

SENATE THIRD READING
SB 136 (Committee on Budget and Fiscal Review)
As Amended March 11, 2024

SUMMARY

This is a tax bill which is necessary to implement various provisions of the Budget Act of 2024.

Major Provisions

This bill authorizes amendments to the Managed Care Organization (MCO) Provider Tax that was approved through AB 119 (Committee on Budget, Chapter 13, Statutes of 2023), affecting the budget of the Department of Health Care Services. Specifically, this bill:

- 1) Raises the tax amount for the Medi-Cal taxing tier II from \$182.50 for the 2024 calendar year, \$187.50 for the 2025 calendar year, and \$192.50 for the 2026 calendar year to \$205 for all 3 calendar years.
- 2) Declares this to be an urgency statute, and that it shall go into immediate effect, in order to implement a new MCO tax at the earliest possible effective date to best position the state to maintain and improve access to care, maximize federal financial participation, and minimize the need for any new reductions to the Medi-Cal program.

COMMENTS

This bill is a tax bill that implements provisions of the 2024-25 budget package affecting the Department of Health Care Services. Specifically, this bill raises the tax amount for the Medi-Cal taxing tier II within the Managed Care Organization Provider Tax to increase General Fund revenue in order to support the Medi-Cal program.

According to the Author

Arguments in Support

None on file.

Arguments in Opposition

None on file.

FISCAL COMMENTS

These proposed amendments to the MCO tax are expected to result in approximately \$1.5 billion in new revenue to the state to help maintain and improve the Medi-Cal program.

VOTES

SENATE FLOOR: 29-8-3

YES: Allen, Alvarado-Gil, Archuleta, Atkins, Becker, Blakespear, Bradford, Caballero, Cortese, Dodd, Durazo, Eggman, Glazer, Gonzalez, Hurtado, Laird, Limón, McGuire, Menjivar, Min, Newman, Padilla, Portantino, Roth, Skinner, Smallwood-Cuevas, Umberg, Wahab, Wiener

NO: Dahle, Grove, Jones, Nguyen, Niello, Ochoa Bogh, Seyarto, Wilk

ABS, ABST OR NV: Ashby, Rubio, Stern

UPDATED

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FN: