SECTION 1. Chapter 7.5 (commencing with Section 14199.100) is added to Part 3 of Division 9 of the Welfare and Institutions Code, to read:

CHAPTER 7.5. Protect Access to Healthcare Act of 2024

ARTICLE 1. Title, Findings and Declarations, Statement of Purpose.

Section 14199.100. Title.

This chapter shall be known and may be cited as the Protect Access to Healthcare Act of 2024.

Section 14199.101. Findings and Declarations.

The People of the State of California find and declare all of the following:

(a) In 2019, Governor Newsom and the Legislature embarked on a series of investments and initiatives to improve the healthcare delivery system in California. These actions included extending healthcare coverage to all low-income Californians; starting California's own generic drug production to deliver low-cost insulin to patients; providing much-needed mental health services to all California schoolchildren; and initiating a multi-year commitment to the improvement of the Medi-Cal program.

(b) While these past several years have seen significant investment and initial outcomes appear to be successful, these investments are at risk in future years and need to be protected.

(c) About 2 out of every 5 Californians—between 12 million and 15 million people—rely on the Medi-Cal program for healthcare coverage. This includes approximately four million children and two million seniors and people with disabilities.

(d) However, just being enrolled in the Medi-Cal program does not guarantee access to quality healthcare. Most Medi-Cal reimbursement rates have not been adjusted in more than a decade—and some providers have not seen a payment increase in over 25 years. As a result, doctors and other healthcare providers struggle to take on new Medi-Cal patients. Relatedly, Medi-Cal patients, and in some areas entire communities, face a loss of access to critical and emergency care as essential hospital services such as labor and delivery are at risk of being reduced or eliminated.

(e) The problem is exacerbated by a shortage of healthcare professionals in our State. The current strains on our healthcare system have left many healthcare workers physically and mentally exhausted, and thousands have left the profession altogether. This has left our healthcare system overstretched and made it even harder for the most vulnerable Californians to get access to care, including access to family planning services and other reproductive healthcare.

(f) Medi-Cal patients may wait weeks or months to see doctors who are specialists. The situation is more challenging in rural areas of the State that have fewer primary care providers per person, which results in delays or inability to access basic health care services.

(g) Obtaining adequate mental health services can take even longer. California suffers not only from a shortage of mental healthcare professionals but also from a shortage of psychiatric beds and treatment for patients with serious mental health conditions. When patients with serious mental health needs cannot obtain adequate care, they frequently wait days in the emergency room or may ultimately be left untreated and become homeless.

(h) All Californians continue to struggle with high prescription drug prices. When Californians cannot access the medications they need, our entire healthcare system suffers.

(i) The lack of healthcare access and affordable prescription drugs for patients poses a healthcare risk for all Californians. When Medi-Cal patients are unable to refill a prescription or find a doctor, mental health facility, or other healthcare provider to treat them, they often end up in emergency rooms. This puts additional—and avoidable—strains on our state's emergency rooms. When Medi-Cal patients are forced to rely on emergency rooms as their primary source of healthcare, the additional strain makes it harder for all patients to obtain life-saving care.

(j) Medi-Cal patients need the same access to healthcare and prescription medications as patients with private or employer-based health insurance. This is best and most directly accomplished by increasing reimbursement rates for doctors, hospitals, and other healthcare providers that treat Medi-Cal patients to at least cover the costs of providing care and by bringing down the cost of prescription drugs.

(k) California is one of several states that levy taxes on managed care plans to obtain extra federal dollars to help pay for healthcare access. This chapter addresses many of the current flaws in Medi-Cal funding. First, it ensures the existing tax is continued permanently so that California obtains its fair share of federal healthcare funding. Second, it guarantees that all

of the revenue from the continued tax will be spent on investments to improve access to critical healthcare services and makes it impossible to divert these dollars to unrelated uses.

(l) In addition, this chapter helps make essential medications affordable and accessible to more patients by increasing funding for the State to produce and distribute generic prescription drugs. By expanding California's capacity to produce its own generic prescription drugs, this chapter will inject competition into the prescription drug market and help address critical drug shortages. This will reduce prescription drug prices for *all* Californians.

(m) By ensuring permanent funding for increased Medi-Cal provider payments, generic prescription drug programs, and increasing our healthcare workforce, bed capacity, and treatment options—and protecting these dollars from unauthorized uses—this chapter will improve our overall healthcare system by providing all patients with greater access to quality healthcare and affordable drugs.

Section 14199.102. Statement of Purpose.

In enacting this chapter, the purpose and intent of the People of the State of California is to do all of the following:

(a) Increase access to quality healthcare by establishing a permanent, dedicated funding stream to be used for increasing reimbursement rates and other supports to healthcare providers that treat Medi-Cal patients and investments in building an adequate healthcare workforce, bed capacity, and treatment options.

(b) Increase access to affordable prescription drugs by establishing a permanent, dedicated funding stream to be used to produce and distribute generic prescription drugs through the California Affordable Drug Manufacturing Act of 2020.

(c) Prevent the revenue stream permanently continued by this chapter from ever being used to fund unauthorized or unrelated programs or from being used to supplant or replace existing sources of moneys that currently fund healthcare access and affordable prescription drug programs in this State.

(d) Continue a dedicated funding stream that is fully permitted by federal law while also ensuring that taxpayers and employers do not bear the financial burden for the implementation of this chapter.

ARTICLE 2. Protect Access to Healthcare Fund.

Section 14199.103. Creation of the Protect Access to Healthcare Fund.

(a)(1) The Protect Access to Healthcare Fund ("Fund") is hereby established in the State Treasury.

(2) Notwithstanding any other provision of law:

(A) The Fund is a special fund, permanently separate and apart from the General Fund or any other state fund or account.

(B) Irrespective of Section 16305.7 of the Government Code, any interest or dividends earned on moneys in the Fund shall be retained in the Fund and used solely as set forth in this chapter.

(b) The Healthcare Oversight & Accountability Subfund is hereby established in the Fund.

(c) The Improving Access to Healthcare Subfund is hereby established in the Fund.

(d) Notwithstanding any other provision of law to the contrary:

(1)(A) Effective January 1, 2027, any remaining moneys in the Managed Care Enrollment Fund created pursuant to Section 14199.82 that are not necessary to fund liabilities or encumbrances to support the subcomponents of the Medi-Cal program set forth in subdivision (d) of Section 14199.82 for expenditures associated with the 2023, 2024, 2025, and 2026 payments shall be transferred to the Medi-Cal Access and Support Account.

(B) Effective on the date on which all remaining encumbered moneys in the Managed Care Enrollment Fund have been exhausted, the Managed Care Enrollment Fund is hereby abolished, and Section 14199.82 shall become inoperative, and is hereby repealed one year after becoming inoperative.

(2)(A) Effective January 1, 2027, any remaining moneys in the Medi-Cal Provider Payment Reserve Fund created pursuant to Section 14105.200 that are not necessary to fund liabilities or encumbrances for the purposes set forth in Section 14105.200 for expenditures associated with the 2023, 2024, 2025, and 2026 calendar years shall be transferred to the Medi-Cal Access and Support Account.

(B) Effective on the date in which all remaining encumbered moneys in the Medi-Cal Provider Payment Reserve Fund have been exhausted, the Medi-Cal Provider Payment Reserve

Fund is hereby abolished, and Section 14105.200 shall become inoperative, and is hereby repealed one year after becoming inoperative.

Section 14199.104. Fund Oversight and Accountability.

(a) The People of the State of California hereby declare their unqualified intent for the moneys deposited into the Fund to be used to support the purposes set forth in this chapter without delay or interruption. The purpose of this section is to provide oversight and accountability mechanisms to guarantee that the People's intent is carried out.

(b)(1) Every four years, the Controller shall conduct an independent financial audit of the programs receiving moneys from the Fund. The Controller shall report the findings to the Governor and both houses of the Legislature and shall make the findings available to the public on its internet website.

(2) The Controller's audit shall also assess the department's annual compliance with Section 14199.107.

(c)(1) The Controller shall be separately reimbursed from moneys in the Healthcare Oversight & Accountability Subfund for actual costs incurred in conducting the financial audit required by subdivision (b) of this section and the reviews required by subdivision (b) of Section 14199.107 in an amount not to exceed seven hundred fifty thousand dollars ($750,000) per audit and review.

(2) The seven hundred fifty thousand dollars ($750,000) per audit and review maximum limit shall be adjusted decennially to reflect any increase in inflation as measured by the Consumer Price Index for All Urban Consumers (CPI-U). The Treasurer's Office shall calculate and publish the adjustments required by this paragraph.

Section 14199.105. Treatment of Moneys Deposited in and Expended from the Fund.

Notwithstanding any other provision of law to the contrary:

(a) The Fund, and every subfund, account, and subaccount within the Fund, is hereby declared to be a trust fund, trust subfund, trust account, or trust subaccount.

(b) Except as provided in Sections 16310 and 16381 of the Government Code as those sections read on January 1, 2023, moneys in the Fund shall not be borrowed, loaned, or otherwise transferred to the General Fund or any other state or local fund or account. Moneys

deposited into the Fund, and any subfund, account, or subaccount within the Fund, including any interest or dividends earned thereon, shall only be used for the specific purposes set forth in this chapter. No action shall be taken that permanently or temporarily changes the status of the Fund or any subfund, account, or subaccount within the Fund as a trust fund, trust subfund, trust account, or trust subaccount, or borrows, diverts, or appropriates the moneys in the Fund in a manner inconsistent with this chapter.

