



May 27, 2026

The Honorable Akilah Weber Pierson, MD  
Chair, Senate Health Committee  
1020 N Street, Room 3310  
Sacramento, CA 95814

**SUBJECT: AB 1126 (Patterson) – SUPPORT**

Dear Senator Weber Pierson:

As hospitals continue to serve as the backbone of health care for their communities, they are increasingly called upon to help patients navigate a complex Medi-Cal Managed Care system. This can be particularly difficult for patients and providers when benefits must be coordinated across multiple payers for individuals with Medi-Cal and other health coverage (OHC).

Because Medi-Cal is the payer of last resort in these cases, patients with OHC must use that coverage first, and providers may then bill the managed care plan for any remaining allowable costs. However, non-contracted OHC providers continue to face improper denials and encounter delays in reimbursement from plans, even though the Department of Health Care Services (DHCS) has clarified its guidance that **they do not need to be in-network to receive payment.**

**That's why the California Hospital Association (CHA), on behalf of nearly 400 hospitals and health systems, supports Assembly Bill (AB) 1126, which would accomplish two key objectives:**

- **Prohibit plans from requiring OHC providers to maintain in-network status**
- **Require DHCS to ensure these providers do not face administrative requirements in excess of what DHCS imposes for OHC billing in the Medi-Cal fee-for-service system**

Because these reimbursement complexities can lead to delays in timely access to care, it is critical that claims processing by plans for OHC providers is seamless and standardized across the delivery system.

For these reasons, **CHA requests your “YES” vote on AB 1126.**

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Farouk", with a long horizontal flourish extending to the right.

Mark Farouk  
Vice President, State Advocacy

cc: The Honorable Joe Patterson  
The Honorable Members of the Senate Health Committee  
Jen Flory, Principal Consultant, Senate Health Committee  
Joe Parra, Health Policy Consultant, Senate Republican Caucus