Report on State Legislation 2025

California Hospital Association

Hospital Council Northern & Central California

HOSPITAL ASSOCIATION of Southern California

HOSPITAL ASSOCIATION of San Diego & Imperial Counties

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A Message From The President & CEO

Carmela Coyle
President & CEO

While much of the focus in 2025 has been at the federal level — fighting to mitigate record health care cuts — CHA also worked tirelessly at the state Capitol, engaging on nearly 100 bills that have a direct impact on hospitals and the patients they care for.

CHA stopped many problematic bills, secured significant amendments to bills that had the momentum to pass, and advanced multiple bills that will help hospitals deliver care more efficiently. A package of bills that curbs harmful insurance company practices will help patients access the care they need with fewer hassles and red tape and could be particularly helpful to hospitals in an even more challenging environment.

This report provides a comprehensive overview of new laws taking effect, highlighting those that will affect hospitals most. It is meant to be a resource to support hospitals' understanding and implementation of these new laws.

New Laws with High Impact

Among the many health care-related laws enacted this year are several that impact overall hospital operations or require hospitals to take steps to implement them. The following are summaries of those laws, which hospital leaders may want to share with key members of their teams.

Community benefit: Hospital pricing

AB 1312 (Schiavo, D-Santa Clarita)

AB 1312 requires hospitals — beginning July 1, 2027 — to screen for patients who are experiencing homelessness, enrolled in means-based government assistance programs (e.g., CalFresh, CalWORKs), or who were eligible for financial assistance in the previous six months, and presume financial assistance eligibility upon verification for these individuals. Hospitals must also screen patients for financial assistance if they are uninsured, enrolled in or eligible for Medi-Cal, or enrolled in a Covered California health plan. By July 1, 2027, hospitals must develop and submit a written screening process and disclose any third-party screening tools to the Department of Health Care Access and Information. Hospitals will also need to update their charity care and discount payment policies and procedures.

Emergency room patient prescriptions

AB 447 (M. González, D-Los Angeles)

AB 447 allows a prescriber to dispense an unused portion of a medication to an emergency department (ED) patient upon discharge if all of the following conditions are met: (1) the drug is not a controlled substance, (2) the medication was ordered and administered to the patient during their ED visit, (3) the drug was administered from single patient use multidose packaging and can be self-administered by the patient (such as an inhaler, eye/ear/nose drop, topical product, or liquid product) and (4) dispensing the remaining portion is necessary to continue the patient's treatment. AB 447 also exempts an automated unit dose system (AUDS) operated by a hospital pharmacy to provide doses dispensed to an ED patient from the requirement to obtain an automated drug delivery system license if the hospital pharmacy owns or leases the AUDS and owns the medications and devices.

Hospital pharmacies must ensure the label on dispensed medications contains all information required by Business and Professions Code Section 4076.

Employment: Contracts in restraint of trade

AB 692 (Kalra, D-San Jose)

AB 692 prohibits and voids employment-related contracts entered into on or after Jan. 1, 2026, in which an employee must reimburse the employer for costs related to voluntary work-related training programs, relocation expenses, and other employee assistance or retention programs if the employment relationship ends before an agreed upon time. Housing programs are exempt. Hospitals should review and modify existing programs and create new contracts for Jan. 1, 2026, and beyond.

Health facilities: Information sharing

SB 81 (Arreguín, D-Oakland)

SB 81 — which took effect on Sept. 29, 2025 — prohibits health care providers, including hospitals and other health facilities defined under Health and Safety Code Section 1250, from granting immigration officers access to patients or to nonpublic areas unless it is for the purpose of enforcing criminal laws or pursuant to a valid judicial warrant or court order. The bill requires health care providers to establish or update procedures, as well as educate staff and volunteers on how to respond to immigration officer requests. Additionally, the bill expands the definition of "medical information" in the Confidentiality of Medical Information Act to include immigration status and place of birth and defines "immigration enforcement" to encompass efforts related to both civil and criminal federal immigration laws. Hospitals have 45 days (until Nov. 13, 2025) to update their policies and procedures.

