss around teeth. At the same time, they commonly lack meaningful access to oral healthcare. Directing additional funding to local health departments and community organizations will expand the oral-health resources available to PLWH.

- *Short-Term Rental Assistance.* $50 million, beginning in 2025-26 (and reduced to $11 million, ongoing, beginning in 2029-30) to OA to support short-term rental assistance for people living with HIV who are experiencing houselessness (PLWH-EH). A large body of research demonstrates that housing instability is correlated with poor HIV health outcomes–including death. Housing instability is also critical to HIV prevention since studies clearly link instability in housing with increased risk of HIV infection. Unfortunately, at least 5,000 PLWH in California are experiencing houselessness. This appropriation will address this issue–while bringing resources only available for HIV services to bear on our state's larger houselessness crisis. Short-term rental assistance (up to 24 months) and long-term assistance (more than 24 months) require separate appropriations due to RWHAP regulations.

- *Long-Term Rental Assistance.* $7.5 million in 2025-26, increased to $24 million in 2026-27 and 2027-28 (and reduced to $1 million, ongoing, beginning in 2029-30) to OA to support long-term rental assistance for PLWH-EH.

- *HIV Care Program.* $28 million in 2025-26, $161 million in 2026-27, and $94 million in 2027-28 (then reduced to $27 million in 2028-29) to OA to allocate to counties that currently receive HIV Care Program funding, fully utilize their funding, but can demonstrate that they still have unmet needs. The HIV Care Program allocates funds from RWHAP to counties for a variety of allowable services for

PLWH, including mental health services, substance abuse outpatient care, and medical case management.

- *Linkage to Care.* $3 million, ongoing, to OA for grants to organizations providing linkage to care for people who are living with HIV and experiencing houselessness, substance-use disorder (SUD), and/or mental-health issues. Counties across the state continue to see new HIV transmissions and higher viral loads among people experiencing houselessness and people who use drugs. Organizations providing harm-reduction services and linkage to SUD services for those populations are best equipped to identify people living with HIV, build trust, link them to HIV care, and follow up to ensure they are staying in care.

- *Overdose Prevention***.** $2.5 million in 2025-26, increased to $6 million in 2026-27 and 2027-28 (and reduced to $3 million, ongoing, beginning in 2029-30) to OA for grants to organizations providing overdose-prevention and other harm-reduction services. Accidental drug overdose has quickly become a leading cause of death for people living with or at highest risk for HIV. This funding will support innovative overdose-prevention services, including drug-checking services co-located with programs reaching people at the highest risk of overdose. Drug checking is an evidence-based strategy that has proven effective at engaging people in services and providing education and information to people at the highest risk of overdose.

Amyotrophic Lateral Sclerosis (ALS) Wraparound System of Care. The ALS Network requests General Fund expenditure authority of $3.5 million annually until 2029-30 to support continued funding for the ALS Wraparound System of Care, initiated in the 2018 Budget Act and extended in the 2021 and 2022 Budget Acts. According to the ALS Network, the ALS Wraparound System of Care enables better health outcomes and improved quality of life in ALS patients by funding a care model that supports at-home care, avoiding unnecessary hospitalizations and ER visits, and avoiding financial catastrophe.

This program is designed to address medical, social, emotional, and financial challenges of living with ALS by providing a continuum of care that emphasizes coordination and collaboration among expert care managers, social workers, and health care providers in clinical, community and home-based settings.

The program funds Regional Care Managers that support patients and families in connecting them to care and treatment options, advocating with insurance companies and government entities, providing consultations and coordinating treatment plans, providing medical and transportation equipment, and more.

Sexual and Reproductive Health Information. Essential Access Health, and ACCESS Reproductive Justice request General Fund expenditure authority of $5 million in 2025-26, available over three years, to support expansion of the state's abortion information website: abortion.ca.gov. According to these organizations, Abortion.ca.gov was created by SB 1142 (Caballero) in response to Roe v. Wade being overturned to share timely and accurate information about abortion access in California, provide linkages to time-sensitive care, and combat disinformation. Subject matter experts were consulted in the initial creation of the website, and ongoing consultation is needed to ensure that the site is meeting the needs of Californians served by the site and those forced to travel to California, reflective of the most up to date

information and responsive to policy changes at the state and federal levels. The site must also continue to counter abortion misinformation and disinformation that has surged in prevalence. Additional investments and updates are needed as emerging and anticipated federal threats are expected to worsen the national abortion access landscape, embolden and empower fake clinics, and result in further proliferation of disinformation that harms public health by delaying access to time-sensitive care.

The current website was created in response to Roe v. Wade being overturned and understandably focused on abortion only. Amidst new and emerging threats to sexual and reproductive health care, the website needs to be updated to include broader information regarding comprehensive sexual and reproductive health services and information (e.g. birth control, minors' rights, gender-affirming care, etc.)

Scientific, evidence-based, medically-accurate and inclusive sexual and reproductive health information, including clinical practice guidelines and public health data and research, have been altered and removed from federal websites, and it is clear these federal sites can no longer be trusted for evidence-based, unbiased sexual and reproductive health information. California, as a trusted state action must step in to host sexual and reproductive health information historically relied on and made available on federal websites.

It is imperative to increase public awareness so that members of the public know that this critical resource for time-sensitive, trusted information is available to them.

The requested funding would ensure that the state website, abortion.ca.gov, is expanded, updated, and maintained by a non-profit organization with content expertise that partners with CDPH. The expansion would include, among other things, a person's legally protected rights to the full range of sexual and reproductive health care services and information, and sexual and reproductive health information historically relied on and made available on federal websites.

The organization that CDPH partners with to update and maintain the website would regularly consult with a Stakeholder and Community Workgroup to determine and update the information and resources posted.

CDPH would ensure public awareness of the website through a broad range of strategies, including but not limited to disseminating governmental newsletters and notifications from relevant departments and public universities, and partnering with one or more community-based organizations with experience administering sexual and reproductive health public awareness campaigns in the state to develop public education and outreach activities to increase public awareness about the website through a broad range of strategies.

Subcommittee Staff Comment and Recommendation—Hold Open. Subcommittee staff recommends holding these items open to allow continued discussions in advance of the May Revision.