(c)(1) The taxes imposed by Article 7.1 during calendar years 2025 and 2026, and Article 6 of this chapter, and the moneys derived therefrom, including interest and penalties but less payment of refunds, are required to be deposited into the Fund as set forth in Article 3. The Fund is a special fund and trust fund permanently and irrevocably separate and apart from the General Fund. Notwithstanding Section 13340 of the Government Code, moneys in the Fund are continuously appropriated to the department without regard to fiscal year for the purposes set forth in this chapter.

(2)(A) Therefore, the taxes and the moneys resulting therefrom described in paragraph (1) shall not be considered to be part of the General Fund, as that term is used in Chapter 1 (commencing with Section 16300) of Part 2 of Division 4 of Title 2 the Government Code, shall not be considered General Fund revenues for purposes of Section 8 of Article XVI of the California Constitution and its implementing statutes, and shall not be considered "General Fund revenues," "state revenues," "moneys," or "General Fund proceeds of taxes" for purposes of subdivisions (a) and (b) of Section 8 of Article XVI of the California Constitution and its implementing statutes.

(B) Nothing in this paragraph shall change the character of the taxes and the moneys resulting therefrom described in paragraph (1) as "state revenues" or "state tax revenues" for purposes of Title XIX and Title XXI of the federal Social Security Act.

Section 14199.106. Administration.

(a)(1) The department shall be annually reimbursed from moneys in the Healthcare Oversight & Accountability Subfund for actual and necessary costs incurred in administering this chapter in an amount not to exceed five ten-thousandths of one percent (0.0005%) of the moneys annually deposited into the Fund or four million dollars ($4,000,000), whichever is greater. Any

inter-agency agreements entered into by the department for administration of any part of this chapter shall be covered by the amount provided in this subdivision.

(2) The limit in paragraph (1) shall be adjusted decennially to reflect any increase in inflation as measured by the Consumer Price Index for All Urban Consumers (CPI-U). The Treasurer's Office shall calculate and publish the adjustments required by this paragraph.

(b)(1)(A) On and after January 1, 2027, the department has a nondiscretionary ministerial duty to use all of the moneys in the Fund, and each subfund, account, and subaccount within the Fund, to accomplish the purposes of this chapter on an annual basis. Therefore, on and after January 1, 2027, the department shall make every reasonable effort to exhaust or otherwise encumber all of the moneys in the Fund by the end of each calendar year or fiscal year.

(B) The department may choose to comply with this requirement on a calendar year or fiscal year basis and may account for such expenditures on an accrual or cash basis. The department shall publish its choices under this subparagraph on its internet website.

(C) For purposes of this paragraph, unexhausted moneys in the Fund that are allocated for expenditures associated with payments to Medi-Cal providers pursuant to a federally approved methodology, or a methodology for which federal approval is pending, shall be considered otherwise encumbered at the end of each applicable calendar year or fiscal year.

(2) In any challenge alleging that the department is violating this nondiscretionary ministerial duty, the court shall apply its independent judgment and no deference shall be accorded to the department.

(c)(1) If in any challenge brought to remedy a violation of this chapter a restraining order or preliminary injunction is issued, the plaintiffs or petitioners shall not be required to post a bond obligating the plaintiffs or petitioners to indemnify the government defendants or the State of California for any damage the restraining order or preliminary injunction may cause.

(2)(A) If any challenge to invalidate an action that violates this chapter is successful by way of a final judgment issued by a court of competent jurisdiction, then an amount of moneys necessary to restore the Fund, subfund, account, or subaccount from which the moneys were unlawfully taken or diverted to its financial status had the unlawful action not been taken shall be transferred from the General Fund to the Fund, subfund, account, or subaccount, as applicable, upon appropriation by the Legislature. Interest calculated at the Pooled Money Investment Fund rate from the date or dates the moneys were unlawfully taken or diverted shall accrue to the

amounts required to be transferred pursuant to this paragraph. Within 30 calendar days of the appropriation made by the Legislature, the Controller shall make the transfer required by this paragraph and issue a notice to the parties, the department, and the committee that the transfer has been completed.

(B) If the Legislature fails to appropriate sufficient moneys to satisfy a final judgment described in subparagraph (A) of this paragraph within 365 days of the issuance of that judgment, then the court shall direct the Controller to use moneys in the Medi-Cal Access and Support Account to restore the moneys that were unlawfully taken or diverted, including interest.

Section 14199.107. Non-Supplantation.

(a)(1) Except as otherwise specified in Article 4, moneys in the Fund shall not be used to replace or supplant state revenue sources already in existence prior to the effective date of this chapter. Moneys in the Fund shall only be used to expand the healthcare benefits, healthcare services, healthcare workforce, and payment rates above and beyond those already in effect or in existence as of January 1, 2024.

(2) In order to ensure compliance with paragraph (1) and achieve the purposes of this chapter, and except as otherwise specified in Article 4, moneys in the Fund shall be used only to increase and enhance, and not replace or supplant, each and every pre-existing state revenue source for the services and programs that receive additional financial support pursuant to Article 3 and Article 4 of this chapter.

(3) Except as otherwise specified in Article 4, moneys in the Fund shall not be used to supplant any pre-existing state revenue source used to provide Medi-Cal services, benefits, or coverage; moneys used for the California Affordable Drug Manufacturing Act of 2020; or the healthcare workforce provisions set forth in this chapter.

(b)(1) The department shall annually issue a public written report providing a detailed explanation of whether or not, and how, compliance with subdivision (a) is being achieved. The report shall be posted on the department's internet website.

(2) As part of its audit responsibilities under Section 14199.104, the Controller shall independently review the reports prepared by the department pursuant to paragraph (1) and publicly issue a separate written opinion regarding whether or not compliance with subdivision

(a) is being achieved. Costs incurred by the Controller attributable to this requirement shall be reimbursable pursuant to subdivision (c) of Section 14199.104.

(c) In any challenge alleging that the moneys in the Fund, and the subfunds, accounts, and subaccounts established within the Fund, are being used to supplant preexisting state revenues already used for the purposes described in this chapter, the court shall apply its independent judgment and no deference shall be accorded to the department

(d) For purposes of this section, Section 14199.84 of Article 7.1 and Section 14199.123 of this chapter shall be deemed to be the same state revenue source.

(e) Additional express references in this chapter to prohibitions on supplanting funding does not imply greater non-supplantation protection for the accounts containing those references, or lesser non-supplantation protection for accounts lacking those references.

ARTICLE 3. Deposit and Allocation of Moneys in the Fund.

Section 14199.108. Deposit and Allocation of Moneys.

Notwithstanding any other provision of law to the contrary:

(a)(1) On and after January 1, 2025, all moneys annually derived from the tax imposed pursuant to Article 7.1 shall be deposited into the Fund.

(2) On and after January 1, 2027, all moneys annually derived from the tax imposed by Article 6 of this chapter shall be deposited into the Fund.

(b)(1) Sufficient moneys shall be annually transferred by the Controller from the Fund to the Healthcare Oversight & Accountability Subfund to cover all of the following:

(A) For the 2025 and 2026 calendar years only, the amount of moneys necessary to cover the appropriations made pursuant to Section 14199.108.3.

(B) Commencing with the 2025 calendar year and each calendar year thereafter, the nonfederal share of increased capitation payments to Medi-Cal managed care plans to account for their projected tax obligation pursuant to Section 14199.84 of Article 7.1, or Article 6 of this chapter, for the subject calendar year or years, as applicable.

(C) Reimbursement of the Controller for its responsibilities under this chapter.

(D) Payment of the department's administrative costs.

(E) Repayment of any refunds, as applicable.

(F) Costs incurred pursuant to Section 14199.133.

(2) Notwithstanding Section 13340 of the Government Code, all moneys within the Healthcare Oversight & Accountability Subfund are hereby continuously appropriated, without regard to fiscal years, to the department to be used as set forth in this subdivision.

(3) Any unencumbered moneys remaining in the Healthcare Oversight & Accountability Subfund at the end of a calendar year shall be transferred to the Improving Access to Healthcare Subfund.

(c) For each applicable calendar year, after the transfers required by subdivision (b) to the Healthcare Oversight & Accountability Subfund, all remaining moneys in the Fund shall be transferred to the Improving Access to Healthcare Subfund.

(d) In each calendar year, the first four billion three hundred million dollars ($4,300,000,000) transferred to the Improving Access to Healthcare Subfund shall be deposited by the Controller in the following amounts in the following accounts, which are hereby created within the Improving Access to Healthcare Subfund:

(1) Twenty-two percent (22%) in the Primary Care Account.

(2) Twenty-two percent (22%) in the Specialty Care Account.

(3) Two and one-half percent (2.5%) in the Emergency Department Physicians Account.

(4) Five and three-quarters percent (5.75%) in the Outpatient and Clinic Access Account.

(5) Five and one-half percent (5.5%) in the Family Planning Account.

(6) One and one-quarter percent (1.25%) in the Reproductive Health Account.

(7) Three percent (3%) in the Emergency Medical Transportation Account.

(8) Eight and three-quarters percent (8.75%) in the Emergency Department and Hospital Services Account.

(9) Three and one-half percent (3.5%) in the Designated Public Hospital Account, subject to subdivision (g).

(10) Four and one-half percent (4.5%) in the Improving Mental Health Account, subject to subdivision (g).

(11) Six and one-quarter percent (6.25%) in the Healthcare Workers Account.

(12) Three and one-half percent (3.5%) in the Clinic Quality Account.

(13) Three and one-half percent (3.5%) in the Improved Dental Services Account.

(14) Eight percent (8%) to the Medi-Cal Access and Support Account.