Health facilities: Patient visitation

AB 960 (Garcia, D-Rancho Cucamonga)

AB 960 requires general acute care hospitals to allow patients with physical, intellectual, developmental, or cognitive disabilities — including dementia — to have a family member or caregiver present as needed, including outside of regular visiting hours, to ensure the patient can fully and equally access hospital services. Certain exceptions are noted, including circumstances related to public health emergencies. Hospitals should review their visitation policies to ensure consistency with these requirements.

Health providers: Medical chaperones

AB 849 (Soria, D-Merced)

Beginning Jan. 1, 2027, AB 849 requires that hospitals, licensed clinics, skilled-nursing facilities, physician organizations, ambulatory surgery centers, labs, and imaging facilities notify patients — in writing, verbally, or electronically — that a trained medical chaperone is available upon request for sensitive examinations. "Sensitive examination" means an ultrasound, performed by a sonographer, involving genitalia, breasts, rectum, and pubic or groin regions. If a medical chaperone is not available, providers may work with the patient to find an acceptable alternative. Patients have the right to decline a chaperone, and a provider has the right to decline performing a sensitive exam without a medical chaperone present. Facilities are required to educate sonographers and staff who may serve as medical chaperones about appropriate observational and intervention techniques, how to properly drape a patient, the importance of neutrality, and how to report any inappropriate behaviors observed or communicated by the patient. Hospitals should create new policies and procedures related to medical chaperones, or amend existing policies.

Mental/behavioral health: Involuntary commitment

AB 416 (Krell, D-Sacramento)

AB 416 makes emergency department (ED) physicians eligible to be designated by the county to place and clear involuntary behavioral health holds for patients. ED physicians will need to complete their county mental health department's training to become designated.

Nursing: Administrative penalties

SB 596 (Menjivar, D-Van Nuys)

Existing law states that a penalty will not be issued to a hospital for a nurse-ratio violation if the hospital exhausts its on-call list of nurses and the charge nurse (among other requirements). SB 596 defines an "on-call list" as those nurses who are scheduled to be on call for the shift and unit where an alleged violation occurred, or nurses who are assigned to a regularly scheduled float pool shift to cover any shortages across one or more specified units. The bill also requires the California Department of Public Health to treat ratio violations that occur on separate days as separate violations.

Privacy: Patient directories

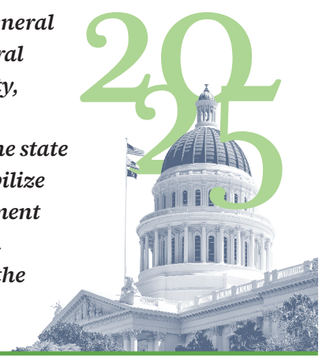
AB 894 (Carrillo, D-Palmdale)

AB 894 requires general acute care hospitals, beginning July 1, 2026, to inform patients or their representatives of the patient's right to opt out of the patient directory by (1) using a separate paper or digital document that includes a check box for the patient or representative to mark to opt out and (2) having hospital personnel verbally inform the patient or representative of the right to opt out. This notification must be completed as close to the time of admission as possible, and in the five languages (other than English) most frequently used in the hospital's service area.

If you have any questions about this year's new laws, please contact Lois Richardson, vice president, legal counsel, at lrichardson@calhospital.org.

Budget Summary

The 2025-26 Budget Act (AB 102, AB 104, and SB 105) addressed a nearly $12 billion General Fund shortfall through a range of solutions. However, it did not account for cuts in federal funding under the One Big Beautiful Bill Act (OBBBA) — cuts that not only affect eligibility, methods of financing, provider payments, and benefits, but also create Medi-Cal budget pressures for the state in the tens of billions of dollars. Even without these federal cuts, the state projects significant structural budget deficits for future years; additional actions to stabilize the state budget will very likely be needed next year and beyond. The final budget agreement and corresponding trailer bills made significant changes to Medi-Cal and various health care financing provisions, including the following provisions relevant to hospitals and the communities they serve.



Managed Care Organization (MCO) Tax

The final budget agreement approves the governor's proposal to sweep an estimated $1.3 billion in MCO tax funds — intended under Proposition (Prop) 35 to enhance payments to primary care, specialty care, hospital outpatient, and ground emergency medical transportation providers — into the General Fund. While this is a significant redirection of hospital-supported revenue, CHA is continuing to advocate for appropriate use of the Prop 35 emergency department funding not swept into the final budget agreement.

