California State Assembly

Assembly Budget Agenda

Assembly Budget Subcommittee No. 1
on Health

Assemblymember Dawn Addis, Chair

Monday, April 27, 2026

2:30 P.M. – State Capitol, Room 127

Items To Be Heard

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Items To Be Heard

4265 Department of Public Health

Issue 1: Budget Overview, Estimates, and Budget Change Proposals

Background on the California Department of Public Health (CDPH)

The California Department of Public Health is the state department responsible for protecting the public health in California. Its core responsibilities include infectious disease control and prevention, food safety, environmental health, laboratory services, patient safety, emergency preparedness, chronic disease prevention and health promotion, family health, health equity and vital records and statistics.

CDPH activities and services include protecting people in California from the threat of preventable infectious diseases like Zika virus, HIV/AIDS, tuberculosis and viral hepatitis, and providing reliable and accurate public health laboratory services and information about health threats. Other core services include providing nutritional support to low-income women, infants and children, and screening newborns and pregnant women for genetic diseases. CDPH also works to ensure the safety of food and bottled water, helps reduce smoking and its impacts and works to prevent chronic diseases and conditions such as diabetes, cardiovascular disease, cancer, asthma and obesity.

The Department is also responsible for the regulatory oversight of licensed health care facilities, such as hospitals and skilled nursing facilities; as well as the regulatory oversight of certain health care professionals, such as nurse assistants, home health aides, and hemodialysis technicians.

The Department is comprised of eight “centers,” whose responsibilities are outlined below:

- **Center for Preparedness and Response:** Responsible for overall statewide planning, preparedness and response for public health disasters and emergencies, distributing and monitoring funding for disaster planning at the local level, funding resource allocation and management during an emergency.

- **Center for Healthy Communities:** Tasked with eliminating commercial tobacco use, reducing substance use and problem gambling. The center also conducts disease surveillance, promotes healthy nutrition, physical activity, and oral health, and investigates diseases associated with toxic exposures such as lead and other chemicals in the environment.

- **Center for Infection Diseases:** Charged with preventing and controlling infectious diseases, such as Human Immunodeficiency Virus (HIV) / Acquired Immunodeficiency Syndrome (AIDS), COVID-19, viral hepatitis, influenza and other vaccine preventable illnesses, sexually transmitted diseases, tuberculosis, emerging infections, and foodborne illnesses.

- **Center for Family Health:** Manages programs aimed at improving the health and wellbeing of pregnant people, children and youth as well as reducing disparities in perinatal health outcomes. Key programs include the Genetic Disease Screening Program; the Maternal, Child and Adolescent Health; and the Special Supplemental Nutritional Program for Women, Infants, and Children.

- **Center for Environmental Health:** Administers programs that protect and manage food, drug, medical device, and radiation sources; regulate the generation, handling, and disposal of medical waste; oversee the disposal of low-level radioactive waste; provide laboratory support that ensures the public's safety from unsafe drinking water, food outbreaks and recalls.

- **Center for Health Care Quality:** Regulates public and private health facilities, clinics, and agencies; 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.

- **Center for Laboratory Sciences:** Provides laboratory testing services, technical consultation, and training for the State’s Public Health Laboratory System. The center is also responsible for the oversight of clinical and public health laboratory operations and clinical and public health laboratory personnel and is responsible for issuing laboratory licenses and certificates.

- **Center for Health Statistics and Informatics:** Manages information systems and facilitates the collection, validation, analysis, and dissemination of health statistics and demographic information on California’s population.

CDPH 2026-27 Budget Overview

The Governor’s 2026-27 budget proposes a total of **$5.1 billion and 4,950 staff positions** for CDPH’s programs and services. Of this total, $1.8 billion is for state operations (e.g. administrative costs and operating expenses) and $3.3 billion is for local assistance (e.g. funding to local health jurisdictions). Compared to the previous fiscal year, the 2026-27 budget decreases CDPH’s total funding by 2.05%.

Expenditure Type	2025-26 Enacted Budget	2026-27 Proposed Budget	% Change
State Operations	$1,915,979	$1,786,399	-6.76%
Local Assistance	$3,293,136	$3,315,779	+0.69%
TOTAL	**$5,209,115**	**$5,102,178**	**-2.05%**

Dollars in thousands

Of the total proposed 2026-27 budget, approximately 45% is federal funds, and the remaining is special funds (42%) and General Fund (12%).

CDPH 2026-27 Budget Change Proposals (Non-IT)

The Governor's Budget proposes 19 non-IT budget change proposals and spring finance letter adjustments. These proposals are summarized below and sorted by centers.

Of note, the January budget additionally proposes an increase of $184.8 million Local Assistance expenditure authority from the Behavioral Health Services Fund. This increase is to support the implementation of the Behavioral Health Services Act, recasted through Proposition 1 (2024), to improve behavioral health treatment and infrastructure capacity. The Governor's Budget also includes a placeholder of $50 million Behavioral Health Services Fund In lieu of General Fund for prevention programming with the specific proposal to be updated at May Revision.