(e) Commencing January 1, 2027, and notwithstanding Section 13340 of the Government Code, all moneys within the accounts described in subdivision (d), and any subaccounts therein, are hereby continuously appropriated, without regard to fiscal years, to the department to be used as set forth in Article 4 of this chapter.

(f)(1) On and after January 1, 2030, the maximum allowable balance of unencumbered moneys in any of the accounts described in paragraphs (1) through (8) and (11) through (13) of subdivision (d) shall be two hundred percent (200%) of the average annual amount deposited therein during the immediately prior two calendar years. This shall be known as the "maximum allowable balance."

(2) As long as an account described in paragraphs (1) through (8) and (11) through (13) of subdivision (d) is at or above its maximum allowable balance, moneys otherwise required to be deposited into that account shall instead be deposited on a pro rata basis into the other accounts described in paragraphs (1) through (8) and (11) through (13) of subdivision (d) which are not at or above their maximum allowable balance.

(3) This subdivision shall not apply where an account reaches its maximum allowable balance as a result of the department violating its nondiscretionary ministerial duty set forth in subdivision (b) of Section 14199.106.

(4) This subdivision shall not apply when all of the accounts described in paragraphs (1) through (8) and (11) through (13) of subdivision (d) are all simultaneously at or above their maximum allowable balance.

(g)(1) Notwithstanding the percentage allocation described in paragraph (9) of subdivision (d), the maximum dollar amount deposited into the Designated Public Hospital Account shall not exceed one hundred fifty million dollars ($150,000,000) per calendar year. Once the amount deposited in any calendar year into the Designated Public Hospital Account reaches one hundred fifty million dollars ($150,000,000), any excess moneys allocated pursuant to paragraph (9) of subdivision (d) shall instead be deposited into the Emergency Department and Hospital Services Account.

(2) Notwithstanding the percentage allocation described in paragraph (10) of subdivision (d), the maximum dollar amount deposited into the Improving Mental Health Account shall not exceed two hundred million dollars ($200,000,000) per calendar year. Once the amount deposited in any calendar year into the Improving Mental Health Account reaches two hundred

million dollars ($200,000,000), any excess moneys allocated pursuant to paragraph (10) of subdivision (d) shall instead be deposited into the Emergency Department and Hospital Services Account.

(h) After four billion three hundred million dollars ($4,300,000,000) is first deposited pursuant to subdivision (d), in each calendar year the next four hundred million dollars ($400,000,000) transferred to the Improving Access to Healthcare Subfund shall be deposited into the Medi-Cal Access and Support Account.

(i)(1) After four billion three hundred million dollars ($4,300,000,000) is first deposited pursuant to subdivision (d) and the next four hundred million dollars ($400,000,000) is deposited pursuant to subdivision (h), in each calendar year the next two hundred twenty-six million dollars ($226,000,000) transferred to the Improving Access to Healthcare Subfund shall be deposited as follows:

(A) Thirty-two million dollars ($32,000,000) into the Community Health Workers Account.

(B) Sixty-four million dollars ($64,000,000) into the Healthcare Workforce Loan Repayment Account.

(C) One hundred twenty million dollars ($120,000,000) into the Medi-Cal Workforce Subaccount.

(D) Ten million dollars ($10,000,000) into the Affordable Prescription Drugs Account.

(2) Commencing January 1, 2027, and notwithstanding Section 13340 of the Government Code, all moneys within the accounts described in paragraph (1), and any subaccounts therein, are hereby continuously appropriated, without regard to fiscal years, to the department to be used as set forth in Article 4 of this chapter.

(j) After the deposits required by subdivisions (d), (h), and (i) are completed, all remaining moneys transferred to the Improving Access to Healthcare Subfund in a calendar year shall be deposited and used as follows:

(A) Twenty-five percent (25%) to the accounts described in paragraph (1) through paragraph (13) of subdivision (d) on a pro rata basis according to and consistent with the relative distribution among those paragraphs.

(B) Seventy-five percent (75%) to the Medi-Cal Access and Support Account.

Section 14199.108.3. Expenditures During Calendar Years 2025 and 2026.

(a) During each of calendar year 2025 and calendar year 2026 only, and notwithstanding Section 13340 of the Government Code, moneys are hereby continuously appropriated without regard to fiscal years from the Healthcare Oversight & Accountability Subfund to the department in the following amounts for the following purposes:

(1) Two billion dollars ($2,000,000,000) to cover a portion of the nonfederal share of Medi-Cal managed care rates for healthcare services furnished to children, adults, seniors, and persons with disabilities, and persons dually eligible for the Medi-Cal and Medicare programs.

(2) Six hundred ninety-one million dollars ($691,000,000) for primary care including obstetrics and non-specialty mental health services.

(3) Five hundred seventy-five million dollars ($575,000,000) for specialty care.

(4) Two hundred forty-five million dollars ($245,000,000) for community and outpatient procedures.

(5) Ninety million dollars ($90,000,000) for abortion and family planning services.

(6) Fifty million dollars ($50,000,000) for services and supports for primary care.

(7) Three hundred fifty-five million ($355,000,000) dollars for emergency room facilities and physicians.

(8) One hundred fifty million dollars ($150,000,000) for designated public hospitals.

(9) Fifty million dollars ($50,000,000) for ground emergency medical transportation.

(10) Three hundred million dollars ($300,000,000) for behavioral health facility throughputs.

(11) Seventy-five million dollars ($75,000,000) for graduate medical education.

(12) Seventy-five million dollars ($75,000,000) for Medi-Cal workforce.

(b) The allocation of moneys appropriated pursuant to subdivision (a) shall be subject to the stakeholder input requirements of Section 14199.121.

(c) This section shall become inoperative on January 1, 2027, and is hereby repealed on January 1, 2028.

Section 14199.108.5. Treatment of Increased or Supplemental Payments.

Increased and/or supplemental payments made pursuant to sections 14199.108.3, 14199.109, 14199.110, 14199.110.5, 14199.112, 14199.113, 14199.114, 14199.115, 14199.116, 14199.117, 14199.119, and 14199.120.5, and 14199.120.6 shall:

(a) Be in addition to existing reimbursement rates and any other payments made by a Medi-Cal managed care plan or the department and shall not supplant amounts that would otherwise be payable by a Medi-Cal managed care plan or the department to a recipient of moneys provided by Article 4.

(b) Be considered separate and apart from any other reimbursement; and shall not be considered during, or factored into, any annual reconciliation.

ARTICLE 4. Protecting Access to Healthcare.

Section 14199.109. Primary Care Account.

(a) Moneys in the Primary Care Account shall be used for the purpose of providing Medi-Cal patients with increased access to quality primary care services as set forth in this section.

(b)(1) The department shall, subject to the stakeholder input requirements of Section 14199.121, increase reimbursement rates for primary care services above those in effect on January 1, 2024 and shall ensure that Medi-Cal managed care plans provide those increases in a manner consistent with the intent and purposes of this chapter.

(2) In addition to paragraph (1), in implementing this section, the department may, subject to federal approval and after obtaining stakeholder input pursuant to Section 14199.121, utilize different payment mechanisms, including quality incentive payments or value-based payment models, to recruit, retain, and improve primary care provider participation in Medi-Cal and improve quality.

Section 14199.110. Specialty Care Account.

(a) Moneys in the Specialty Care Account shall be used for the purpose of increasing Medi-Cal patient access to specialty care services as set forth in this section.

(b) The department shall, subject to the stakeholder input requirements of Section 14199.121, establish and implement one or more payment methodologies which meet federal

requirements and that requires each Medi-Cal managed care plan and/or its subcontracted entities to expand beneficiary access to Medi-Cal covered specialty care services. The payment methodology or methodologies developed by the department shall address the following objectives:

(1) Increase the number of Medi-Cal managed care plan-contracting specialists.

(2) Retain existing Medi-Cal managed care plan-contracting specialists within the plan's network of contracting providers.

(3) Increase the number of Medi-Cal patients an existing Medi-Cal managed care plan-contracting specialist serves.

(4) Provide expanded specialist appointment availability for Medi-Cal patients.

(5) Support specialists in coordinating and overseeing the care of patients as part of a multi-disciplinary care team.

(c) A Medi-Cal managed care plan and/or a subcontracted entity shall provide payments to specialists consistent with the payment methodologies developed by the department pursuant to this section.

Section 14199.110.5. Emergency Department Physicians Account.

(a) Moneys in the Emergency Department Physicians Account shall be used for the purpose of increasing reimbursements for emergency department physicians treating Medi-Cal patients as set forth in this section.

(b) The department shall, subject to the stakeholder input requirements of Section 14199.121, establish and implement one or more payment methodologies to increase reimbursements for emergency department physicians treating Medi-Cal patients. The payment methodology or methodologies shall be consistent with the purposes of this chapter and shall be designed in such a way so as to improve access and support for emergency department services, and may not be conditioned on a physician's contracted network provider status.

Section 14199.111. Community Health Workers Account.

(a) The Community Health Workers Account is hereby created within the Improving Access to Healthcare Subfund. Moneys in the Community Health Workers Account shall be used for the purpose of increasing access to community health workers in Medi-Cal programs as set

forth in this section.

(b) The department shall, subject to the stakeholder input requirements of Section 14199.121, establish a grant program to expand the number of locations and populations served by community health workers providing services on behalf of community-based organizations, community providers, and clinics.

(c)(1) On and after January 1, 2030, the maximum allowable balance of unencumbered moneys in this account shall be sixty-four million dollars ($64,000,000). As long as this account is at or above sixty-four million dollars ($64,000,000), moneys otherwise required to be deposited this account shall instead be deposited on a pro rata basis into the accounts described in paragraphs (1) through (8) and (11) through (13) of subdivision (d) which are not at or above their maximum allowable balance.

