



June 30, 2025

The Honorable Anna Caballero  
Chair, Senate Appropriations Committee  
1021 O Street, Room 7620  
Sacramento, CA 95814

**SUBJECT: AB 220 (Jackson) — SUPPORT**

Dear Senator Caballero:

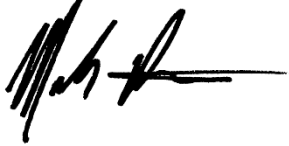
Every day, hospitals throughout California care for the state's most vulnerable populations, who often have no place else to turn for help. Nowhere is this role more prominent than in the Medi-Cal program and its prevailing managed care delivery system, in which approximately 99% of Medi-Cal's nearly 15 million beneficiaries are enrolled. Ensuring California's most vulnerable patients receive timely access to vital health care services is a priority for California hospitals. **The California Hospital Association (CHA), on behalf of nearly than 400 hospital and health system members, is pleased to support Assembly Bill (AB) 220 (Jackson, D-Moreno Valley), which would ensure Medi-Cal beneficiaries requiring subacute level services receive timely care — at little to no added costs for the state.**

Beneficiaries and providers alike continue to face unwarranted care authorization and documentation burdens that needlessly impede care delivery. These challenges are especially prevalent in covered benefits like subacute services, responsibility for which was recently transitioned to Medi-Cal managed care plans under the California Advancing and Innovating Medi-Cal initiative (CalAIM). AB 220 would standardize the documentation and criteria used to authorize adult and pediatric subacute care services in Medi-Cal managed care. The bill would also prohibit plans from imposing any medical necessity criteria for these services beyond what the Department of Health Care Services (DHCS) requires in the fee-for-service delivery system. These changes are critical to ensuring patients — whether covered by managed care plans or in the fee-for-service delivery system — receive equitable, timely access to health care.

AB 220 is unlikely to increase Medi-Cal managed care rates, as it would not change the scope of the current subacute benefit. Instead, it merely requires plans to utilize DHCS' existing policies for authorizing subacute care. While plans that improperly employ more restrictive criteria today may see increased utilization, the negligible impact would be captured in the traditional rate-setting process that relies on plans' historical cost and utilization experience. Because the bill relies on authorization policies that have already been developed and implemented by DHCS, the additional administrative costs would be minimal and could be covered by existing CalAIM resources and funding. Notably, AB 220 would also authorize DHCS to impose sanctions for noncompliance, thus allowing for further offset of any new costs that may materialize in its implementation.

**AB 220 would improve patients' access to care with minimal fiscal impact to the state. For these reasons, CHA supports AB 220.**

Sincerely,

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

Mark Farouk  
Vice President, State Advocacy

cc: The Honorable Corey Jackson  
The Honorable Members of the Senate Appropriations Committee  
Agnes Lee, Consultant, Senate Appropriations Committee  
Tim Conaghan and Joe Parra, Health Policy Consultants, Senate Republican Caucus