Center for Preparedness and Response

1- **Hospital Bed Capacity System.** CDPH requests $2.4 million in 2026-27 and in 2027-28 and $2.5 million in 2028-29 and ongoing from the Licensing and Certification Program Fund and the Internal Departmental Quality Improvement Account to support the Hospital Bed Capacity System which allows near real-time monitoring of hospital bed capacity to facilitate timely transfers and placement, support response operations during public health and medical emergencies, and reduce patient morbidity and mortality.

   Historically, California did not have a statewide hospital bed capacity system, and counties have conducted manual polling of hospitals during emergencies to gain insight into bed capacity to perform essential functions like patient movement and patient load leveling when facilities are overwhelmed. In 2024, CDPH participated in a federal pilot program to establish a statewide hospital bed capacity system. The federal funding for the pilot program is expiring, and this proposal will provide ongoing resources for the program.

Center for Healthy Communities

2- **Childhood Lead Poisoning Prevention Program Resources.** CDPH request1.8 million Childhood Lead Poisoning Prevention Fund each year between 2026-27 and 2028-29 for local health jurisdictions to provide services to children with blood lead levels that meet or exceed the Centers for Disease Control and Prevention's Blood Lead Reference Value. This request will support continuing the case management services for the increased number of children in California who meet the CDC's definition of lead poisoning cases, and the increased number of children who will be designated as at risk for lead poisoning following the adoption of the Lead Exposure Risk Factor Regulations.

3- **Electronic Cigarette Settlements Fund - Encumbrance and Expenditure Extension Maintenance and Operations.** CDPH is requesting provisional language in the budget bill for funds received in 2026-27 through 2030-31 through the People of the State of California v. JUUL Labs, Inc. Settlement. These funds would be available for encumbrance and expenditure for three fiscal years beyond the date of the appropriation. CDPH was appropriated $7,780,000 in 2025-26, 2026-27, and 2027-28, $7,620,000 in 2028-29, $7,120,000 in 2029-30, and $620,000 in 2030-31 from the Electronic Cigarette Settlements Fund in the 2025 Budget Act.

   CDPH has been directed by the California Attorney General to expend these funds to support purchasing additional media for the existing "Tell Your Story" vaping cessation campaign, update and distribute retail advertising regarding tobacco sales to minors, develop new media campaigns specifically targeting young adult, youth, and priority populations on the dangers of vaping and vaping cessation efforts, and to expand existing youth advocacy and education programs, college antitobacco advocacy, and cessation outreach programs. CDPH explains that it is requesting the change in order to fully spend the funds for their intended purpose and allow for necessary flexibility needed to implement the statewide media campaigns.

4- **Real Food, Healthy Kids Act (AB 1264).** CDPH is requesting $3,634,000 in 2026-27 and $2,604,000 in 2027-28 and 2028-29 from the General Fund to adopt regulations to support AB 1264 (Gabriel, Chapter 467, Statutes of 2025). CDPH also requests provisional language in the budget bill to make $1,020,000 of the funding in 2026-27 for implementation and consulting contract costs available upon reaching specific information technology implementation milestone. The bill establishes the Real Foods, Healthy Kids Act, which regulates and monitors ultraprocessed food and beverage and other foods of concern served within California schools.

5- **Silicosis Surveillance, Outreach, Education, and Technical Assistance (SB 20).** CDPH requests 4 positions and $912,000 General Fund in 2026-27 and ongoing to support occupational safety activities required of Senate Bill 20 (Manjivar, Chapter 734, Statutes of 2025). The bill aims to address silicosis among stone fabrication workers by prohibiting dry fabrication methods, requiring reporting and tracking of silicosis cases, requiring outreach and education about silicosis prevention and diagnosis, and enhancing enforcement by deeming silicosis a “serious injury or illness” that requires an investigation by the Department of Industrial Relations.

Center for Infectious Diseases

6- **Vectorborne Disease Program.** CDPH requests $50,000 in 2026-27 and ongoing for the Vectorborne Disease Account to fully support program operations. The Vector-Borne Disease Section administers the Public Health Vector Control Technician certification examination twice each year to certify the competence of government agency personnel to control vectors for the health and safety of the public. CDPH explains CDPH continues to experience increases in operational costs and expenditures and additional expenditure authority is needed to support program operations. The Vectorborne Disease Account will not be able to fully sustain the position without increasing its budget authority.

Center for Environmental Health

7- **Radiologic Health Program.** CDPH requests $4.6 million from the Radiation Control Fund in 2026–27 and ongoing to support increased program operation costs in the Radiologic Health Branch. This branch licenses and inspects Radioactive Materials users, registers and inspects facilities where X-ray machines are used, and certifies X-ray machines as well as the medical professionals who use X-ray machines for medical diagnosis and treatment. Additionally, this program approves physicists who provide services to mammography and radiation therapy facilities, as well as schools that offer training courses for these professionals.