(2) This subdivision shall not apply if this account is at or above sixty-four million dollars ($64,000,000) as a result of the department violating its nondiscretionary ministerial duty set forth in subdivision (b) of Section 14199.106; or if the accounts described in paragraphs (1) through (8) and (11) through (13) of subdivision (d) are all simultaneously at or above their maximum allowable balance.

Section 14199.112. Outpatient and Clinic Access Account.

(a) Moneys in the Outpatient and Clinic Access Account shall be used for the purpose of increasing net reimbursements for outpatient facilities, including ambulatory surgical centers and clinics, that provide eligible outpatient services and procedures to Medi-Cal patients.

(b) The department shall, subject to the stakeholder input requirements of Section 14199.121, develop, seek federal approval for, and implement one or more payment methodologies that provide increased net reimbursement for eligible outpatient facilities, regardless of licensure type, in a manner consistent with the purposes of this chapter.

(c) Moneys in the Outpatient and Clinic Access Account shall be used only to increase net reimbursement levels for those eligible outpatient services and procedures above existing net reimbursement levels in effect for the eligible outpatient services and procedures as of January 1, 2024.

Section 14199.113. Family Planning Account.

(a) Moneys in the Family Planning Account shall be used for the purpose of expanding the scope and availability of family planning services as set forth in this section.

(b) The department shall, subject to the stakeholder input requirements of Section 14199.121, use the moneys in the account for all of the following purposes:

(1) Expanding the scope of benefits offered pursuant to the State-Only Family Planning Program and the Family PACT program.

(2) Increasing reimbursement rates for:

(A) Family planning services and family planning-related services in the Medi-Cal program.

(B) Comprehensive clinical family planning services in the Family PACT program.

(C) Family planning services in the State-Only Family Planning Program.

(3) Authorizing the department, subject to the stakeholder input requirements of Section 14199.121, to fund practice transformation activities and to establish alternative payment methodologies, including but not limited to, bundled payments, directed payments to both network and non-network providers, capitated payments, and value-based payments for family planning, family planning-related, and sexual and reproductive health services.

(4) Providing grant funding to qualified family planning providers to offset the costs of providing uncompensated outpatient services and supports.

Section 14199.114. Reproductive Health Account.

(a) Moneys in the Reproductive Health Account shall be used as set forth in this section.

(b) The department shall, subject to the stakeholder input requirements of Section 14199.121, use the moneys in the Reproductive Health Account for the purpose of protecting, preserving, and expanding access to abortion and abortion-related services, including to increase payment rates for abortion and abortion-related services.

Section 14199.115. Emergency Medical Transportation Account.

(a) Moneys in the Emergency Medical Transportation Account shall be used for the purpose of increased payments to private ground emergency medical transport providers and emergency air ambulance transport providers as set forth in this section.

(b) Eighty percent (80%) of the moneys in the account shall be deposited into the Ground Emergency Medical Transportation Subaccount, which is hereby created in the Emergency Medical Transportation Account. Moneys in this subaccount shall be used for the purpose of increased payments to private ground emergency medical transport providers as follows:

(1) The department shall, subject to the stakeholder input requirements of Section 14199.121, establish and implement increased net reimbursement to private ground emergency medical transport providers for ground emergency medical transports above the rates in effect as of January 1, 2024. To the extent permitted by federal law, the department shall increase net reimbursement based on the regional cost of living where the transport was rendered.

(2) The increased Medi-Cal payments described in paragraph (1) shall be applicable to fee-for-service rates to private ground emergency medical transport providers and payments from Medi-Cal managed care plans to private ground emergency medical transport providers. The department shall structure the increased Medi-Cal managed care payments pursuant to this subdivision so that private ground emergency medical transport providers that receive payments for ground emergency medical transports rendered to managed care patients pursuant to section 14129.3 or any successor statute are eligible to receive payments for ground emergency medical transports rendered to Medi-Cal managed care patients pursuant to this section.

(3) Moneys in the Ground Emergency Medical Transportation Subaccount shall be used only to increase net reimbursement levels for private ground emergency medical transport providers above existing net reimbursement levels in effect for private ground emergency medical transport providers as of January 1, 2024. The director may modify or make adjustments to any methodology, fee amount, or other provision specified in Article 3.91 (commencing with Section 14129) of Chapter 7 of Part 3 of Division 9, as authorized by subdivision (b) of Section 14129.6, only to the extent necessary to meet the requirements of federal law or regulations or to obtain federal approval pursuant to Section 14129.6 after the implementation of this subdivision.

(c) Twenty percent (20%) of the moneys in the account shall be deposited into the Air Ambulance Emergency Medical Transportation Subaccount, which is hereby created in the Emergency Medical Transportation Account. Moneys in this subaccount shall be used for the purpose of increased Medi-Cal payments for emergency air ambulance transport providers as follows:

(1) The department shall, subject to the stakeholder input requirements of Section 14199.121, establish and implement increased Medi-Cal payments for air emergency ambulance transport providers above the rates in effect as of January 1, 2024.

(2) The increased rates described in paragraph (1) shall be applicable to Medi-Cal fee-for-service payment rates to emergency air ambulance transport providers and payments from Medi-Cal managed care plans to emergency air ambulance transport providers.

(3) Payments made pursuant to this subdivision shall be in addition to any other Medi-Cal payments to emergency air ambulance transport providers and shall not supplant amounts that would otherwise be payable under Medi-Cal to an emergency air ambulance transport provider.

Section 14199.116. Emergency Department and Hospital Services Account.

(a) Moneys in the Emergency Department and Hospital Services Account shall be used for the purpose of protecting access to, and improving the quality of, hospital care, including access to inpatient acute care and emergency departments, for Medi-Cal patients, as set forth in this section.

(b) The department shall, subject to the stakeholder input requirements of Section 14199.121, develop, seek federal approval for, and implement one or more payment methodologies that provide increased net reimbursement to public and private hospitals for eligible hospital services. The department may adjust payments with moneys in the account.

(c) Moneys in the Emergency Department and Hospital Services Account shall be used only to increase net reimbursement levels for those eligible hospital services above existing net reimbursement levels in effect for the eligible hospital services as of January 1, 2024.

Section 14199.117. Designated Public Hospital Account.

(a) Moneys in the Designated Public Hospital Account shall be used for the purpose of sustaining and promoting access to hospital and non-hospital care at designated public hospital systems.

(b) The department shall, subject to the stakeholder input requirements of Section 14199.121, use the moneys in the account to provide increased net reimbursement or new payments for designated public hospitals and health systems, including, but not limited to, quality incentive payments under existing or successor payment mechanisms or payments in

support of services provided by designated hospital systems or that enhance their capabilities, or to provide financial support for the non-federal share of the Medi-Cal payments to the designated public hospital systems. The department may apply the moneys in the Designated Public Hospital Account for such purposes.

(c) Moneys in the Designated Public Hospital Account shall be used only to increase net reimbursement levels for designated public hospital systems for the eligible services above existing net reimbursement levels for the eligible services in effect as of January 1, 2024.

Section 14199.118. Affordable Prescription Drugs Account.

(a) The Affordable Prescription Drugs Account is hereby created within the Improving Access to Healthcare Subfund. Moneys in the Affordable Prescription Drugs Account shall be used as set forth in this section.

(b) The department shall, subject to the stakeholder input requirements of Section 14199.121, use the moneys in the Affordable Prescription Drugs Account for the purpose of providing increased funding for the California Affordable Drug Manufacturing Act of 2020 to increase competition, lower prices, and address shortages in the market for generic prescription drugs; to reduce the cost of prescription drugs for public and private purchasers, taxpayers, and consumers; and to increase patient access to affordable drugs.

(c)(1) On and after January 1, 2030, the maximum allowable balance of unencumbered moneys in this account shall be twenty million dollars ($20,000,000). As long as this account is at or above twenty million dollars ($20,000,000), moneys otherwise required to be deposited this account shall instead be deposited on a pro rata basis into the accounts described in paragraphs (1) through (8) and (11) through (13) of subdivision (d) which are not at or above their maximum allowable balance.

(2) This subdivision shall not apply if this account is at or above twenty million dollars ($20,000,000) as a result of the department violating its nondiscretionary ministerial duty set forth in subdivision (b) of Section 14199.106; or if the accounts described in paragraphs (1) through (8) and (11) through (13) of subdivision (d) are all simultaneously at or above their maximum allowable balance.

Section 14199.119. Improving Mental Health Account.

(a)(1) Moneys in the Improving Mental Health Account shall be used for the purpose of expanding access to mental health programs and services as set forth in this section.

(2) Moneys in the account shall be used to provide additional funding for inpatient psychiatric services pursuant to subdivision (b).

(b) The department shall, subject to the stakeholder input requirements of Section 14199.121, use the moneys in the account for the purpose of increasing the supply of mental health inpatient psychiatric beds by providing a supplemental payment for psychiatric inpatient days in licensed acute care hospitals and acute psychiatric hospitals. These payments shall:

(1) Increase the net reimbursement levels paid to these hospitals with respect to those services above the existing net reimbursement levels in effect for those services as of January 1, 2024.

(2) Not affect or supplant any other payments to these hospitals.

(3) Be made to these hospitals irrespective of contracting status with a county mental health plan or with a Medi-Cal managed care plan or other managed care entity that is financially responsible for psychiatric inpatient hospital services under contract with the department, as applicable.

Section 14199.120. Healthcare Workers Account.

