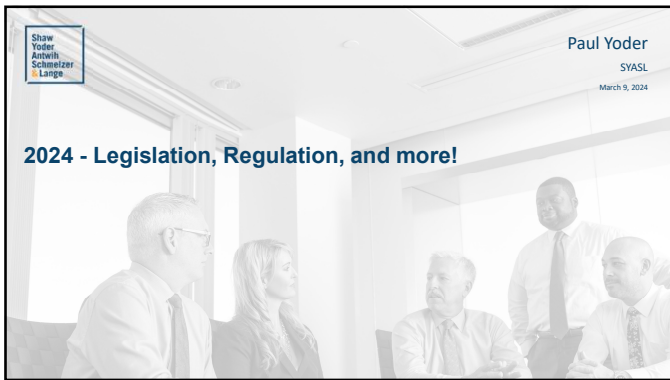
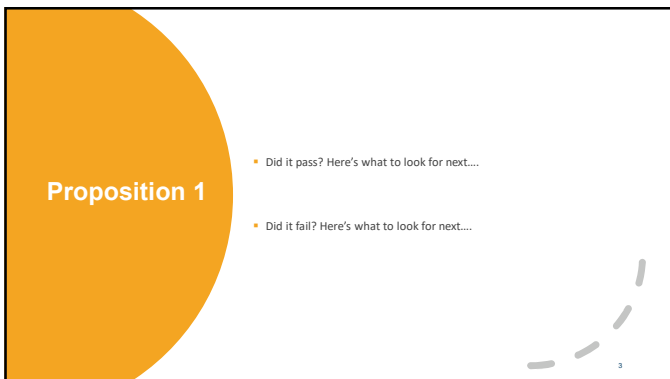


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State Budget

CARE Act Implementation -The Governor's budget continues to fund the CARE Act implementation at \$292 million -- no change from the proposed amount in the current year budget. The total funds are for the state, counties, and court implementation.

Behavioral Health Continuum Infrastructure Program -The Governor's budget assumes that \$140.4 million General Fund associated with Round 6 in the BHCP program is delayed from 2024-25 to 2025-26. Behavioral Health Bridge Housing The Governor's budget delays \$265 million from the Mental Health Services Fund (MHSF) in 2023-24 to 2024-25 and replaces it with General Fund, addressing a reduction in the amount of MHSF projected to be available. Additionally, the Governor's budget delays the remaining \$235 million General Fund appropriation originally intended for 2024-25 to 2025-26.

Healthcare Workforce -The Governor's budget includes a delay of \$140.1 million General Fund to 2025-26 for the nursing and social work initiatives administered by the Department of Health Care Access and Information. Given lower-than-projected Mental Health Services Act revenue, the Governor's budget also delays \$189.4 million Mental Health Services Fund to 2025-26 for the social work initiative, addition psychiatry fellowships, university and college grants for behavioral health professionals, expanding Master of Social Work slots, and the local psychiatry behavioral health program. Despite the delays, the Governor's budget maintains \$974.6 million (General Fund and Mental Health Services Fund) for these initiatives; however, the funds will go out later than originally planned.

4

State Budget

Managed Care Organization (MCO) Tax - In December 2023, the federal government approved California's Managed Care Organization Provider Tax (MCO Tax), effective April 1, 2023, through December 31, 2026. Given the projected \$37.9 billion budget shortfall, the Administration is seeking early action by the Legislature to request that the federal government approve an amendment to increase the tax to achieve \$20.9 billion in total funding to the state, an increase of \$1.5 billion compared to the approved MCO Tax. The Governor's budget proposes \$12.9 billion to support the Medi-Cal program and maintain a balanced budget, and \$8 billion for targeted rate increases and investments from this MCO Tax. As proposed, the MCO Tax helps maintain existing services in the Medi-Cal program and minimizes the need for reductions in the program. The Governor's budget includes \$2.8 billion (\$1.2 billion Medi-Cal Provider Payment Reserve Fund) in 2024-25 and approximately \$6.5 billion (\$2.7 billion Medi-Cal Provider Payment Reserve Fund) in 2025-26 for targeted rate increases and investments consistent with the 2023-24, of which \$727 million (\$291 million Medi-Cal Provider Payment Reserve Fund) annually is for Medi-Cal provider rate increases effective January 1, 2024. DHCS indicates that a memorandum will be forthcoming later this week with additional details about the proposed provider rate increases. Additionally, there will be trailer bill language on the provider rate increases released in February.