   CDPH explains that it has incurred increased operational expenditures without increasing expenditure authority. These increases, totaling nearly $4.6 million, are due to increased contractual and staffing costs.

8- **Prenatal Multivitamins (SB 646).** CDPH requests 1 position and $173,000 General Fund in 2026-27 and ongoing to implement the new provisions required by Senate Bill 646 (Weber Pierson, Chapter 602, Statutes of 2025) to conduct inspection work, compliance and enforcement activities, and engage with stakeholders and industry regarding technical questions. The bill requires manufacturers and brand owners of prenatal vitamins to test their products as defined in this bill, for heavy metals; arsenic, cadmium, lead, and mercury.

9- **Radiologic Technologists and Venipuncture Supervision (AB 460).** CDPH requests 1 position and $296,000 in 2026–27 and $201,000 in 2027–28 ongoing from the Radiation Control Fund to implement the requirements of Assembly Bill 460 (Chen, Chapter 435, Statutes of 2025). The bill authorizes remote supervision of the Certified Radiologic Technologist by the physician if the supervising physician is immediately available to communicate with supervised personnel via audio and video technology and has access to the patient's medical imaging records.

10- **Food and Beverage Products (AB 660).** CDPH requests 2 positions and $369,000 in 2026-27 and ongoing from the Food Safety Fund to implement provisions required by Assembly Bill 660 (Irwin, Chapter 911, Statute of 2024) to address food labeling regarding quality and safety, by eliminating the words "sell by" on packaging, and allowing only "best if used by" and "use by."

Center for Health Care Quality

11- **Center for Health Care Quality Field Operations Strike Team.** CDPH requests 6 positions and $1,162,000 in 2026-27 and ongoing from the Licensing and Certification Program Fund to establish a dedicated strike team to address priority survey and investigation workload. According to CDPH, this team will focus on emergent, high priority survey and investigation workload and will be located in Sacramento, where CDPH is able to fill open positions and deploy to high-need areas throughout the state. This would enable for timely response to facilities impacted by internal, local, or regional emergencies, emergent public safety threats, and facilities requiring additional oversight due to critical or ongoing serious noncompliance with regulatory requirements for the provision of safe patient care.

Additionally, the strike team will assist District Offices across the state by providing support to complete their priority workload, especially the reduction and elimination of backlogged intakes and increasing access to care by conducting overdue licensure surveys.

12- **Centralized Application Branch License Renewal and Certification Branch Expansion.** CDPH requests 7 positions, $493,000 in reimbursement authority and $493,000 from the Licensing and Certification Fund in 2026-27 and ongoing to create a Provider Certification Section and a second Provider Certification Unit to support the Provider Licensing renewals and certifications.

13- **Center for Health Care Quality Internal Department Quality Improvement.** CDPH requests $5,941,000 in 2026-27 from the Internal Departmental Quality Improvement Account to support planning and implementation cost of the Centralized Application Branch (CAB) Online Licensing Application Project. This project proposes to expand the

technology of CAB's original automated license application submission system to enable all 33 healthcare facility provider types to submit applications electronically and have the technological flexibility to add new facility types in the future. CDPH also requests provisional language in the budget bill to make the funding available upon reaching specific information technology implementation milestones.

14-**Facilitating Projects to Benefit Nursing Home Residents.** CDPH requests $5 million in 2026-27, 2027-28, and 2028-29 from the Federal Health Facilities Citation Penalties Account to award Civil Money Penalty funding to Centers for Medicare and Medicaid Services approved projects to benefit nursing home residents.

15-**Nursing Home Staff Recruitment Campaign.** CDPH requests $7.4 million one-time Federal Health Facilities Citation Penalties Account in 2026-27 to support Centers for Medicare and Medicaid Services Nursing Home Staffing Campaign. This federal campaign aims to augment the number of individuals pursuing nursing home employment through a combination of financial incentives such as tuition reimbursement, enhanced training opportunities, and improvement of training resources.

16-**Standby Perinatal Services Pilot Program (SB 669).** CDPH requests $515,000 in 2026-27 from the Licensing and Certification Program Fund to establish a 10-year pilot project to allow up to five critical access hospitals that meet the eligibility requirements to provide "standby perinatal services," including obstetric and neonatal medical care, to patients who are transferred from an alternative birth center, or who present to the "standby emergency medical service, physician on call" with an urgent or emergent obstetric issue, as required by the Senate Bill (SB) 669 (McGuire, Chapter 603, Statutes of 2025).