(a) The department shall, subject to the stakeholder input requirements of Section 14199.121, use the moneys in the Healthcare Workers Account for the purpose of attracting, retaining, and expanding the pool of healthcare workers available to treat Medi-Cal patients as set forth in this section.

(b) Seventy-five percent (75%) of the moneys in the account shall be deposited in the Graduate Medical Education Subaccount, which is hereby created in the Healthcare Workers Account. Moneys in this subaccount shall be transferred to the University of California for the administration and expenditure to other qualified entities to expand graduate medical education in order to achieve the goal of increasing the number of physician and surgeon residency slots and expanding the number of locations offering physician and surgeon residency programs, as compared to the number of residency slots and program locations in place on December 31, 2023. For the purposes of this section, all allopathic and osteopathic residency programs

accredited by federally recognized accrediting organizations and located in California shall be eligible to apply to receive funding to support resident education in California. No later than January 1, 2027, the department may seek federal approval for the programs created or expanded pursuant to this subdivision. However, the graduate medical education programs are not contingent upon federal approval and federal financial participation.

(c) Twenty-five percent (25%) of the moneys in the account shall be deposited in the Medi-Cal Workforce Subaccount, which is hereby created in the Healthcare Workers Account. The department may enter into an inter-agency agreement with another state government agency or entity to administer and implement a grant program funded by the Medi-Cal Workforce Subaccount as set forth in this subdivision.

(1)(A) No sooner than January 1, 2027, the department or its designated state government agency or entity shall issue grants pursuant to this subdivision with available moneys in the Medi-Cal Workforce Subaccount to strengthen and support the development and retention of the Medi-Cal workforce through bona fide labor-management cooperation committees.

(B) Criteria shall be established, pursuant to the stakeholder input requirements of Section 14199.121, for grants to bona fide labor-management cooperation committees to support the development of high-quality workforce development programs.

(2) The criteria for grant awards may include, but is not limited to, the following:

(A) Implementing workforce training programs to promote patient safety, improve quality outcomes, and advance employee career opportunities.

(B) Developing and supporting healthcare workforce apprenticeship and pre-apprenticeship programs.

(C) Recruiting and retaining workforce.

(D) Funding for training organizations such as Taft-Hartley training funds to support the development of the workforce.

(E) Additional investments in workforce capacity.

(3) In issuing grants pursuant to this subdivision, the department or its designated state government agency or entity may give preference to a bona fide labor-management cooperation committee that is organized on a multi-employer basis and involves multiple labor organizations.

Section 14199.120.5. Clinic Quality Account.

(a) Moneys in the Clinic Quality Account shall be used for the purpose of providing monetary incentives for clinics that demonstrate improved quality and increased access to care for Medi-Cal patients as set forth in this section.

(b) The department shall, subject to the stakeholder input requirements of Section 14199.121, develop and seek federal approval for a directed payment program, alternative payment methodology, or other enhanced payment methodology for clinics that meet one or more of the following objectives:

(1) Increasing appointment availability or access to healthcare services, including specialty services.

(2) Meeting improved quality measures.

(3) Improving data quality and reporting.

(4) Enhancing care coordination.

(c) Any funding methodology developed pursuant to this section shall be for enhanced payments to participating clinics on or after January 1, 2025 and moneys provided pursuant to this section shall not be used to supplant, in whole or in part, funding for any prior payment methodologies developed and submitted to the federal Centers for Medicare and Medicaid Services prior to December 31, 2024.

Section 14199.120.6. Improved Dental Services Account.

(a) Moneys in the Improved Dental Services Account shall be used for the purpose of providing enhanced access to Medi-Cal patients for specialty and restorative dental care as set forth in this section.

(b) The department shall, subject to the stakeholder input requirements of Section 14199.121, develop and seek federal approval for a payment methodology, rate augmentation, directed payment or other financial incentives to general dentists and dental specialists such as oral and maxillofacial surgeons, endodontists, periodontists, orthodontists, prosthodontists, and pediatric dentists.

(c) The department may also use moneys in this account, subject to the stakeholder input requirements of Section 14199.121, for the purpose of supporting practice transformation activities in dental provider offices that treat Medi-Cal patients. Practice transformation

activities include, but are not limited to, the following: value-based payments; use or enhanced use of electronic medical records; care coordination with primary and specialty care providers; and training and retention of dental staff and clinicians.

Section 14199.120.7. Healthcare Workforce Loan Repayment Account.

(a) The Healthcare Workforce Loan Repayment Account is hereby created within the Improving Access to Healthcare Subfund. Moneys in the Healthcare Workforce Loan Repayment Account shall be used as set forth in this section.

(b) Fifty percent (50%) of the moneys in the account shall be deposited in the Advanced Practice Clinicians and Allied Healthcare Loan Repayment Subaccount, which is hereby created in the Healthcare Workforce Loan Repayment Account. Moneys in this subaccount shall be used for the purpose of establishing an educational loan repayment program for advanced practice clinicians and allied healthcare professionals. The department shall, subject to the stakeholder input requirements of Section 14199.121, determine the eligibility and qualifications for loan repayment.

(c) Fifty percent (50%) of the moneys in the account shall be deposited into the CalHealthCares Subaccount, which is hereby created in the Healthcare Workforce Loan Repayment Account. Moneys in this subaccount shall be used for the purpose of providing increased funding for educational loan repayment for physicians and dentists through the CalHealthCares Program.

(d)(1) On and after January 1, 2030, the maximum allowable balance of unencumbered moneys in this account shall be one hundred twenty-eight million dollars ($128,000,000). As long as this account is at or above one hundred twenty-eight million dollars ($128,000,000), moneys otherwise required to be deposited this account shall instead be deposited on a pro rata basis into the accounts described in paragraphs (1) through (8) and (11) through (13) of subdivision (d) which are not at or above their maximum allowable balance.

(2) This subdivision shall not apply if this account is at or above one hundred twenty-eight million dollars ($128,000,000) as a result of the department violating its nondiscretionary ministerial duty set forth in subdivision (b) of Section 14199.106; or if the accounts described in paragraphs (1) through (8) and (11) through (13) of subdivision (d) are all simultaneously at or above their maximum allowable balance.

Section 14199.120.9. Medi-Cal Access and Support Account.

(a) Moneys in the ■ Medi-Cal Access and Support Account shall be used as set forth in this section.

(b) Moneys in this account shall be used by the department to provide overall support to the Medi-Cal program and maintain access to necessary healthcare services.

(c) Section 14199.107 shall not apply to moneys in this account.

ARTICLE 5. Input, Approvals, and Adjustments.

Section 14199.121. Stakeholder Input.

(a)(1) The department, or any other state government agency or entity that implements any part of this chapter, shall consult with, and obtain written input from, the stakeholder advisory committee regarding the development and implementation of the components of this chapter.

(2) Examples of matters for which the department shall consult with, and obtain written input from, the committee shall include, but are not limited to, the following: a proposal for, or the development of, a payment rate, supplemental payment, directed payment, or other payment methodology or methodologies; the establishment of the criteria or eligibility for increased payments or grants; and the issuance of provider bulletins, all-plan letters, or other similar instructions or departmental guidance.

(b) Prior to proposing a new payment methodology or a change to an existing payment methodology pursuant to this chapter, the department shall consult with, and obtain written input from, the stakeholder advisory committee.

(c) An express reference elsewhere in this chapter to obtaining stakeholder committee input does not imply that stakeholder committee input is not required for other parts of this chapter where no express reference exists.

Section 14199.122. Implementation; Federal Financial Participation; Modifications and Adjustments Necessary for Federal Approval.

(a) The department shall seek any federal approvals that are necessary to implement this chapter.

(b) The department shall, wherever possible and to the extent feasible, seek to obtain the maximum amount of federal financial participation in implementing the provisions of this chapter.

(c)(1) The department may modify or make adjustments to the payment provisions set forth in Article 4 to the extent necessary to accomplish any of the following:

(A) Meet the requirements of federal statutes or regulations.

(B) Obtain or maintain federal approval.

(C) Ensure federal financial participation is available or is not otherwise jeopardized.

(2) Any payment provision modification or adjustment described in paragraph (1) shall be subject to all of the following conditions:

(A) The modification or adjustment does not otherwise conflict with the purposes of this chapter.

(B) The modification or adjustment is consistent with the purpose of increasing payments and access to services pursuant to this chapter.

(C) The department shall comply with the stakeholder input requirements of Section 14199.121.

(d)(1) Payments made pursuant to Article 4 shall be effective for dates of service on and after January 1, 2027. To the extent consistent with the purposes of this chapter, and unless otherwise specified in Article 4, the department may, subject to the stakeholder input requirements of Section 14199.121, extend one or more payment methodologies used for the targeted payment increases for the 2026 calendar year pursuant to Section 14105.202 for purposes of implementing the increased payments pursuant to Article 4 in the 2027 calendar year and subsequent calendar years as applicable.

(2) Unless otherwise specified in Article 4, payments made pursuant to Article 4 may be implemented using one or more of the following:

(A) Medi-Cal provider rate increases, including increases in rates paid in the Medi-Cal fee-for-service delivery system, or establishing or raising the level of minimum fee schedules in Medi-Cal managed care, or both.

(B) New or expanded supplemental payments for Medi-Cal providers.

(C) New or expanded directed payments for Medi-Cal providers.

(D) Other forms of increased reimbursement for Medi-Cal providers, consistent with the provisions and intent of this chapter.

(e) The department may require Medi-Cal managed care plans and providers of the applicable services to submit information the department deems necessary to implement and monitor compliance with this chapter, at the times and in the form and manner specified by the department.