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MCO Tax

Spending Plan: Calendar Year 2024 through Fiscal Year (FY) 2027-28

Category ¹	Estimated MPPPE (Millions)	% of Annual Spend
Primary Care and Specialty Care		62%
Primary Care (Maternal Care and Mental Health) (prior FY 7/1/24)	\$291	11%
Physician and Non-Physician Health Professional Services ²	\$975	37%
Community and Hospital Outpatient Procedures and Services	\$245	9%
Abortion and Family Planning Access	\$90	3%
Services and Supports for DHCS and BHCS	\$50	2%
Emergency and Inpatient Care		21%
Emergency Department (ED) (Facility and Physician) Services	\$355	14%
Designated Public Hospitals	\$150	6%
Ground Emergency Medical Transportation	\$50	2%
Behavioral Health		11%
Behavioral Health Throughput (Items 7/1/24)	\$100	4%
Healthcare Workforce		6%
Graduate Medical Education (started 1/1/2024)	\$75	3%
Medi-Cal Workforce Pool - Labor Management Committee	\$75	3%
Total	\$2,055	100%
Delayed Hospital Loan Program (one-time FY 2023-24)	\$150	
Small and Rural Hospital Relief for Seismic Assessment and Construction (one-time FY 2023-24)	\$50	

6

Universal Health Care

- AB 2200 (Kalra) - The California Guaranteed Health Care for All program, or CalCare, to provide comprehensive universal single-payer health care coverage and a health care cost control system for the benefit of all residents of the state.
- Speaker Rivas almost immediately says passage unlikely in 2024 due to state budget problems.
- Assembly Speaker Robert Rivas stated that the latest effort to bring universal health care to California is unlikely to pass unless lawmakers can come up with a way to pay for it. "I'm just stating the obvious, that's always been the concern about single-payer — the cost," Rivas said at a news conference. "It's a good idea, but it's a tough, tough sell."

7

RAP-C

- California law, pursuant to Health & Safety Code Sections §11480 & §11481, requires proposed research studies using certain opioid, stimulant, and hallucinogenic drugs classified as Schedule I and Schedule II Controlled Substances as their main study drug(s), to be reviewed and authorized by the Research Advisory Panel of California (RAP-C) in the Attorney General's Office. See the [Guidelines](#) page for specific criteria.

The RAP-C's stated purpose is "...to ensure the safety and protection of participating human research subjects and adequate security of the controlled substances used in the study. The [Panel Members](#) evaluate the scientific validity of each proposed project, and may reject proposals where the research is poorly conceived, would produce conclusions of little scientific value, or would not justify the exposure of California subjects to the risk of research.

8

APA Restructuring

CSAP / Area 6 have requested that:

- The APA Board re-examine its budget process and review how major changes to structure and APA leadership are approved and implemented.
- In that examination, that the APA hire a third-party consultant to conduct exit interviews with recently and formerly terminated staff, as well as meet with current employees to incorporate that feedback into its process review.
- That a summary of that budget process review be shared with district branch and assembly leadership.
- That a meeting and dialogue be set up with the new DGR liaisons and leadership and state advocacy leadership (DB Presidents, Area 6 Rep/Dep Rep and CSAP Leadership) to understand how the new structure can continue to support state advocacy efforts

9

SB 855 Regulations

10

Prescribing / Medication Shortages

- CSAP is working with the California Medical Association and other stakeholders to influence actions at the Board of Pharmacy. Met with Board of Pharmacy staff March 5.
- Looking for any legislative options that may present themselves.

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Health Care Affordability

- CMA has been actively engaged with the Office of Health Care Affordability (OHCA) leadership and has been participating in its meetings (Board, Advisory Committee, and Investment and Payment Workgroup, among others) as they're working on their primary responsibilities. One of these responsibilities is to work to slow health care spending growth. The Health Care Affordability Board (Board) has been tasked with setting the statewide spending growth targets for most health care entities in California, including physician practices with at least twenty-five physicians.

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CSAP Sponsored Legislation

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CSAP's Sponsored Bill

SB 1184 (Eggman)

This bill would additionally require the determination of a person's incapacity to refuse treatment with antipsychotic medication to remain in effect for the duration of the additional 14-day period or the additional 30-day period after the 14-day intensive treatment period, or all periods of treatment that are applicable.

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Other Possible Co-sponsored Legislation

- SB 1238 (Eggman)
This will most like be the vehicle to propose clean up to SB 43 (Eggman), especially with respect to state regulations that should be amended in light of the bill's passage.
- Also, regarding SB 43 implementation, it's not just two counties (SLO and SF) implementing SB 43 prior to 1/1/26 (when all counties must implement). The San Diego and Los Angeles boards of supervisors continue to consider earlier adoption, as do counties such as Stanislaus, which has approved to begin the implementation of SB 43 on January 1, 2025.