Center for Laboratory Sciences

17-**Augmentation to the BabyBIG Infant Botulism Treatment and Prevention Program.** CDPH requests $3.6 million in 2026-27 from the Infant Botulism Treatment and Prevention Fund to meet increased BabyBIG manufacturing and stability testing. CDPH is the only manufacturer of BabyBIG, an orphan drug licensed by the U.S. Food and Drug Administration (FDA) used to treat infant botulism. Historically, CDPH has requested increases in expenditure authority to cover increased manufacturing and regulatory costs. The most recent increase in expenditure authority was approved in 2025-26 to produce the drug and to cover increased storage and distribution costs to treat critically ill infant botulism patients. CDPH explains that due to the magnitude and speed of cost increases and factors affecting availability of the investigational recombinant botulinum vaccine known as rBV A/B which is needed to produce BabyBIG, CDPH additional expenditure authority in 2026-27.

18-Laboratory Licensing Resources. CDPH requests $3,810,000 and 9 positions in 2026-27 and $4,327,000 and 18 positions in 2027-28 and ongoing from the Clinical Laboratory Improvement Fund to support the growing demand for license processing. According to CDPH, these resources will expand staffing and allow for oversight, investigation, and enforcement around safety, efficacy, and reliability of clinical laboratory testing and specimen collection throughout California as well as out-of-state and out-of country laboratories.

Center for Health Statistics and Informatics

19-Birth Certificates (SB 313). CDPH requests 1 position and $258,000 in 2026-27 and $163,000 in 2027-28 and ongoing from the Health Statistics Special Fund to implement Senate Bill 313 (Cervantes, Chapter 669, Statutes of 2025), which will list the parents' birthplace fields in the confidential section of the document.

CDPH 2026-27 Women Infant, and Children (WIC) Estimate Overview

Overview of the WIC Program

The Women, Infants, and Children (WIC) program is a federally funded food and nutrition assistance program administered by CDPH. In 2024-25, the program served approximately 1 million income eligible Californians per month at a total program cost of $1.5 billion. WIC is California's third largest federally funded food assistance program, behind CalFresh and subsidized school meals. The program is funded through a discretionary grant from the United States Department of Agriculture, as well as infant formula manufacturer rebates. The program requires no state General Fund dollars and is not an entitlement, meaning participation is capped by available federal funding.

WIC serves pregnant, breastfeeding, and postpartum individuals, infants, and children up to age five who are at nutritional risk and meet income eligibility requirements (below 185% of the federal poverty level, or approximately $49,300 annually for a family of three). Participants who receive Medi-Cal, CalWORKs, or CalFresh are automatically income-eligible.

Program benefits include supplemental food packages redeemable at over 3,700 authorized grocers, nutrition education, breastfeeding support, and referrals to other services.

WIC 2026-27 Estimate

For 2026-27, WIC's food expenditure estimate is $1.119 billion ($984.5 million federal fund and $134.4 million rebate fund), which is an increase of $67.4 million, or 6.4 percent as compared to the 2025 Budget Act amount of $1.051 billion ($865.2 million federal fund and $186.3 million rebate fund). The increase in food expenditures is driven by a food inflation rate of 2.8 percent,

slightly offset by a reduced participation forecast for 2026-27 (1,006,704 participants projected in the 2026-27 November Estimate compared to 1,013,240 projected in the 2025 Budget Act). Rebate revenue and expenditures are projected at $134.4 million, which is a decrease of $51.9 million or 27.9 percent compared with the 2025 Budget Act amount of $186.3 million. The decrease in rebate expenditures and revenue is primarily attributed to a reduction in the projected rebate per can to be received with the start of the new infant formula rebate contracts well as a slight decrease in both the projected cans redeemed per infant and projected infant participation from the 2025 Budget Act.

HR 1 Impacts on WIC

Previous hearings convened by this Subcommittee examined the impact of H.R.1 on the state's Medi-Cal and CalFresh programs, including projected program disenrollment due to work requirements and increased eligibility determinations.

CDPH notes that in 2025, 87.3 percent of certified WIC participants are adjunctively eligible based on enrollment in other benefit programs, primarily Medi-Cal, CalFresh, and California Work Opportunity and Responsibility to Kids (CalWORKs). In general, proof of enrollment in these programs is sufficient for verifying income eligibility for WIC. However, if an applicant is no longer enrolled in these other programs, they may still qualify through traditional income eligibility determinations. Under HR1, participants may need to provide their income documentation to determine WIC eligibility if they have lost eligibility for other programs. This shift will increase administrative burden for both formerly adjunctively eligible participants and WIC local agencies to verify income. Other impacts to California participants affected by loss of Medi-Cal include reduced access to lab work for WIC certification, coverage for medically necessary infant formula, and referral services.