Key Medi-Cal Budget Solutions

- **Medi-Cal asset limit restoration:** The budget includes a Medi-Cal asset limit of $130,000, an increase from the governor's proposal of $2,000. This change results in General Fund savings of $45 million for 2025-26, growing to $510 million in future years.
- **Undocumented Medi-Cal enrollment changes:** Starting Jan. 1, 2026, residents over the age of 19 with unsatisfactory immigration status will be subject to a Medi-Cal enrollment freeze; this includes a six-month re-enrollment grace period and specifies that children will not age out. Savings will grow to $3.3 billion annually when fully implemented in future years.
- **Premiums for adults with unsatisfactory immigration status:** Premiums for adults aged 19-59 with such status will begin July 1, 2027, at $30 per month. Net savings begin in 2027-28 and are projected to reach $675 million annually.
- **Prescription drug rebates and exclusions:** The budget adjusts the prescription drug rebate aggregator to include populations with unsatisfactory immigration status, generating $370 million in 2025-26. Additionally, coverage for specialty weight loss drugs will be excluded from Medi-Cal, resulting in savings of $680 million by 2028-29.

Delays and Preserved Funding

- **Current year Medi-Cal overage repayment:** The final budget delays repayment of a $4.4 billion loan to cover 2024-25 Medi-Cal costs, instead assuming the full loan will be repaid in 2034.
- **Proposition 56 supplemental payments:** The final budget preserves $172 million in Prop 56 payments for family planning and women's health services. It also delays cuts to dental supplemental payments and benefits for individuals with unsatisfactory immigration status until July 1, 2026.
- **Health centers and clinics:** Reductions to health centers and rural health clinics totaling $1.1 billion annually are delayed until July 1, 2026.
- **Public health investments:** The Legislature rejected nearly $60 million in proposed cuts to various public health initiatives, including LGBTQ+ health equity, reproductive health, sexually transmitted disease prevention, and public health workforce programs.

Other Important Proposals

- **Diaper initiative:** The budget includes the governor's $7.4 million diaper initiative, as well as a separate equivalent augmentation for diaper banks. Development of distribution pathways, including around hospitals' potential role, will continue as the Department of Health Care Access and Information (HCAI) implements the program.
- **Pharmacy benefit manager licensure:** The final budget includes statutory changes that require pharmacy benefit managers contracting with health plans or insurers to obtain licensure from the Department of Managed Health Care.

SB 105 augmented the 2025-26 Budget Act by appropriating:

- **$294,000** from the General Fund to the California Health and Human Services Agency to support staff resources needed to coordinate the agency's response to OBBBA.
- **$1 million** from the California Health Data and Planning Fund to HCAI to support development and submission of the state's application for funding under the federal Rural Health Transformation Program.
- **$2.5 million** ($1.3 million from the General Fund and $1.3 million in federal funds) to support the Department of Health Care Services (DHCS) in verifying citizenship and immigration status of Medi-Cal beneficiaries pursuant to recent federal guidance, as well as promoting alignment with related OBBBA provisions.
- **$11.3 million** ($3.6 million from the General Fund, $2 million from the California Health Data and Planning Fund, and $5.6 million in federal funds) to support DHCS' development of a comprehensive hospital value strategy.
- **$4 million** from the General Fund to support building capacity and coordinated communications with other states, academic partners, health systems, health insurers, clinical professional organizations, local public health, and other health organizations.
- **$15 million** from the Health Care Affordability Reserve Fund to support continued coverage of gender-affirming care services in the California Health Benefit Exchange, consistent with California law.

AB 104 also included the following provision, which was chaptered on July 29, 2025:

- The repayment period for loans provided under the Nondesignated Public Hospital Loan Program may be extended for up to 60 months if the California Health Facilities Financing Authority determines a hospital is unable to repay its loan within the required time period.

Health Omnibus Trailer Bills (AB 116 and AB 144)

To implement the 2025-26 state budget, the health omnibus trailer bills — AB 116, which was chaptered on June 30, 2025, and AB 144, chaptered on Sept. 17, 2025 — include changes to state law and associated changes to the operation of state programs.

