



April 1, 2026

Honorable John Laird, Chair  
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair  
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

**Amendment to Various Budget Bill Items and Reimbursements, Support and Local Assistance, Department of Health Care Access and Information**

**Hospital Pricing (AB 1312) (Issue 075)**—It is requested that Item 4140-001-0143 be increased by \$1,611,000 annually between fiscal year 2026-27 and 2028-29 and 8 positions ongoing to review the presumptive eligibility criteria in hospitals' charity care and discount payment policies for compliance and impose administrative penalties against any hospitals with identified violations pursuant to the requirements of Chapter 450, Statutes of 2025 (AB 1312).

**Data Exchange Framework (SB 660) (Issue 108)**—It is requested that Item 4140-001-0143 be increased by \$1,541,000 annually between fiscal year 2026-27 and 2027-28 to support the transfer and expansion of the Data Exchange Framework pursuant to the requirements of Chapter 325, Statutes of 2025 (SB 660).

**Healthcare Payments Data Program (Issue 035)**—It is requested that Item 4140-001-3436 be increased by \$17.5 million in 2026-27 and \$18.6 million ongoing, be decreased by 4 positions ongoing, and increase reimbursements by \$5 million ongoing, to support the operation of the Healthcare Payments Data Program and continued implementation of the Pharmacy Benefit Manager price and payment data collection program. It is also requested that provisional language be added to Item 4140-001-3436 to authorize ongoing revenue transfers from the Health Plan Improvement Trust Fund, the Pharmacy Benefit Manager Fund, and the California Health Data and Planning Fund to the Health Care Payments Data Fund (see Attachment 1).

**Language Only**—It is requested that Provision 2 of Item 4140-101-0001 be amended to delay the date by which unspent funds allocated for newly accredited primary care residency programs may be redirected to existing programs to June 30, 2028 (see Attachment 2).

**Language Only**—It is requested that Provisions 2 and 3 of Item 4140-101-0143 be amended to authorize encumbrance or expenditure of the amounts allocated for workforce training contracts and the County Medical Services Loan Repayment Program pursuant to these Provisions until June 30, 2029 (see Attachment 3).

The effect of my requested action is reflected on the attachments.

If you have any questions or need additional information regarding this matter, please call Joseph Donaldson, Principal Program Budget Analyst, at (916) 445-6423.

JOE STEPHENSHAW

Director

By:

/s/ Erika Li

ERIKA LI

Chief Deputy Director

Attachment

cc: Honorable Sabrina Cervantes, Chair, Senate Appropriations Committee  
Attention: Mark McKenzie, Staff Director  
Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review  
Committee  
Attention: Elisa Wynne, Staff Director  
Honorable Buffy Wicks, Chair, Assembly Appropriations Committee  
Attention: Jay Dickenson, Chief Consultant  
Honorable David Tangipa, Vice Chair, Assembly Budget Committee  
Attention: Christian Griffith, Chief Consultant  
Honorable Dawn Addis, Chair, Assembly Budget Subcommittee No. 1  
Honorable Caroline Menjivar, Chair, Senate Budget and Fiscal Review  
Subcommittee No. 3  
Gabriel Petek, Legislative Analyst  
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office  
Christopher W. Woods, Budget Director, Senate President pro Tempore's Office  
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy  
and Budget  
Jason Sisney, Budget Director, Assembly Speaker's Office  
Paul Dress, Chief of Staff, Assembly Republican Caucus  
Dylan Gray, Chief of Staff, Assembly Republican Leader's Office  
Samantha Lui, Deputy Secretary, California Health and Human Services Agency  
Darci Delgado, Assistant Secretary, California Health and Human Services Agency  
Elizabeth Landsberg, Director, Department of Health Care Access and Information  
Scott Christman, Chief Deputy Director, Department of Health Care Access and  
Information  
Deshai Knight, Chief Budget Officer, Department of Health Care Access and  
Information

Add Provisions 1, 2, and 3 to Item 4140-001-3436 as follows:

1. The Department of Managed Health Care shall transfer an amount not to exceed \$4,500,000 to the Health Care Payments Data Fund from the Pharmacy Benefit Manager Fund.
2. The Department of Health Care Access and Information shall transfer an amount not to exceed \$6,250,000 to the Health Care Payments Data Fund from the California Health Data and Planning Fund.
3. The Secretary for California Health and Human Services Agency shall transfer an amount not to exceed \$6,250,000 to the Health Care Payments Data Fund from the Health Plan Improvement Trust Fund.