CDPH 2026-27 Genetic Disease Screening Program (GDSP) Estimate

Overview of the GDSP

The Genetic Disease Screening Program (GDS) funds two distinct programs: the Newborn Screening Program (NBS) and the Prenatal Screening Program (PNS). NBS is a mandatory program that screens all infants born in California for genetic/congenital diseases. Parents may only opt out of the program for their newborns by citing religious exemption. PNS is a voluntary program for pregnant individuals who desire to participate. The screening test provides the pregnant patient with a risk profile. Screenings that meet or exceed a specified risk threshold are identified and further testing and genetic counseling/diagnostic services are offered at no additional expense to the participant.

The program is funded through screening fees. The PNS Program charges $344 for cell-free DNA (cfDNA) screening and $85 for neural tube defect (NTD) screening and bills a mix of individual patients, private insurers, Medi-Cal, and medical group providers. The NBS Program charges a flat $226 fee per newborn, collected primarily from hospitals. For NBS, only home births are billed directly to parents or their insurer.

2026-27 GDSP Estimate

For 2026-27, the CDPH/GDSP estimates Local Assistance expenditures to be $138.3 million, which is a net increase of $169,000 or 0.1 percent compared to the 2025 Budget Act amount of $138.1 million. The projected $4.4 million decrease in PNS expenditures for 2026–27 is primarily due to continued declining participation rates for cfDNA and NTD screenings, consistent with current year trends. This reduction is further driven by a sustained decline in the statewide birth projection from the Department of Finance Demographic Research Unit (0.49 percent from 2025-26 to 2026-27). The combined projected $4.5 million increase in NBS and Operational Support consists of $5.5 million in additional Krabbe disease screening expenditures offset slightly by a continued decline in the birth rate projection from the Finance Demographic Research Unit. This results in a net Local Assistance increase of $169,000, or 0.1 percent, compared to the 2025 Budget Act.

Panel

- Brandon Nunes, Chief Deputy Director of Operations, California Department of Public Health
- Representative, California Department of Finance
- Will Owens, Senior Fiscal and Policy Analyst, Legislative Analyst’s Office

Staff Comments

Staff have no concerns with the proposals outlined in this section but recommend holding this item open until May Revision proposals are presented.

Staff Recommendation:
Hold Open

Issue 2: State of the Public Health Report

California law requires the State Public Health Officer to submit a biennial written report to the Governor and the Legislature on the state of public health in California beginning 2024. The written report includes information on key public health indicators that California is experiencing, information on health disparities identified as part of the indicators, leading causes of morbidity and mortality, data on the incidence and prevalence of communicable and noncommunicable chronic diseases and conditions, and data on the prevalence of morbidity and mortality related to mental illness and substance abuse.

In addition to this written report, the State Public Health Officer also presents an annual update to the Assembly Committee on Budget and Senate Committee on Budget and Fiscal Review, or relevant subcommittees, during legislative budget hearings.

As required in statute, the California Department of Public Health (CDPH) developed and submitted to the Legislature its inaugural written State of Public Health report in 2026. A copy of the report is available as an addendum to this agenda.

For this panel issue, the Subcommittee welcomes CDPH leadership to provide the annual update to the State of the Public Health report.

Panel

- Dr. Erica Pan, Director and State Public Health Officer, California Department of Public Health

Staff Comments

This item is informational only.

Staff Recommendation:
Hold Open

Issue 3: Public Health Partnerships & Initiatives

Background on Federal Retrenchment on Public Health, and California's Response

The federal Advisory Committee on Immunization Practices (ACIP) is a body of medical experts that makes vaccine recommendations to the Centers for Disease Control and Prevention (CDC), which become official CDC policy upon adoption by the CDC Director. In June 2025, HHS Secretary Robert F. Kennedy Jr. dismissed all 17 ACIP members and replaced them with new appointees, and in August 2025 fired a recently Senate-confirmed CDC Director. These actions raised widespread concern among public health and scientific communities about the independence and rigor of the federal panel.

At the time, California law was closely tied to federal recommendations, including ACIP but other federal entities such as the United States Preventive Services Task Force (USPSTF) and the Health Resources and Services Administration (HRSA). These federal recommendations dictated state-level immunization requirements, health care benefit coverage mandates, and professional licensing standards.

In response to this significant disruption at the federal level, the Legislature passed and the Governor signed AB 144 (Committee on Budget, Chapter 105, Statutes of 2025), which authorized CDPH to modify or supplement federal baseline recommendations for immunizations, items, and services, in consultation with leading medical organizations, including the American Academy of Pediatrics, the American College of Obstetricians and Gynecologists, and the American Academy of Family Physicians.

Under AB 144, CDPH may now publish any updates, modifications, or supplements adopted by the Department, which become effective upon publication.

Additional Public Health Initiatives and Partnerships

Note: Prior to this hearing, the Subcommittee requested information in writing from the Administration regarding the various public health initiatives and partnerships launched by the executive branch. That information had not been provided at the time this agenda was published. The information provided below may be incomplete or outdated.