The following provisions are included in both bills:

- On Jan. 1, 2026, asset/resource limits will be reintroduced, starting at $130,000 and increasing by $65,000 per additional household member (up to 10 members).
- Full-scope Medi-Cal for adults with unsatisfactory immigration status is limited, and a $30 monthly premium requirement will take effect July 1, 2027.
- AIDS Drug Assistance Program Rebate Fund allocations are expanded, with authorization of up to $75 million to support HIV services; condom distribution funding is also extended through June 30, 2028.

The following provisions were included in AB 116:

- The Acute Psychiatric Hospitals and Enhanced Treatment Programs pilot program authorization is extended through Jan. 1, 2030, and requires emergency regulations for acute psychiatric hospitals by Jan. 31, 2026, including staffing standards.
- Compliance with 96-hour alternative power source requirement for skilled-nursing facilities is delayed until state funding is appropriated and announced.
- Pharmacy benefit managers (PBMs) are required to obtain a license from the Department of Managed Health Care by Jan. 1, 2027 (or later if the process is not established); licensing fees, reporting requirements, enforcement authority, and two new funds for PBM operations and penalties are also established.
- Mandated fertility treatment coverage from commercial health plans and insurers is delayed to Jan. 1, 2026.
- The minimum Medi-Cal state pharmacy rebate threshold is increased to 25% of average manufacturer price for certain drugs, "continuing care status" for prior authorization exemptions is eliminated, and direct notice to beneficiaries is required when drugs are moved to prior authorization.
- Medi-Cal managed care plans are required to cover COVID-19 testing, vaccines, and therapeutics, with flexibility for cost-sharing rules.
- Prior authorization rules for Medi-Cal hospice services are revised.
- A statewide certification program for community health workers is repealed.
- Certain reporting requirements for cognitive health assessments for seniors will be delayed.

The following provisions were included in AB 144:

- Authority for vaccine recommendations is transferred from the federal Advisory Committee on Immunization Practices to the California Department of Public Health (CDPH) starting July 1, 2026. Medi-Cal and private plan immunization requirements are also updated to align with CDPH guidance.
- Covered California is required to reimburse plans for state-mandated gender-affirming care starting in 2026, subject to legislative funding.
- Calculation of clinical laboratory and tissue bank license fees will now be based on actual program costs.
- A continuously appropriated fund to support abortion services through grants/contracts, funded by transfers from segregated plan accounts (2025–29), is now established.
- The medical supply rebate demonstration project is repealed.
- The licensing fee cap for genetic counselors is raised from $200 to $500.
- For the 2028 Olympic and Paralympic games, practitioners licensed in other states or countries will be exempt from California licensure if certain requirements are met. If a legal representative cannot be reached, the official team representative will be authorized to consent to medical treatment for team members who cannot consent for themselves due to minor status or illness/injury.

With questions about the budget portion of this report, please contact Adam Dorsey, group vice president, financial policy, at adorsey@calhospital.org.

Legislative Summary

During the first year of the 2025-26 legislative session, CHA engaged policymakers on hundreds of bills affecting hospitals; brief descriptions of each new law are below, with links to full text on the Legislature's website. This report categorizes each new law by subject and alphabetically, with indexes by author, bill number, and topic. All measures take effect on Jan. 1, 2026, unless noted otherwise.

AGING

SB 412 (Limón, D-Santa Barbara)

Home care aides

SB 412 requires that, beginning Jan. 1, 2027, licensed home care agencies ensure home care aides complete a training that includes special care needs for clients with dementia. The training must be conducted prior to the start of providing care, as well as annually thereafter; both entry-level and annual training may be completed online.

ARTIFICIAL INTELLIGENCE

AB 489 (Bonta, D-Oakland)

Health care professions: Deceptive terms or letters

AB 489 prohibits artificial intelligence systems from using a term, letter, or phrase in their advertising or functionality that implies a natural person with a health care-related professional license is providing the care, advice, report, or assessment.

BIOETHICAL ISSUES

SB 403 (Blakespear, D-Encinitas)

End of Life Option Act: Sunset

SB 403 makes the End of Life Option Act — which allows eligible, terminally ill adults to request a prescription for medication that would end their life — permanent.