(f)(1) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code but subject to the stakeholder input requirements of Section 14199.121, the department may implement this chapter by means of provider bulletins, all-plan letters, or other similar instructions, without taking further regulatory action. The department shall provide notification to the Department of Finance, the Joint Legislative Budget Committee, and to the Legislature's relevant fiscal and policy committees at least 5 working days prior to the action being taken.

(2) If the department enters into an inter-agency agreement with another state government agency or entity to administer and implement a portion of this chapter, that other agency or department shall be covered by paragraph (1).

(g) For purposes of implementing this chapter, the department or its designated state government agency or entity may enter into exclusive or nonexclusive contracts, or amend existing contracts, on a bid or negotiated basis. Contracts entered into or amended pursuant to this section shall be exempt from Chapter 6 (commencing with Section 14825) of Part 5.5 of Division 3 of Title 2 of the Government Code, and Part 2 (commencing with Section 10100) of Division 2 of the Public Contract Code, the State Contracting Manual, and shall be exempt from the review or approval of any division of the Department of General Services.

ARTICLE 6. Continuation of Managed Care Organization Provider Tax.

Section 14199.123. Continued Imposition of Tax.

(a) It is the intent of the People of the State of California to permanently continue in existence a managed care organization provider tax upon the expiration of the tax imposed by Section 14199.84.

(b) Therefore, upon the expiration of the tax imposed pursuant to Article 7.1, a managed care organization provider tax shall hereby continue to be imposed on and after January 1, 2027 as provided in this article.

(c) The department shall implement and administer the tax as set forth in this article.

(d) To the extent permitted by federal law, the models and methodologies developed for Assembly Bill 119, Chapter 13 of Statutes of 2023, shall be substantially utilized by the department in implementing the tax imposed by this article.

Section 14199.124. Implementation of Tax.

(a) In implementing the tax imposed by subdivision (b) of Section 14199.123, the department shall adhere to all of the following:

(1) The tax shall not exceed the limits set forth in Section 14199.126.

(2) The models and methodologies utilized by the department shall be substantially similar to those relied upon for imposition of the tax set forth in Article 7.1.

(3) The tax shall comply with federal Medicaid requirements applicable to permissible healthcare-related taxes, including but not limited to, Section 433.68 of Title 42 of the Code of Federal Regulations.

(4) Consistent with the limits set forth in Section 14199.126, the department shall attempt to maximize the amount of federal matching funds.

(b)(1) Except as provided in paragraph (2), if the requirements set forth in Section 433.68 of Title 42 of the Code of Federal Regulations, or any other provision of federal law with which the tax imposed by this article must comply, are replaced by amended or successor requirements, the department shall ensure the tax imposed pursuant to this article complies with those amended or successor requirements.

(2) Notwithstanding paragraph (1), in no instance shall the limits set forth in Section 14199.126 ever be exceeded.

(c)(1) Commencing on the effective date of this chapter, the department shall be required to seek federal renewal and reauthorization as necessary to continue the imposition of the tax imposed by this article.

(2) The department shall request approval from the federal Centers for Medicare and Medicaid Services as is necessary to implement this article. The department shall not impose or

collect the tax imposed pursuant to this article until the department receives approval from the federal Centers for Medicare and Medicaid Services that the tax is a permissible healthcare-related tax in accordance with Section 433.68 of Title 42 of the Code of Federal Regulations and is eligible for federal financial participation.

(d)(1) Consistent with the limits set forth in Section 14199.126, the department may, upon consultation with affected taxpayers, modify or make minor adjustments to any methodology, tax amount, taxing tier, or other provision specified in this article to the extent it is reasonably necessary to meet the requirements of federal statute or regulations, to obtain or maintain federal approval, or to ensure federal financial participation is available or is not otherwise jeopardized.

(2) When making, or considering making, any adjustment described in paragraph (1), the department shall share with affected taxpayers and the stakeholder advisory committee relevant information, proposals, drafts, and any information affecting tax liability at least 90 calendar days in advance of seeking federal approval for the adjustment. The department shall provide notice of any final adjustment in tax liability to affected taxpayers at least 45 calendar days before the adjustment takes effect.

(e) In implementing this article, the department may establish a specific calendar year as the base year and use the base data source to determine for each health plan each of the enrollment totals described in paragraph (1) through paragraph (6) of subdivision (a) of Section 14199.83, as that section read in Assembly Bill 119, Chapter 13 of Statutes of 2023.

Section 14199.125. Tax Computation and Collection.

(a) Prior to each applicable calendar year or years, the department shall compute the annual tax liability for each taxpayer subject to the tax imposed by Section 14199.123.

(b) For each tax period, the department shall establish all of the following:

(1) The Medi-Cal taxing tiers based on countable Medi-Cal enrollees in a health plan.

(2) The Medi-Cal per enrollee tax amount for each Medi-Cal taxing tier.

(3) Subject to the limits in Section 14199.126, the other taxing tiers based on countable other enrollees in a health plan.

(4) Subject to the limits in Section 14199.126, the other per enrollee tax amount for each other taxing tier.

(c) The procedures for collection and payment of the tax, providing notices, interest charges not to exceed 10 percent per annum for late payments, penalties, refunds, and tax liability after a transfer of health plan responsibility shall be established by the department consistent with the applicable provisions of Article 7.1 unless otherwise specified in this chapter.

(d)(1) The director may correct any identified material or significant error in the data, including, but not limited to, the overall cumulative enrollment, Medicare cumulative enrollment, Medi-Cal cumulative enrollment, plan-to-plan cumulative enrollment, cumulative enrollment through the Federal Employees Health Benefits Act of 1959 (Public Law 86-382), and other cumulative enrollment. The director's determination as to whether to exercise discretion under this subdivision and any determination made by the director under this subdivision shall not be subject to judicial review, except that a health plan may bring a writ of mandate under Section 1085 of the Code of Civil Procedure to rectify an abuse of discretion by the department in correcting that health plan's data when that correction results in a greater tax amount for that health plan.

(2) The authority granted to the director by this subdivision does not permit the limits set forth in Section 14199.126 to be exceeded.

Section 14199.126. Limits on Tax Amounts.

(a) Notwithstanding any other provision of this chapter or any other law to the contrary, and except as provided in subdivisions (b) and (c), the tax imposed by this article shall always comply with the following:

(1) In no event shall the other per enrollee tax amount for any other taxing tier ever exceed two dollars and fifty cents ($2.50) per month.

(2) In no event shall the total aggregate tax amount imposed on, or through, all other taxing tiers exceed thirty-six million dollars ($36,000,000) in a single calendar year.

(b) The dollar amounts set forth in paragraph (1) and paragraph (2) of subdivision (a) may be increased by the department quinquennially to reflect any increase in inflation as measured by the Consumer Price Index for All Urban Consumers (CPI-U) beginning on January 1, 2030. At the request of the department, the Controller's Office shall calculate and publish the adjustments permitted by this subdivision.

(c) When seeking federal renewal and reauthorization for calendar years commencing on or after January 1, 2027, the department may exceed either of the following by not more than ten percent (10%) if doing so is necessary to comply with federal statute or regulations, ensure federal financial participation, or otherwise obtain federal approval:

(1) The limits set forth in subdivision (a), as modified pursuant to subdivision (b).

(2) The limits set forth in subdivision (a), as modified pursuant to subdivision (b), and including the amount of any prior adjustments made pursuant to this subdivision.

(d) Except as provided by subdivisions (b) and (c), all other changes to the limits set forth in subdivision (a) shall only be made pursuant to Section 14199.134.

Section 14199.127. Operation.

(a) This article shall be inoperative during any portion of a calendar year for which the department does not obtain the necessary federal approvals for the tax imposed pursuant to Section 14199.123.

(b) This article shall cease to be operative for any affected tax period or periods upon a final determination of a court of competent jurisdiction, the United States Department of Health and Human Services, or the federal Centers for Medicare and Medicaid Services that the tax imposed pursuant to this article cannot be implemented for the affected tax period or periods.

(c) Upon a failure to obtain federal approval as described in subdivision (a), or a final determination as described in subdivision (b), the director shall implement a plan for conducting all appropriate wind-down and close-out activities, including issuance of any refunds, in consultation with the Department of Finance and the stakeholder advisory committee.

(d) Nothing in this chapter shall otherwise change, alter, or abrogate the department's legal and fiscal responsibility under state and federal law to monitor provider participation and beneficiary access to entitled services under California's Medicaid State Plan or federally approved waivers. The department continues to have full legal and fiscal responsibility to adjust rates, payment methodologies, and authorization processes for programs, providers, or benefits within this chapter as well as those not specifically mentioned herein.

ARTICLE 7. Definitions.

Section 14199.128. Definitions.

For purposes of this chapter, as used in both the singular and plural form, the following definitions shall apply:

(a) "Abortion" shall have the same meaning as set forth in subdivision (a) of Section 123464 of the Health and Safety Code.

(b) "Acute psychiatric hospital" shall have the same meaning as set forth in subdivision (b) of Section 1250 of the Health and Safety Code.

(c) "Advanced practice clinicians and allied healthcare professionals" shall be defined by the department, subject to the stakeholder input requirements of Section 14199.121, to include appropriate health profession careers.

(d) "Article 7.1" means Article 7.1 (commencing with Section 14199.80) of Chapter 7 of Part 3 of Division 9 of the Welfare and Institutions Code, as added by Chapter 13 of Statutes of 2023 (Assembly Bill No. 119 of the 2023-24 Regular Session).