In 2025, the Administration launched the following initiatives and partnerships:

West Coast Health Alliance (WCHA)

The West Coast Health Alliance is a partnership between California, Oregon, Washington, and Hawaii established to coordinate public health recommendations across the four states. The

Alliance was formed in response to concerns about changes in federal public health leadership and guidance, with the goal of ensuring residents in member states have access to consistent, evidence-based health information. Each state retains its own independent authority to set health policy shaped by its unique laws, demographics, and geography.

The WCHA operates under a shared charter built around principles of scientific integrity, transparency, and health equity. Its planned work includes reviewing data from clinical and scientific organizations, developing unified public health position statements, and addressing health misinformation.

Governors Public Health Alliance

The Governors Public Health Alliance is a 15-state, nonpartisan coalition of governors working collaboratively to address shared public health challenges. It functions primarily as a coordination mechanism, facilitating communication across state lines, supporting emergency preparedness, enabling data sharing on emerging health threats, and sharing effective health policy practices.

The Alliance also serves as a cross-state liaison to the global health community and works to support access to critical health care services. It is designed to complement rather than replace individual state public health authority.

Public Health for All Californians Together (PHACT) Coalition

The PHACT Coalition is a statewide, multi-sector partnership launched in September 2025 and led by CDPH with support from Covered California and the University of California, San Francisco Collaborative for Public Health Research. It brings together organizations across California to develop timely, evidence-based health guidelines and culturally appropriate health messaging. The Coalition's initial focus is vaccine policy, access, coverage, and public communication, though it may expand to other public health topics over time.

The Coalition's objectives include strengthening strategic public health partnerships, promoting effective health communication, facilitating innovative health service delivery, and sharing tools and resources among member organizations. It is designed to connect leaders and organizations committed to improving health outcomes across diverse California communities.

Public Health Network Innovation Exchange (PHNIX)

The Public Health Network Information Exchange is a California initiative aimed at modernizing and strengthening the state's public health infrastructure. PHNIX is designed to improve innovation, collaboration, and communication in public health at the state, national, and global level. It focuses on three areas: developing advanced data infrastructure to detect health trends

and protect privacy; investing in technology including artificial intelligence for multi-state and global health partnerships; and designing sustainable funding frameworks in partnership with private and academic sectors.

Project Stethoscope

Project Stethoscope is a communications initiative led by CDPH in partnership with Your Local Epidemiologist (YLE), a science communication organization. The program focuses on reimagining how public health departments engage directly with communities and stakeholders to support informed health decision-making. It uses social media monitoring, community-driven insights, and targeted research to better understand the health concerns and information needs of Californians.

Panel

- Dr. Erica Pan, Director and State Public Health Officer, California Department of Public Health
- Dr. James Watt, Deputy Director, Center for Infectious Diseases, California Department of Public Health
- Representative, California Department of Finance
- Will Owens, Senior Fiscal and Policy Analyst, Legislative Analyst's Office

Staff Comments

Under AB 144, CDPH now has the authority to publish updates, modifications, or supplements to federal baseline recommendations for immunizations, items, and services, which become effective upon publication. This represents a significant new responsibility for the Department.

The Subcommittee may wish to ask:

1. Can CDPH provide an update on recommendations and modifications issued to date? If so, which recommendations have been addressed, and are there any areas where California's guidance now diverges from current federal policy?

2. What is CDPH's process for monitoring federal recommendations and determining when a state-level modification or supplement is warranted? How does the Department coordinate stakeholders in that process?

3. What is CDPH's outlook for the scope and volume of updates it anticipates issuing over the next few years? Does the Department expect the need for state-level modifications to grow, stabilize, or diminish depending on federal actions?

4. Does CDPH have sufficient staffing and resources to carry out this new responsibility in a timely manner and in the long-term?

Staff Recommendation:
Hold Open

Issue 4: AIDS Drug Assistance Program 2026-27 Estimate

Background on the AIDS Drug Assistance Program (ADAP)

The AIDS Drug Assistance Program (ADAP) and Pre-Exposure Prophylaxis Assistance Program (PrEP-AP) are administered by the California Department of Public Health's Office of AIDS. ADAP provides access to life-saving medications, health insurance premium assistance, and medical out-of-pocket cost assistance for eligible California residents living with HIV. PrEP-AP serves HIV-negative individuals at risk of infection, covering medication and medical costs associated with pre-exposure prophylaxis (PrEP) and post-exposure prophylaxis (PEP). Together, the two programs serve as a key safety net ensuring that Californians at risk of or living with HIV can access and afford the medications and coverage they need.

ADAP serves five client groups: (1) uninsured individuals living with HIV (medication-only clients); (2) Medi-Cal enrollees with a share of cost; (3) clients with private insurance, including Covered California and employer-based plans; (4) Medicare enrollees; and (5) PrEP-AP clients.