Amend Provision 2 of Item 4140-101-0001 as follows:

"2. (a) Of the amount appropriated in Schedule (1), up to \$18,667,000 is available to fund grant awards for existing primary care residency slots, up to \$3,333,000 is available to fund new primary care residency slots at existing residency programs, and up to \$5,667,000 is available to fund primary care residency slots for existing teaching health centers under the Song-Brown Health Care Workforce Training Act (Article 1 (commencing with Section 128200) of Chapter 4 of Part 3 of Division 107 of the Health and Safety Code). Of the funds appropriated in this item, up to \$3,333,000 is available to fund newly accredited primary care residency programs and, as of June 30, ~~2027~~ 2028, unspent amounts may be redirected to fund new residency slots at existing programs if newly accredited primary care residency programs have not been established. Of the funds appropriated in this item, up to \$333,000 is available for the State Loan Repayment Program.

(b) The funds described in Provision 2 are available for encumbrance or expenditure until June 30, 2030."

Amend Provisions 2 and 3 of Item 4140-101-0143 as follows:

"2. The funds appropriated in this item for contracts with accredited medical schools, teaching health centers, or programs that train primary care physician assistants or primary care nurse practitioners, as well as contracts with hospitals or other health care delivery systems located in California, pursuant to Article 1 (commencing with Section 128200) of Chapter 4 of Part 3 of Division 107 of the Health and Safety Code, are available for encumbrance or expenditure until June 30, 2029 ~~2028~~.

3. Of the funds appropriated in Schedules (1) and (2) of this item, \$2,000,000 shall be available for encumbrance or expenditure until June 30, 2029 ~~2028~~, for the administration of the County Medical Services Loan Repayment Program."



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Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

**Amendment to Budget Bill Item 4150-001-3447, Support, Department of Managed Health Care**

**Pharmacy Benefit Manager Licensure and Data Requirements (Issue 035)**—It is requested that Item 4150-001-3447 be increased by \$5,641,000 and 8 positions in 2026-27, \$4,333,000 and 9 positions in 2027-28, \$4,426,000 and 10 positions in 2028-29, and \$4,418,000 and 10 positions ongoing to continue implementation of licensure requirements for Pharmacy Benefit Managers pursuant to the requirements of Chapter 21, Statutes of 2025 (AB 116), including license processing, financial reviews, enforcement operations, and data collection.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Joseph Donaldson, Principal Program Budget Analyst, at (916) 445-6423.

JOE STEPHENSHAW  
Director  
By:

/s/ Erika Li

ERIKA LI  
Chief Deputy Director

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Paul Dress, Chief of Staff, Assembly Republican Caucus  
Dylan Gray, Chief of Staff, Assembly Republican Leader's Office  
Kim Johnson, Secretary, California Health and Human Services Agency  
Corrin Buchanan, Undersecretary, California Health and Human Services Agency  
Samantha Lui, Deputy Secretary, California Health and Human Services Agency  
Brent Houser, Assistant Secretary, California Health and Human Services Agency  
Mary Watanabe, Director, Department of Managed Health Care  
Dan Southard, Chief Deputy Director, Department of Managed Health Care  
Christin Hemann, Deputy Director, Department of Managed Health Care  
Nichole Eshelman, Deputy Director, Department of Managed Health Care  
Sarah Ream, Deputy Director Chief Counsel, Department of Managed Health  
Care



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Attention: Christian Griffith, Chief Consultant

**Amendment to and Addition of Various Budget Bill Items, Support and Local Assistance, Department of Public Health**

**Laboratory Licensing Resources (Issue 209)**—It is requested that Item 4265-001-0098 be increased by \$3,810,000 and 9 positions in fiscal year 2026-27 and \$4,327,000 and 18 positions ongoing to support increased demand for laboratory and laboratory personnel licensure processing.