COMMUNITY BENEFIT

AB 1312 (Schiavo, D-Santa Clarita)

Hospital pricing

AB 1312 requires hospitals — beginning July 1, 2027 — to screen for patients who are experiencing homelessness, enrolled in means-based government assistance programs (e.g., CalFresh, CalWORKs), or who were eligible for financial assistance in the previous six months, and presume financial assistance eligibility upon verification. Hospitals must also screen patients for financial assistance if they are uninsured, enrolled in or eligible for Medi-Cal, or enrolled in a Covered California health plan. Hospitals are prohibited from requiring that a patient complete a financial assistance application as part of the screening process. However, hospitals may collect the necessary information and verification to determine patients' financial need. By July 1, 2027, hospitals must develop and submit a written screening process and disclose any third-party screening tools to the Department of Health Care Access and Information. Hospitals will also need to update their charity care and discount payment policies and procedures.

SB 862 (Committee on Health)

Health notices

SB 862, a health-related technical correction bill, allows hospitals to give patients charity care notices in hard copy or electronically, if the patient has consented to receive electronic communications. However, emergency department patients must be given a hard copy notice. The bill also corrects an error in previous legislation by requiring hospitals to submit their patient safety plan to the California Department of Public Health every other year starting Jan. 1, 2026, instead of twice annually.

CORPORATE STRUCTURE

SB 351 (Cabaldon, D-Napa)

Health facilities

SB 351 limits a private equity group or hedge fund's management or control of physician or dental practices doing business in California and voids any contract that includes specified anti-competitive provisions. CHA negotiated amendments to the bill to exclude hospitals, hospital systems, and any entity managed or controlled by a hospital or hospital system from the definition of a private equity group or hedge fund.

EMERGENCY SERVICES

AB 447 (M. González, D-Los Angeles)

Emergency room patient prescriptions

AB 447 allows a prescriber to dispense an unused portion of a medication to an emergency department (ED) patient upon discharge if all of the following conditions are met: (1) the drug is not a controlled substance, (2) the medication was ordered and administered to the patient during their ED visit, (3) the drug was administered from single patient use multidose packaging and can be self-administered by the patient (such as an inhaler, eye/ear/nose drop, topical product, or liquid product), and (4) dispensing the remaining portion is necessary to continue the patient's treatment. AB 447 also exempts an automated unit dose system (AUDS) operated by a hospital pharmacy to provide doses dispensed to an ED patient from the requirement to obtain an automated drug delivery system license if the hospital pharmacy owns or leases the AUDS and owns the medications and devices.

Hospital pharmacies must ensure the label on dispensed medications contains all information required by Business and Professions Code Section 4076.

EMPLOYMENT

AB 692 (Kalra, D-San Jose)

Contracts in restraint of trade

AB 692 prohibits and voids employment-related contracts entered into on or after Jan. 1, 2026, in which an employee must reimburse the employer for costs related to voluntary work-related training programs, relocation expenses, and other employee assistance or retention programs if the employment relationship ends before an agreed upon time. Housing programs are exempt. Hospitals should review and modify existing programs and create new contracts for Jan. 1, 2026, and beyond.

AB 1418 (Schiavo, D-Santa Clarita)

Department of Health Care Access and Information

AB 1418 requires health facilities to report employer-sponsored health care coverage waiting periods for eligible health care employees to the Department of Health Care Access and Information (HCAI). HCAI will incorporate this new reporting requirement into existing reports under current law beginning Jan. 1, 2027.

SB 19 (S. Rubio, D-West Covina)

Crimes: Threats

SB 19 creates a new crime: threatening to commit a crime that would result in death or great bodily injury at a medical facility, daycare, school, university, workplace, or house of worship. This crime would be punishable as a misdemeanor by imprisonment in county jail not to exceed one year, or as a felony by imprisonment in county jail for 16 months, or two or three years.

SB 294 (Reyes, D-San Bernardino)

The Workplace Know Your Rights Act

SB 294 requires an employer to provide a written notice of workers' rights under federal and state law to new employees upon hire and annually to each current employee, in addition to complying with the existing requirement to post the same rights. Failure to comply with the notice requirement subjects an employer to a civil penalty of up to $500 per employee for each violation. Beginning on Jan. 1, 2026, hospitals may post a template notice prepared by the labor commissioner.

FINANCE

AB 627 (Stefani, D-San Francisco)

California Health Facilities Financing Authority Act

AB 627 authorizes the California Health Facilities Financing Authority (CHFFA) to issue long-term working capital financing by removing the limitation that loans be repaid within 24 months. This added flexibility is intended to incentivize hospitals and other providers to use CHFFA loans to cover operating expenses like salaries, benefits, and leases.