For insured clients, ADAP can assist with both premiums and medical out-of-pocket costs, making it more cost-effective to help clients maintain comprehensive coverage than to pay the full cost of medications directly. Clients are screened for Medi-Cal eligibility, and those who enroll in full-scope Medi-Cal, which carries no cost-sharing for medications, are disenrolled from ADAP. The program operates as the payer of last resort.

ADAP is a covered entity under the federal 340B Drug Pricing Program, allowing it to collect manufacturer rebates on most prescriptions to help offset program costs. Rebates are not collected for Medi-Cal share-of-cost or PrEP-AP clients to avoid prohibited duplicate discounts. Historically, most ADAP clients were uninsured, but implementation of the Affordable Care Act has shifted the client mix toward insured enrollees, a trend that has improved health outcomes by connecting clients to the full spectrum of medical care beyond what is available through the federal Ryan White HIV/AIDS Program.

ADAP 2026-27 Estimate

For 2026-27, ADAP estimates total budget authority of $443.7 million ($340.3 million from the ADAP Rebate Fund and $103.4 million in federal funds), which is $43 million or 8.8 percent lower than the 2025 Budget Act. The decrease is driven primarily by the expiration of one-time investments, which includes $75 million in AB 116 funding that was authorized in 2025-26 to backfill federal CDC funding cuts to HIV prevention and disease intervention programs. Total projected caseload for 2026-27 is 29,285 individuals, inclusive of 5,241 PrEP-AP clients.

HR1 & State-Level Policy Impact on ADAP Program

HR1 and state-level policy decisions are anticipated to modestly impact the ADAP program, including:

- **Expiration of Covered California Enhanced Premium Tax Credits.** The expiration of enhanced premium tax credits are expected to increase premiums on Covered California enrollees. ADAP can expect to pay higher premiums for clients concurrently enrolled in the OA Health Insurance Premium Payment Program and a Covered California health plan, effective January 2026. The fiscal impact is currently unknown.

- **Medi-Cal Enrollment Freeze for individuals with Unsatisfactory Immigration Status.** Beginning January 1, 2026, Medi-Cal enrollment for undocumented individuals aged 19 and older will cease and no new undocumented individuals in this age group will be able to enroll in Medi-Cal after this date. OA anticipates that individuals who are ineligible for Medi-Cal due to their immigration status will transition to the respective programs, ADAP or PrEP-AP. For 2026-27, the estimated net fiscal impact to ADAP is $7.4 million ($11.6 million expenditures minus $4.2 million rebate) for 308 ADAP clients.

- **$30 Premium on Medi-Cal Enrollees with Unsatisfactory Immigration Status.** Beginning July 1, 2027, undocumented individuals aged 19 to 59 must pay a $30 per-month premium to keep full scope Medi-Cal. Those who are required to pay this premium will also be eligible for ADAP or PrEP-AP as they are not fully covered by Medi-Cal. OA anticipates that eligible clients may instead prefer to transition to the respective programs, ADAP or PrEP-AP, as a result of Medi-Cal charging for premiums. The fiscal impact is currently unknown.

- **Medi-Cal Asset Test Reinstatement.** On January 1, 2026, California reinstated an asset test for specific populations of $130,000 in nonexempt property for single-member households and $65,000 for each additional member, up to 10 members. OA anticipates that individuals who become ineligible for Medi-Cal due to the reinstatement of the asset test will transition to the respective programs, ADAP or PrEP-AP. For 2026-27, the estimated net fiscal impact to ADAP is $2.7 million ($4.3 million expenditures minus $1.6 million rebate) for 115 ADAP clients.

ADAP General Fund Loan Repayments

The Budget Act of 2024 authorized a $500 million from the ADAP Rebate Fund to the General Fund, and the Budget Act of 2023 also included a $400 million loan from the fund to the General Fund to address the state's budget shortfall, for a total of $900 million. According to the Administration, $400 million is expected to be repaid in 2027-28 and the $500 million loan is expected to be repaid in 2028-29.

Panel

- Joseph Lagrama, ADAP Branch Chief, California Department of Public Health
- Representative, California Department of Finance
- Will Owens, Senior Fiscal and Policy Analyst, Legislative Analyst's Office

Staff Comments

Staff have no concerns with the estimate outlined in this section but recommend holding this item open until May Revision proposals are presented.

Staff Recommendation:
Hold Open

Issue 5: Public Health Information Technology

Background on CDPH Information Technology Systems

California's public health information technology (IT) infrastructure consists of an array of separate but interconnected systems, each built incrementally over time to serve specific programmatic functions. Many of these platforms were established using time-limited federal funding, which has made it difficult for the state to identify dedicated, ongoing revenue streams to sustain their operation. As funding lapsed or is set to expire, the long-term viability of several critical platforms is now uncertain.

These core IT platforms can be organized into two functional categories: (1) Infectious Disease Surveillance Systems and (2) Vaccine Management and Immunization Data Systems. Each system is described below.