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CSAP Tracked Legislation

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Psychiatric Advance Directives (PADs)

- A bill containing clean-up language and PAD alignment is being worked on with representation from CSAP. There is a bill that has been introduced as a placeholder - [AB 2352 \(Irwin\)](#) - while language continues to be worked on. The CARE Act had a definition for PADs, which is what will be aligned throughout California's Welfare and Institution and Probate codes. Below are some red-lined documents if anyone is so inclined to spend time reviewing the suggested improvements with the additional PAD language. Amendments to the Penal Code have not been proffered yet; however this could ultimately happen as it would be important for the justice-involved system. We will keep you posted on these developments.

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NUHW

- The NUHW is sponsoring two bills, both authored by Assemblymember Pellerin:
 - AB 3221 DMHC Enforcement**
AB 3221 allows DMHC to request health plan records in a searchable digital format, which allows for faster receipt and review of records. Additionally, the bill allows DMHC's director to take disciplinary action when health plans fail to respond to records requests fully or in a timely manner. The bill allows DMHC to seek relief on consumers' behalf through administrative hearings rather than through the slower Superior Court hearing process currently required.
 - AB 3260 Health Care Coverage Reviews and Grievances**
AB 3260 clarifies consumers' rights to file grievances concerning a lack of access to care and allows consumers to file grievances immediately if their health plans or disability insurers fail to respond to their claims within the time period and in the manner required by existing law. Furthermore, the bill would require health plans and disability insurers to automatically resolve grievances in favor of the consumer if they do not respond within the legally required timeframe - 72 hours for urgent cases and 30 days for non-urgent cases.

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Steinberg Institute

- AB 2700 (Gabriel)

According to the Steinberg Institute, there is a big gap in the 988 crisis care continuum. Currently, ambulances can only do drop-offs at emergency rooms (outside of a pilot program that includes San Francisco). If police remain the only ones who can transport individuals in crisis to alternative destinations, it will remain difficult to decriminalize response to behavioral health crises in California. AB 2700 will help ensure that people experiencing behavioral health crises are connected to the appropriate care facilities such as crisis stabilization units and sobering centers.

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Hospitals

- SB 402 (Wahab)

This bill aims to clarify that licensed mental health professionals are authorized to initiate involuntary detentions for individuals who are found to be a danger to themselves or others or gravely disabled when designated by a county behavioral health director.

- AB 1316 (Irwin & Ward)

This bill would revise the definition of "psychiatric emergency medical condition" to apply, regardless of whether a patient in a health facility is voluntary or is involuntarily detained for evaluation and requires the Medi-Cal program to cover all services and care necessary to treat an emergency medical condition, including a psychiatric emergency medical condition.

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NAMI CA

- SB 1300 (Cortese) would:

- Extend the public notice requirement for a closure from 90 days to 120 days.
- Require a facility to conduct, complete, and submit an HCAI-certified impact report to the DPH and to a county's BOS as part of its public notice of closure.
- Allow DPH to prioritize and expedite licensing of new bed services if there is a negative impact to the health of the community as a result of the closure.
- Encourage county boards of supervisors to hold public hearings to provide an overview of the impact report.

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Psychedelics

- AB 941 (Waldron) Controlled substances: psychedelic-assisted therapy**
 This bill would require the California Health and Human Services Agency (CalHHS) to convene a workgroup to make recommendations on a framework governing psychedelic-assisted therapy and, contingent upon further legislation, authorize the lawful use of hallucinogenic or psychedelic substances for therapy.
- SB 1012 (Wiener)**
 This bill would enact the Regulated Psychedelic-assisted Therapy Act, which would establish the Board of Regulated Psychedelic Facilitators in the Department of Consumer Affairs to license and regulate psychedelic-assisted therapy facilitators, as defined. The bill would require the board to be appointed, as specified, by April 1, 2025. The bill would require the board to establish education, training, and other qualifications and requirements for obtaining a license as a regulated psychedelic-assisted therapy facilitator and would establish conditions of licensure.

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What's CAL ACAP Up To?

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Bills CAL ACAP Supports

AB 2711 (Ramos)
 This bill would, commencing July 1, 2026, remove unlawfully possessing, using, or being under the influence of a controlled substance, an alcoholic beverage, or an intoxicant of any kind from the list of acts for which a pupil, regardless of their grade of enrollment, may be suspended or recommended for expulsion for. The bill would, commencing July 1, 2026, prohibit a charter school pupil in kindergarten or any of grades 1 to 12, inclusive, from being suspended or recommended for expulsion solely on the basis of those acts.
 - *Co-sponsoring this measure.*

AB 1788 (Quirk-Sikua)
 This bill would authorize counties to also establish mental health multidisciplinary personnel team, as defined, with the goal of facilitating the expedited identification, assessment, and linkage of justice-involved persons diagnosed with a mental illness to supportive services within that county while incarcerated and upon release from county jail and to allow provider agencies and members of the personnel team to share confidential information, as specified, for the purpose of coordinating supportive services to ensure continuity of care.