HEALTH FACILITIES

AB 533 (Flora, R-Ripon)

Health care districts: Design-build process

AB 533 authorizes any health care district to use the design-build process when contracting to construct or improve a hospital or health facility building. The design-build process (as opposed to the design-bid-build process) allows health care districts to contract with a single entity to handle both the design and construction phases, improving efficiency and reducing costs.

AB 849 (Soria, D-Merced)

Health providers: Medical chaperones

Beginning Jan. 1, 2027, AB 849 requires that hospitals, licensed clinics, skilled-nursing facilities, physician organizations, ambulatory surgery centers, labs, and imaging facilities notify patients — in writing, verbally, or electronically — that a trained medical chaperone is available upon request for sensitive examinations. "Sensitive examination" means an ultrasound, performed by a sonographer, involving genitalia, breasts, rectum, and pubic or groin regions. If a medical chaperone is not available, providers may work with the patient to find an acceptable alternative. Patients have the right to decline a chaperone, and a provider has the right to decline performing a sensitive exam without a medical chaperone present. Facilities are required to educate sonographers and staff who may serve as medical chaperones about appropriate observational and intervention techniques, how to properly drape a patient, the importance of neutrality, and how to report any inappropriate behaviors observed or communicated by the patient. Hospitals should create new policies and procedures related to medical chaperones, or amend existing policies.

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HEALTH PLAN AND INSURER REGULATION

AB 543 (M. González, D-Los Angeles)

Medi-Cal: Field medicine

AB 543 allows a Medi-Cal managed care plan to offer covered services to Medi-Cal recipients experiencing homelessness through a contracted field medicine provider. The bill also allows field medicine providers to make direct referrals for covered services — including diagnostic services, medications, and durable medical equipment — within the managed care network. Successful implementation of the field medicine program could have a positive impact on emergency department volumes.

SB 250 (Ochoa Bogh, R-Redlands)

Medi-Cal: Provider directory for skilled-nursing facilities

SB 250 requires that the Medi-Cal Managed Care Health Care Options online provider directory, which lists accepted Medi-Cal managed care plans, also include skilled-nursing facilities as a searchable provider type.

SB 306 (Becker, D-Menlo Park)

Health care coverage: Prior authorization

SB 306 requires the Department of Managed Health Care and the Department of Insurance to instruct health care plans and insurers — excluding Medi-Cal managed care plans — to report information on services subject to prior authorization and approval rates, evaluate those reports, identify services approved at a rate that meets or exceeds the 90% threshold, and require plans or insurers and delegated entities to stop requiring prior authorization for those services. Information about treatment modifications must be reported separately from approvals and could be included in the calculation of the approval rate as determined by each department. The bill would also require the departments to publish reports on the impact of the cessation. This bill's provisions sunset on Jan. 1, 2034.

MEDI-CAL

SB 530 (Richardson, D-Inglewood)

Time and distance standards

SB 530 extends the existing sunset (expiration) date for Medi-Cal network adequacy and timely access standards by three years, to Jan. 1, 2029. In alignment with recently updated federal regulations, SB 530 also strengthens the Department of Health Care Services' (DHCS) oversight of managed care plan compliance with these requirements and the process for approving alternative access standards. The bill also requires DHCS to convene stakeholders to inform the development and administration of future network adequacy rules. Finally, SB 530 requires DHCS to provide a 30-day public comment period before implementing any changes to network adequacy standards.

SB 530's provisions will be implemented over multiple years and require updates to managed care plan contracts and policy guidance, new or improved monitoring of plan compliance by DHCS, and multiple points of stakeholder consultation. Key milestones include: (1) DHCS analytical workplan for ongoing updates to network adequacy standards must be published by Jan. 1, 2027, with requisite consultation with stakeholders, including hospitals, expected to take place during 2026; and (2) beginning Jan. 1, 2027, DHCS is required to consider the sufficiency of plan payment rates for service categories where a plan is seeking DHCS approval of a more lenient alternative access standard.