Infection Disease Surveillance Systems

- **Surveillance and Public Health Information Reporting and Exchange (SaPHIRE).** SaPHIRE provides CDPH the ability to manage large volumes of laboratory data, covering more than 80 reportable infectious disease conditions statewide. The platform gives state and local health departments comprehensive disease surveillance capabilities, supporting situational awareness during infectious disease outbreaks and public health emergencies.

- **California Reportable Disease Information Exchange (CalREDIE).** CalREDIE is the state's electronic disease reporting and surveillance system. It enables 24/7/365 reporting and receipt of notifiable conditions, giving Local Health Departments (LHDs) and CDPH near real-time access to disease and laboratory data for surveillance, public health investigation, and case management. CalREDIE is slated for modernization through the Future Disease Surveillance System (FDSS), a planned cloud-based replacement.

- **CalCONNECT.** Established during the COVID-19 pandemic, CalCONNECT enables local health jurisdictions to conduct disease investigations, contact tracing, outbreak management, symptom monitoring, and public health outreach. The platform provides state and local investigators with tools to conduct disease response activities.

Vaccine Management and Immunization Data Systems

- **MyCAvax.** MyCAvax supports vaccine ordering and distribution, enabling local health departments and health care providers to order, manage, distribute, and administer vaccine supply throughout the state.

- **California Immunization Registry (CAIR).** CAIR is the statewide Immunization Information System used to capture, store, track, and consolidate vaccination records. The registry supports CDPH's efforts to prevent and control vaccine-preventable diseases and to sustain vaccination coverage rates across the state.

- **MyTurn.** MyTurn is a scheduling and administration platform used for determining vaccine eligibility, managing public appointment scheduling, accommodating walk-in appointments, recording dose administration, and generating reports for vaccine clinics.

- **My Digital Vaccine Record.** My Digital Vaccine Record provides Californians with a secure online portal to access an electronic version of their immunization records.

CDPH Information Technology Budget Change Proposal

The Governor's budget includes one single public health IT-related proposal, which would fund the ongoing maintenance and operation funding for SaPHIRE. For 2026-27, the Administration proposes 15 positions and $24,494,000 General Fund in 2026-27, $18,487,000 in 2027-28, and $3,749,000 in 2028-29 and ongoing for SaPHIRE.

The budget does not include any other proposals providing funding for public health IT platforms.

Panel

- Dr. James Watt, Deputy Director, Center for Infectious Diseases, California Department of Public Health
- Adrian Barraza, Assistant Deputy Director, Center for Infectious Diseases, California Department of Public Health
- Tony Tran, Chief Technology Officer, Information Technology Services Division, California Department of Public Health
- Representative, California Department of Finance
- Will Owens, Senior Fiscal and Policy Analyst, Legislative Analyst's Office
- Michelle Gibbons, Executive Director, County Health Executives Association of California

Staff Comments

The Governor's budget only funds two IT systems. The Governor's budget proposes ongoing funding only for SaPHIRE, and will also continue supporting CalREDIE. No funding proposals have been included for the remaining platforms, including CalCONNECT, MyCAvax, CAIR, MyTurn, and My Digital Vaccine Record, all of which face lapsed or soon-to-expire funding.

The Administration has indicated to the Subcommittee that it is currently reviewing options and alternatives for these at-risk systems. Preliminary analysis estimates the cost of sustaining these platforms at approximately $100 million. The Administration has not yet presented a timeline for establishing the long-term outlook of the remaining unfunded IT systems.

Unfunded IT systems represent core post-pandemic public health infrastructure and are at risk. The unfunded IT systems represent core public health infrastructure built or significantly expanded during the COVID-19 pandemic. These platforms now support key state functions: disease surveillance and outbreak tracking, contact tracing and community outreach, and the ordering and distribution of immunization resources to local health departments and health care providers statewide.

Without a sustainable funding solution, California risks losing capabilities that took significant years and resources to build. Loss of system functionality puts the state at risk of reduced capacity to detect and respond to emerging infectious disease threats. Many of these functions have no ready substitute at the local level.

The Subcommittee may wish to ask the following questions:

1. How was SaPHIRE selected as the only platform for ongoing funding support in the 2026-27 budget? What criteria was used to prioritize it over other at-risk systems?

2. What specific options is the Administration currently evaluating to sustain the remaining IT sytems? Is the Administration considering consolidation, decommissioning, or alternative funding sources for any of these platforms?

3. What is the Administration's timeline for presenting a funding plan for the remaining at-risk systems?

4. If funding is not secured, which platforms would be decommissioned first, and in what order? Has the Administration developed a contingency plan for winding down any of these systems?

5. How are the IT platforms used in day-to-day operations, and how would the loss of access affect the state's overall public health readiness?

Staff Recommendation:
Hold Open

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