(e) "Base data source" means the most recent available quarterly financial statement filings or annual enrollment data submitted by health plans to the Department of Managed Health Care for that updated base year, retrieved by the department, and supplemented by, as necessary, Medi-Cal enrollment data for the updated base year as maintained by the department, and as modified by the department to account for known or anticipated contracting changes that will affect Medi-Cal enrollment.

(f) "Base year" means a 12-month period running from January 1 through December 31 of a calendar year selected by the department. The department may elect to update the base year to the extent it deems necessary to meet the requirements of federal statute or regulations, to obtain or maintain federal approval, or to ensure federal financial participation is available or is not otherwise jeopardized.

(g) "Bona fide labor-management cooperation committee" or "bona fide LMCC" means a joint labor-management committee that is established pursuant to the federal Labor Management Cooperation Act of 1978 (29 U.S.C. § 175a) and meets the following criteria:

(1) The bona fide LMCC is not involved in the governance of a healthcare entity but exists to promote worker training, workforce expansion, and support for workers during training.

(2) The bona fide LMCC has the following composition:

(A) Fifty percent (50%) of the committee consists of representatives of organized labor unions that represent health workers in the state.

(B) Fifty percent (50%) of the committee consists of representatives of healthcare employers that primarily serve Medi-Cal patients located in the state.

(h) "CalHealthCares Program" means the Medi-Cal Physicians and Dentists Loan Repayment Program Act codified at Section 14114.

(i) "California Affordable Drug Manufacturing Act of 2020" means the program established pursuant to Chapter 10 (commencing with Section 127690) of Part 2 of Division 107 of the Health and Safety Code.

(j) "Clinic" means any of the following:

(1) Federally qualified health centers ("FQHC"), including FQHC look-alike clinics designated by the United States Health Resources and Services Administration as meeting FQHC program requirements as set forth in Sections 1395x(aa)(4)(B) and 1396d(l)(2)(B) of Title 42 of the United States Code.

(2) Rural health clinics ("RHC") meeting the definition set forth in Section 1396d(l)(1) of Title 42 of the United States Code.

(3) Clinics licensed pursuant to subdivision (a) of Section 1204 of the Health and Safety Code.

(4) Tribal clinics exempt from licensure pursuant to subdivision (c) of Section 1206 of the Health and Safety Code.

(5) Intermittent clinics exempt from licensure pursuant to subdivision (h) of Section 1206 of the Health and Safety Code.

(6) Clinics exempt from licensure pursuant to subdivision (b) of Section 1206 of the Health and Safety Code. If clinics exempt from licensure pursuant to subdivision (b) of Section 1206 of the Health and Safety Code choose to participate in a directed payment program described in Section 14199.120.5, the directed payment program will use the "classes of provider" functionality at a minimum to create a tier for those clinics and allow for payments to those clinics to be based on an amount allocated to their class's pool.

(7) Indian health clinics that provide services in California pursuant to the Indian Health Program, as set forth in Chapter 4 (commencing with Section 124575) of Part 4 of Division 106 of the Health and Safety Code.

(k) "Committee" or "stakeholder advisory committee" means the Protect Access to Healthcare Act Stakeholder Advisory Committee established pursuant to Section 14199.129.

(l) "Community-based organization" means a nonprofit organization of demonstrated effectiveness that is representative of a community or significant segments of a community and promotes access to, or provides physical or mental health or related services to, individuals in the community.

(m) "Community health worker" shall have the same meaning as defined in subdivision (b) of Section 18998.

(n) "Community provider" means a holder of a certificate described in Section 2050 of the Business and Professions Code who serves Medi-Cal patients.

(o) "Comprehensive clinical family planning services" means the services set forth in subdivision (aa) of Section 14132.

(p) "Countable enrollee" means an individual enrolled in a health plan during a month of the base year according to the base data source. "Countable enrollee" does not include an individual enrolled in a Medicare plan, a plan-to-plan enrollee, or an individual enrolled in a health plan pursuant to the Federal Employees Health Benefits Act of 1959 (Public Law 86-382) to the extent the imposition of the tax under Article 6 of this chapter or Article 7.1 is preempted pursuant to Section 8909(f) of Title 5 of the United States Code.

(q) "County mental health plan" means an entity or local agency that contracts with the department to provide covered specialty mental health services pursuant to Section 14184.400 and Chapter 8.9 (commencing with Section 14700) of Part 3 of Division 9.

(r) "Department" means the State Department of Health Care Services.

(s) "Designated public hospital system" means a designated public hospital as defined in paragraph (1) of subdivision (f) of Section 14184.10 and its affiliated governmental providers and contracted governmental and nongovernmental entities that constitute a hospital and healthcare system. A single designated public hospital system may include multiple designated public hospitals under common government ownership.

(t) "Director" means the Director of the State Department of Health Care Services.

(u)(1) "Directed payment" means a payment arrangement whereby the department directs certain expenditures made by a Medi-Cal managed care plan that is approved by the federal Centers for Medicare and Medicaid Services as described in Subdivision (c) of Section 438 of

the Code of Federal Regulations ("42 CFR § 438.6(c)"), established pursuant to 42 CFR § 438.6(c), or otherwise required by the Medi-Cal managed care plan contract, and documented in a rate certification approved by the federal Centers for Medicare and Medicaid Services as applicable.

(2) References in this subdivision to 42 CFR § 438.6(c) shall include any subsequent amendments thereto.

(v) "Emergency air ambulance transport" means emergency medical transportation by air, as described in paragraph (1) of subdivision (c) of Section 51323 of Title 22 of the California Code of Regulations, by air ambulance, as defined in Section 100280 of Title 22 of the California Code of Regulations.

(w) "Family PACT" means the Family Planning, Access, Care, and Treatment Program established pursuant to subdivision (aa) of Section 14132.

(x) "Family planning services and family planning-related services in the Medi-Cal program" means the services covered by the Medi-Cal program pursuant to subdivision (n) of Section 14132.

(y) "Family planning services in the State-Only Family Planning Program" means the services covered by that program pursuant to Division 24 (commencing with Section 24000).

(z) "Fund" means the Protect Access to Healthcare Fund established in the State Treasury pursuant to Section 14199.103.

(aa) "General acute care hospital" shall have the same meaning as in subdivision (a) of Section 1250 of the Health and Safety Code.

(ab) "Ground emergency medical transport(s)" means ground emergency medical transports, as defined in Section 14129, that originate from a 911 call center or equivalent public safety answering point.

(ac) "Health care service plan" or "health plan" means a health care service plan, other than a plan that provides only specialized or discount services, that is licensed by the Department of Managed Health Care under the Knox-Keene Health Care Service Plan Act of 1975 (Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code) or a Medi-Cal managed care plan contracted with the department to provide full-scope Medi-Cal services.

(ad) "Medi-Cal patient" means a Medi-Cal beneficiary as defined in Section 14252.

(ae) "Medi-Cal enrollee" means an individual enrolled in a health plan, as defined in subdivision (ab), who is a Medi-Cal patient for whom the department directly pays the health plan a capitated payment.

(af) "Medi-Cal managed care plan" means any individual, organization, or entity that enters into a comprehensive risk contract with the department to provide covered full-scope health care services to enrolled Medi-Cal patients pursuant to any provision of this chapter or Chapter 8 (commencing with Section 14200) of Part 3 of Division 9.

(ag) "Medi-Cal per enrollee tax amount" means the amount of tax assessed per countable Medi-Cal enrollee within a Medi-Cal taxing tier.

(ah) "Medi-Cal taxing tier" means a range of cumulative enrollment of countable Medi-Cal enrollees for the base year.

(ai) "Net reimbursement" or "net reimbursement levels" means the total payments to Medi-Cal providers for the applicable services and procedures received as of January 1, 2024, less any amounts financed by Medi-Cal providers as the nonfederal share of those payments via provider taxes or fees, certified public expenditures, or intergovernmental transfers.

(aj) "Network provider" shall have the same meaning as set forth in Section 438.2 of Title 42 of the Code of Federal Regulations.

(ak) "Other enrollee" means an individual enrolled in a health plan who is not a Medi-Cal enrollee.

(al) "Other per enrollee tax amount" means the amount of tax assessed per countable other enrollee within an other taxing tier.

(am) "Other taxing tier" means a range of cumulative enrollment of countable other enrollees for the base year.

(an) "Plan-to-plan enrollee" means an individual who receives their healthcare services through a health plan pursuant to a subcontract from another health plan.

(ao) "Primary care" shall have the same meaning as in Section 51170.5 of Title 22 of the California Code of Regulations.

(ap) "Private ground emergency medical transport provider" means any provider of ground emergency medical transports that does not meet the definition of paragraph (1) of subdivision (a) of Section 14105.945.

(aq) "Qualified family planning provider" means a Medi-Cal provider that meets all of the following conditions:

(1) Is a community clinic licensed pursuant to subdivision (a) of Section 1204 of the Health and Safety Code.

(2) Is enrolled in the Family PACT program, as described in subdivision (aa) of Section 14132.

(3) Provides both abortion and contraception services.

(ar) "Specialist" means a physician or surgeon or other licensee pursuant to the Medical Practice Act (Chapter 5 (commencing with Section 2000) of Division 2 of the Business and Professions Code) or the Osteopathic Act (Chapter 8 (commencing with Section 3600) of Division 2 of the Business and Professions Code) who delivers to Medi-Cal patients healthcare services, treatment, or procedures at least some of which do not qualify as primary care.

(as) "Specialty care" means health care services provided by a specialist.

(at) "State-Only Family Planning Program" means the program established pursuant to Division 24 (commencing with Section 24000).