MEDICAL STAFF

AB 1501 (Berman, D-Palo Alto)

Physician assistants and podiatrists

AB 1501 addresses the operations of the Podiatric Medical Board of California and the Physician Assistant Board. Of interest to hospitals, this bill increases the number of physician assistants a physician may supervise at any time from four to eight.

MENTAL/BEHAVIORAL HEALTH

AB 348 (Krell, D-Sacramento)

Full-service partnerships

AB 348 requires counties to enroll specified target populations — such as individuals who have been detained on five or more involuntary holds in the past five years — into their full-service partnership (FSP) programs beginning in 2027. FSPs provide the most vulnerable county behavioral health care consumers with intensive, wrap-around services and housing supports.

AB 416 (Krell, D-Sacramento)

Involuntary commitment

AB 416 makes emergency department (ED) physicians eligible to be designated by the county to place and clear involuntary behavioral health holds for patients. ED physicians will need to complete their county mental health department's training to become designated.

SB 27 (Umberg, D-Santa Ana)

Community Assistance, Recovery, and Empowerment (CARE) Court Program

SB 27 makes various changes to the CARE Act of 2022, including expanding the CARE Court Program's target population to include individuals with bipolar disorder experiencing psychosis. Hospitals may refer unstabilized, at-risk individuals with schizophrenia or bipolar disorder to the CARE Court Program, which provides court supervision of counties' treatment plans for participating individuals.

NURSING

AB 583 (Pellerin, D-San Jose)

Death certificates

Effective July 1, 2026, AB 583 adds nurse practitioners to the list of health care practitioners last in attendance who may complete a death certificate. The bill imposes on nurse practitioners the same death reporting requirements currently placed on physicians, including coroner notification.

AB 876 (Flora, R-Ripon)

Nurse anesthetists: Scope of practice

AB 876 authorizes credentialed nurse anesthetists to perform anesthesia services, including preoperative, intraoperative, and postoperative care and pain management for patients receiving anesthesia pursuant to an order by a physician, dentist, or podiatrist for anesthesia services. The bill also authorizes nurse anesthetists to provide emergency, critical care, and resuscitation services. This bill's provisions are declaratory of existing law.

SB 596 (Menjivar, D-Van Nuys)

Administrative penalties

Existing law states that a penalty will not be issued to a hospital for a nurse-ratio violation if the hospital exhausts its on-call list of nurses and the charge nurse (among other requirements). SB 596 defines an "on-call list" as those nurses who are scheduled to be on call for the shift and unit where an alleged violation occurred, or nurses who are assigned to a regularly scheduled float pool shift to cover any shortages across one or more specified units. The bill also requires the California Department of Public Health to treat ratio violations that occur on separate days as separate violations.

OFFICE OF HEALTH CARE AFFORDABILITY

AB 1415 (Bonta, D-Oakland)

California Health Care Quality and Affordability Act

AB 1415 expands the Office of Health Care Affordability's oversight of market transactions to include health care deals involving management services organizations, private equity groups, hedge funds, and providers that have closed or suspended operations.

PRIVACY AND PERSONAL INFORMATION

AB 45 (Bauer-Kahan, D-San Ramon)

Health data: Location and research

AB 45 prohibits a third party from geofencing an entity that provides health care services. This bill also shields research records from disclosure in response to subpoenas or law enforcement requests issued under another state's laws that seek to interfere with a person's legal right to obtain an abortion in California.

AB 82 (Ward, D-San Diego)

Legally protected health care activity

AB 82 prohibits the reporting of a prescription for, or the dispensing of, testosterone or mifepristone to the Department of Justice, the Controlled Substance Utilization Review and Evaluation System (CURES) database, or a contracted prescription data processing vendor. The bill also expands the Safe at Home program, which currently applies to patients and providers of reproductive health care services, to patients and providers of gender-affirming health care services.

AB 260 (Aguiar-Curry, D-Davis)

Sexual and reproductive health care

AB 260 contains various provisions intended to facilitate access to abortions, including medication abortions, even if federal law changes. Importantly for hospitals, this bill also extends — from Jan. 1, 2026, to Jan. 1, 2027 — exemption for health care providers from liability for failing to meet the requirements of AB 352 (Bauer-Kahan, Chapter 255, Statutes of 2023), which prohibits providers from disclosing or granting access to patients' abortion information in certain situations. AB 260 also authorizes pharmacists to dispense mifepristone and other abortion medications without the name of the patient or prescriber, or the name and address of the pharmacy, subject to specified requirements.