AB 1842 (Reyes)
 This bill would prohibit a medical service plan and a health insurer from subjecting a naloxone product or another opioid antagonist approved by the United States Food and Drug Administration, or a buprenorphine product or long-acting injectable naltrexone for detoxification or maintenance treatment of a substance use disorder, to prior authorization or step therapy.

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Bills CAL ACAP Supports (Cont'd)

AB 1887 (Cervantes)
 This bill would require the department to convene a workgroup to create a report with recommendations to prevent housing instability among LGBTQ youth in foster care. The bill would require the workgroup to submit that report on or before January 1, 2026, as specified.

AB 1902 (Alanis)
 This bill would require the department to convene a workgroup to create a report with recommendations to prevent housing instability among LGBTQ youth in foster care. The bill would require the workgroup to submit that report on or before January 1, 2026, as specified.

AB 1913 (Addis)
 This bill would replace the requirement to establish best practices for school personnel on the prevention of abuse with a requirement to develop and disseminate information to all school districts, county offices of education, state special schools and diagnostic centers operated by the State Department of Education, and charter schools, and their school personnel in California, regarding the prevention of abuse.

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Bills CAL-ACAP Supports (Cont'd)

AB 1915 (Arambula)
 Would require school districts, county offices of education, and charter schools that voluntarily determine to make naloxone hydrochloride or another opioid antagonist available on campus to ensure that the naloxone hydrochloride or another opioid antagonist is placed in an appropriate location that is widely known and easily accessible, during school hours and after school hours. The bill would require the naloxone hydrochloride or another opioid antagonist to be located on campus in at least one of several specified locations.

SB 294 (Wiener)
 Would, commencing July 1, 2025, require a health care service plan or a disability insurer that upholds its decision to modify, delay, or deny a health care service in response to a grievance or has a grievance that is otherwise pending or unresolved upon expiration of the relevant timeframe to automatically submit within 24 hours a decision regarding a disputed health care service to the Independent Medical Review System, as well as the information that informed its decision, if the decision is to deny, modify, or delay specified services relating to mental health or substance use disorder conditions for an enrollee or insured up to 26 years of age.

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Senate and Assembly Public Safety Bill Packages

Access to Treatment

SB 1385 (Roth): Supports navigators in hospital emergency departments and in the criminal justice system to ensure patients and justice-involved individuals are connected to evidence-based treatment for opioid use disorder and to ongoing treatment services. *Would include corresponding budget action to ensure navigators receive support training.

SB 1442 (Ochoa Bugh & Skinner): Empowers CalRX to supply California with vital United States Food and Drug Administration (USFDA) approved testing and health assessment equipment, which will help increase access to affordable fentanyl testing strips for diagnostics purposes.

SB 1468 (Ochoa Bugh & Roth): Educates and encourages providers to make use of the new federal Drug Enforcement Agency (DEA) rule to allow practitioners to dispense a three-day supply of narcotic medication to start detoxification treatment or maintenance treatment for people who use opioids.

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Senate and Assembly Public Safety Bill Packages (Cont'd)

SB 909 (Umberg): Addresses physician shortages in underserved areas by eliminating the cap on the Steven M. Thompson loan repayment program for physicians who agree to provide direct patient care in an underserved area for 36 months.

SB 1319 (Wahab): Expedites approval of projects that expand the continuum of substance use disorder rehab facilities.

SB 1320 (Wahab): Requires health plans to develop a mechanism to reimburse providers who provide primary care and behavioral health integrated services.

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Senate and Assembly Public Safety Bill Packages (Cont'd)

Enhance Substance Use Disorder-Related Services within the Criminal Justice system

SB 910 (Umberg): Establishes statewide standards used by collaborative courts to improve programming, drug testing, and medication-assisted treatment for individuals moving through the criminal justice system.

SB 1437 (Skinner): Expands the number of re-entry hubs to provide more warm hand-offs and treatment options to individuals returning home from the criminal justice system. *Would include corresponding budget action to align state reimbursement models with federal rules to maximize funding potential.

Preventing Fentanyl Trafficking of Xylazine

SB 1502 (Ashby): Prevents illicit use and trafficking of Xylazine (aka "tranq"), an animal tranquilizer with no approved human use that is increasingly being found in the illicit drug supply and has been linked to rising overdose deaths nationwide.

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And More!!!


- Advocacy Days
Cal-ACAP – May 20
CSAP – tbd
- CARE Act, CalAIM, CYBHI, etc.
- Local Measures (Sacramento and SF)
- Private Practice Committee
- Political Action Committee
- Working with the press (currently NBC / LA Times)
- The Newsletter
- This is the bullet for Paul to mention anything he forgot to put in the PowerPoint before Chris's deadline @...

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Questions?

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