(au) "Tax period" means a period of not more than 12 months for which the tax imposed pursuant to Article 6 is assessed.

ARTICLE 8. Stakeholder Advisory Committee.

14199.129. Stakeholder Advisory Committee Established.

(a) The Protect Access to Healthcare Act Stakeholder Advisory Committee is hereby established within the department.

(b) No individual holding federal, state, tribal, or local elected or appointed office and no officer or official of any political party is eligible for appointment to the committee.

(c) Six members of the committee constitute a quorum for purposes of voting and conducting business of the committee.

(d) The committee shall elect a chairperson from among its membership. The chairperson shall serve in that capacity for two years and is eligible for reelection. The

chairperson shall preside at all meetings and shall have all the powers and privileges of other committee members.

(e) The committee shall meet not less than biennially, and may hold additional regular and special meetings at the call of the committee or the chairperson.

(f) At least two employees of the department shall be assigned full-time to staffing and supporting the committee.

14199.130. Committee Membership.

(a) The committee shall be composed of ten members appointed as follows:

(1) One member that represents both primary and specialty physicians on a statewide basis.

(2) One member that represents both public and private hospitals, regardless of licensure type, on a statewide basis.

(3) One member that represents a private emergency ambulance provider which performs 500,000 or more emergency medical ground transports per calendar year in this State.

(4) One member that represents family planning and reproductive health providers on a statewide basis.

(5) One member that represents commercial, nongovernmental Medi-Cal managed care plans on a statewide basis.

(6) One member that represents clinics on a statewide basis.

(7) One member that represents public, nonprofit Medi-Cal managed care plans on a statewide basis.

(8) One member that represents dentists on a statewide basis.

(9) One member that represents organized labor groups on a statewide basis.

(10) One member that represents a private emergency air ambulance transport provider that bills for more than two thousand (2,000) emergency ambulance transports per year in this State.

(b) Committee members shall be appointed as follows:

(1) The Governor shall appoint the members described in paragraphs (1) through (6) of subdivision (a).

(2) The Assembly Speaker shall appoint the members described in paragraphs (7) and (8) of subdivision (a).

(3) The Senate President Pro Tempore shall appoint the members described in paragraphs (9) and (10) of subdivision (a).

(c) No entity or organization shall have more than one employee, officer, or director from that entity or organization appointed to the committee at any given time.

(d) Each member of the committee shall either be a citizen and resident of the United States or satisfy the requirements of subdivision (b) of Section 1020 of the Government Code.

14199.131. Committee Member Terms.

(a) Each appointing authority described in subdivision (b) Section 14199.130 shall make their initial appointments not later than 30 calendar days after the effective date of this chapter.

(b) The term of initial appointees to the committee shall begin on the forty-fifth calendar day after the effective date of this chapter. The terms of initial appointees to the committee shall be as follows:

(1) The Governor's initial appointees described in paragraphs (1) through (4) of subdivision (a) of Section 14199.130 shall serve for a term of four years.

(2) The Governor's initial appointees described in paragraphs (5) and (6) of subdivision (a) of Section 14199.130 shall serve for a term of three years.

(3) The Assembly Speaker's initial appointee described in paragraph (7) of subdivision (a) of Section 14199.130 shall serve for a term of three years.

(4) The Assembly Speaker's initial appointee described in paragraph (8) of subdivision (a) of Section 14199.130 shall serve for a term of two years.

(5) The Senate President Pro Tempore's initial appointees shall serve for a term of two years.

(c) After the initial terms, the term of each appointed or reappointed committee member shall be four years. Each member of the committee shall serve until a successor is appointed.

(d) A member of the committee shall not be removed by the appointing authority except for malfeasance in office or neglect of duty. No member shall be removed unless the reasons for removal are presented in writing to the member.

(e)(1) A member of the committee appointed to represent a specific category described in paragraphs (1) through (10) of subdivision (a) of 14199.130 shall notify in writing their appointing authority if they no longer represent that specific category or are otherwise unable to continue serving as a member of the committee. The notice required by this paragraph shall be provided within 15 calendar days of the changed circumstance.

(2) Upon receipt of the written notice by the appointing authority, the member's position on the committee shall be deemed vacant. Within 30 calendar days of receipt of the written notice, the appointing authority shall appoint a successor to serve the remainder of the former member's term. Upon expiration of the unexpired term, the successor may be appointed to a full term.

14199.132. Powers and Duties of the Committee.

(a)(1) The committee is advisory only and does not possess decision-making authority. The committee is established for the sole purpose of researching and analyzing approaches and best practices for the development and implementation of the components of this chapter, including by preparing reports or recommendations and providing advice thereon for submission to the department. The department has sole and final decision-making authority under this chapter.

(2) The committee shall advise and make written recommendations to the department with respect to implementing this chapter and achieving the objectives set forth in Sections 14199.101 and 14199.102.

(b) The committee is authorized, but not limited, to do any of the following:

(1) Undertake investigations or studies.

(2) Issue written reports.

(3) Post any report or recommendation on the department's internet website under the committee's own link thereon.

(c) Any member of the committee may request, and the Controller and department shall provide, any written accounting or record of deposits into, transfers between, or expenditures out of, any fund, subfund, account, or subaccount established or created by this chapter.

(d) The committee may establish subcommittees consisting of one or more of its members, and may delegate to a subcommittee any right or responsibility bestowed upon the committee, including the right or responsibility of providing advice and written input to the department on a given subject.

14199.133. Compensation.

Members of the committee shall serve without compensation but shall receive reimbursement for necessary expenses, subject to approval by the department.

ARTICLE 9. Amendments, Construction, Standing.

Section 14199.134. Amendment of Chapter.

(a) The Legislature may amend this chapter by a statute passed in each house of the Legislature by rollcall vote entered into the journal, three-fourths of the membership concurring, provided that the statute is consistent with, and furthers the purpose of, this chapter.

(b) No bill seeking to amend this chapter after the effective date of this chapter may be passed or ultimately become a statute unless the bill has been printed and distributed to members, and published on the Internet, in its final form, for at least 10 business days prior to its passage in either house of the Legislature.

Section 14199.135. Construction of Chapter.

(a) Severability. The provisions of this chapter are severable. If any portion, section, subdivision, paragraph, subparagraph, clause, subclause, sentence, phrase, word, or application of this chapter is for any reason held to be invalid by a decision of any court of competent jurisdiction, that decision shall not affect the validity of the remaining portions of this chapter. The People of the State of California hereby declare that they would have adopted this chapter and each and every portion, section, subdivision, paragraph, subparagraph, clause, subclause, sentence, phrase, word, and application not declared invalid or unconstitutional without regard to whether any part of this chapter or application thereof would be subsequently declared invalid.

(b) Liberal Construction. This chapter is an exercise of the initiative power of the People of the State of California pursuant to Article II and Article IV of the Constitution, and shall be liberally construed to effectuate the purposes set forth in this chapter.

(c) Statutory References. Unless otherwise stated, all references contained in this chapter to statutes codified outside of this chapter refer to those statutes as they existed on July 1, 2023.

(d) Effective Date. This chapter shall take effect on the next January 1 following its approval by the voters of California.

Section 14199.136. Standing to Defend Chapter.

Notwithstanding any other provision of law, if the State of California or any of its officers or officials fail to defend the constitutionality of this chapter, following its approval by the voters, any other state or local government agency of this State shall have the authority to intervene on behalf of the State of California and/or the department in any court action challenging the constitutionality of this chapter for the purpose of defending its constitutionality, whether that action is in state or federal trial court, on appeal, or on discretionary review by the Supreme Court of California or the Supreme Court of the United States. The reasonable fees and costs of defending the action by the other state or local government agency shall be a charge on funds appropriated to the Department of Justice, which shall be satisfied promptly.

SECTION 2. Appropriations Limit.

(a) Commencing with the 2025-26 fiscal year, pursuant to Section 4 of Article XIII B of the California Constitution, the electors of the State of California hereby adopt an increase in the appropriations limit for the State of California equal to the amount of the revenues generated by the taxes contained in Article 6 (commencing with Section 14199.123) of this Act and Article 7.1 (commencing with Section 14199.80) of Chapter 7 of Part 3 of the Welfare and Institutions Code.

(b) The duration of the increase in the State of California's appropriations limit adopted pursuant to this section shall be for the maximum amount of time permitted under Section 4 of Article XIII B of the California Constitution.

SECTION 3. Conflicting Initiative Measures.

The People of the State of California hereby find and declare:

(a) In the event that this initiative measure and another initiative measure or measures that raises or extends a managed care organization provider tax to fund Medi-Cal services, benefits, and coverage appear on the same statewide election ballot, the other initiative measure or measures shall be deemed to be in conflict with this measure. In the event that this initiative measure receives a greater number of affirmative votes, the provisions of this measure shall prevail in their entirety, and the provisions of the other initiative measure or measures shall be null and void.

(b) This act continues an existing tax on managed care organization providers, a type of healthcare service plan, that is used for the purpose of increasing reimbursement rates or payments under the Medi-Cal program. Initiative No. 21-0042 Amendment #1 *exempts* from the definition of "tax" a levy, charge, or exaction collected from local units of government, healthcare providers, or healthcare service plans that is primarily used by the State of California for the purposes of increasing reimbursement rates or payments under the Medi-Cal program. Therefore, no conflict exists between this act and Initiative No. 21-0042 Amendment #1.

(c) This act does not alter, apply to, or address the matters contained in Initiative No. 23-0021 Amendment #1. Therefore, no conflict exists between this act and Initiative No. 23-0021 Amendment #1.