AB 894 (Carrillo, D-Palmdale)

Patient directories

AB 894 requires general acute care hospitals, beginning July 1, 2026, to inform patients or their representatives of the patient's right to opt out of the patient directory by (1) using a separate paper or digital document that includes a check box for the patient or representative to mark to opt out and (2) having hospital personnel verbally inform the patient or representative of the right to opt out. This notification must be completed as close to the time of admission as possible, and in the five languages (other than English) most frequently used in the hospital's service area.

SB 278 (Cabaldon, D-Napa)

Health data: HIV test results

SB 278 authorizes health care providers to disclose a Medi-Cal beneficiary's HIV test results — without the beneficiary's written authorization — to the beneficiary's assigned Medi-Cal managed care plan or to an external quality review organization contracted with the Department of Health Care Services (DHCS), for purposes of administering Medi-Cal quality improvement programs. SB 278 is effective Jan. 1, 2026, and will require the affected departments (DHCS and the California Department of Public Health) to update policy guidance, regulations, and/or contracts.

SB 446 (Hurtado, D-Bakersfield)

Data breaches: Customer notification

SB 446 revises existing privacy breach notification requirements for California businesses. Of interest to hospitals, it requires that the current requirement to notify the attorney general's office of breaches be completed within 15 calendar days of notifying the patient.

SB 497 (Wiener, D-San Francisco)

Legally protected health care activity

SB 497 provides stronger confidentiality protections for medical information about gender-affirming health care or gender-affirming mental health care, including prohibiting disclosures of this information in response to certain requests. Hospitals should update their policies and procedures on disclosure of medical information and train staff accordingly.

SB 660 (Menjivar, D-Van Nuys)

California Health and Human Services Data Exchange Framework

SB 660 shifts responsibility for all functions related to the Data Exchange Framework (DxF) from the Health and Human Services Agency to the Department of Health Care Access and Information (HCAI), effective Jan. 1, 2026. Among its many provisions, the bill also requires HCAI to convene an advisory group, requires health care providers and plans to comply with DxF as a condition for contracting with or providing services through state health care programs, exempts specified information from data-sharing requirements, and authorizes HCAI to adopt enforcement actions and enforce compliance with DxF.

RURAL

SB 669 (McGuire, D-San Rafael)

Standby perinatal services

SB 669 requires the California Department of Public Health to, by July 1, 2026, establish a 10-year pilot program allowing up to five qualified critical access hospitals to operate standby perinatal units. The first two hospitals selected must be nonprofit and located in Humboldt or Plumas counties. Up to three additional hospitals may be selected if their application includes either a signed agreement from the workers' union confirming the standby unit will not negatively impact staff or an attestation that the hospital does not have a union. To participate in the pilot program, hospitals must meet a range of requirements, including medical, facility, workforce, administrative, and reporting standards.

WORKFORCE

SB 246 (Grove, R-Bakersfield)

Medi-Cal: Graduate medical education payments

SB 246 expands Medi-Cal graduate medical education (GME) funding to district hospitals to support medical training programs and strengthen California's health care workforce, while leveraging local funds and federal matching dollars. Medi-Cal currently provides GME payments only to designated public hospitals. These payments are funded through voluntary intergovernmental transfers from hospitals or other eligible public entities, with no state General Fund dollars used. SB 246 expands eligibility for GME payments to include district and municipal public hospitals (DMPHs), which are nondesignated public hospitals. The bill creates the DMPH GME Special Fund, with funds continuously appropriated to support these payments. The bill requires payments to include both direct GME costs (training program expenses) and indirect GME costs (higher patient care costs at teaching hospitals).

If you have any questions about this year's new laws, please contact Lois Richardson, vice president, legal counsel, at lrichardson@calhospital.org.

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If you have any questions about this year's new laws, please contact Lois Richardson, vice president, legal counsel, at lrichardson@calhospital.org. With questions about the budget portion of this report, please contact Adam Dorsey, group vice president, financial policy, at adorsey@calhospital.org.

California Hospital Association

Hospital Council Northern & Central California

HOSPITAL ASSOCIATION of Southern California

HOSPITAL ASSOCIATION of San Diego & Imperial Counties