**Center for Health Care Quality Field Operations Strike Team Technical Adjustment**—It is requested that Item 4265-001-3098 be increased by \$62,000 ongoing to reflect a technical change to align resources with the proposal included in the Governor's Budget to establish a dedicated strike team to address priority survey and investigation workload.

**Nursing Home Staff Recruitment Campaign (Issue 205)**—It is requested that Item 4265-005-8510 be added in the amount of \$7,449,000 one-time in 2026-27 to implement the Centers for Medicare and Medicaid Services Nursing Home Staffing Campaign to increase the number of nurses working in nursing homes.

**Childhood Lead Poisoning Prevention Program Resources (Issue 198)**—It is requested that Item 4265-111-0080 be increased by \$1.8 million annually between fiscal years 2026-27 and 2028-29 for local health jurisdictions to test and provide services to children with blood lead levels that meet or exceed required reference values.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Nina Hoang, Principal Program Budget Analyst, at (916) 445-6423.

JOE STEPHENSHAW

Director

By:

/s/ Erika Li

ERIKA LI

Chief Deputy Director

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Paul Dress, Chief of Staff, Assembly Republican Caucus  
Dylan Gray, Chief of Staff, Assembly Republican Leader's Office  
Kim Johnson, Secretary, California Health and Human Services Agency  
Corrin Buchanan, Undersecretary, California Health and Human Services Agency  
Samantha Lui, Deputy Secretary of Program and Fiscal Affairs, California Health  
and Human Services Agency  
Julie Souliere, Assistant Secretary, California Health and Human Services Agency  
Dr. Erica Pan, Director, California Department of Public Health  
Brandon Nunes, Chief Deputy Director of Operations, California Department of  
Public Health  
Phuong La, Deputy Director, Administration Division, California Department of  
Public Health



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Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

**Amendment to Budget Bill Item 4440-011-0001, Support, Department of State Hospitals**

**Funding Transfer Authority (Language Only) (Issue 053)**—It is requested that provisional language be added to Item 4440-011-0001 to authorize the Department of Finance to shift expenditure authority between schedules within the item to provide the Department of State Hospitals with flexibility to effectively operate its programs and meet patient care needs (see Attachment 1).

**Language Only**—It is requested that Provision 10 of Item 4440-011-0001 be amended to authorize encumbrance or expenditure of the amount allocated for ligature risk special repair projects until June 30, 2029 (see Attachment 1).

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Joseph Donaldson, Principal Program Budget Analyst, at (916) 445-6423.

JOE STEPHENSHAW  
Director  
By:

/s/ Erika Li

ERIKA LI  
Chief Deputy Director

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Darcy Delgado, Assistant Secretary, California Health and Human Services Agency  
Stephanie Clendenin, Director, Department of State Hospitals  
Chris Edens, Chief Deputy Director of Program Services, Department of State  
Hospitals  
Mark Beckley, Chief Deputy Director of Operations, Department of State Hospitals  
Stephanie Chambers, Chief Financial Officer, Department of State Hospitals  
Anthony Esquivel, Acting Budget Officer, Department of State Hospitals

Amend Provision 10 of Item 4440-011-0001 as follows:

“10. Of the amount appropriated in Schedule (2), \$11,565,000 shall be expended for ligature risk special repair projects at Atascadero, Metropolitan, Napa, and Patton State Hospitals. The amount allocated shall be available for encumbrance or expenditure until June 30, 2029 ~~2028~~.”

Add the following provision to Item 4440-011-0001 as follows:

14. Notwithstanding any other law, the Department of Finance may authorize transfer of expenditure authority between Schedules (1), (2), (3), (4), and (5) of this item in order to meet operational needs of the Department of State Hospitals. The Department of Finance shall notify the chairpersons of the fiscal committees in each house of the Legislature and the Chairperson of the Joint Legislative Budget Committee within 10 days of authorizing such a transfer.