

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: 06/23/2025
POSITION: Oppose

BILL NUMBER: AB 543
AUTHOR: González, Mark
RELATED BILLS: AB 369

BILL SUMMARY: Medi-Cal: street medicine.

This bill requires that the Department of Health Care Services (DHCS) implement a program of presumptive eligibility for persons experiencing homelessness for full-scope Medi-Cal coverage and authorize enrolled providers to make a presumptive eligibility determination for that individual. The bill authorizes managed care plans to offer Medi-Cal covered services through a street medicine provider regardless of the beneficiary's network assignment and establish requirements and protocols for care coordination.

This bill further requires the DHCS Medi-Cal program and the California Statewide Automated Welfare System (CalSAWS) mutually share data regarding persons experiencing homelessness and receiving services. If informed that an individual is experiencing homelessness, this bill requires that Medi-Cal managed care plans share that information with the relevant county.

FISCAL SUMMARY

A fiscal estimate from DHCS was not available at the time of this analysis; however, Finance preliminarily estimates that the bill will likely result in costs in the low to mid tens of millions of dollars General Fund annually to implement a program of presumptive eligibility for persons experiencing homelessness and additional implementation costs associated with CalSAWS updates. Based on an earlier version of the bill, the Office of Technology and Solutions Integration (OTSI) estimated costs of \$552,000 for system updates to CalSAWS. Finance also notes that existing DHCS systems could incur unknown costs, upwards to the low millions of dollars General Fund for system modifications and updates. Additionally, Finance estimates that fiscal impacts will depend on rates of utilization and the number of street medicine providers able to provide Medi-Cal covered services.

For a similar bill, AB 369 (Kamlager, 2021), DHCS estimated costs of \$40.9 million (\$20.7 million General Fund) in the first year of implementation and \$46.6 million (\$23.3 million General Fund) ongoing for implementation of a program of presumptive eligibility for persons experiencing homelessness and require Medi-Cal managed care plans to reimburse Medi-Cal providers for covered services. With the 2021 Budget authorizing the California Advancing and Innovating Medi-Cal (CalAIM) initiative, AB 369 was vetoed by the Governor due to concerns that a "carve out" for persons experiencing homelessness would also cut out this population from receiving new CalAIM services created specifically to provide health care services to persons experiencing homelessness.

COMMENTS

The Department of Finance is opposed to this bill because it results in significant ongoing General Fund costs not included in the state's spending plan. Efforts to expand the scope of Medi-Cal

Analyst/Principal (551)	Date	Program Budget Manager Manriquez , Guadalupe	Date
Department Deputy Director			Date
Governor's Office:	By:	Date:	Position Approved _____ Position Disapproved
BILL ANALYSIS			Form DF-43 (Rev 03/95 Buff)

BILL ANALYSIS--(CONTINUED)**Form DF-43****AUTHOR****AMENDMENT DATE****BILL NUMBER**

González, Mark

06/23/2025

AB 543

COMMENTS (continued)

benefits should be considered as part of the annual budget process.

Through DHCS' CalAIM program, managed care plans may provide Medi-Cal coverage through street medicine providers in the role of a Primary Care Provider, a Provider through Enhanced Care Management, a Provider through Community Supports, or as a referring or treating contracted Provider. While utilization of street medicine providers is voluntary for managed care plans, plans may operate a street medicine program once they have completed DHCS requirements and guidance.

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							
	LA	(Dollars in Thousands)							
	CO	PROP							Fund
	RV	98	FC	2025-2026	FC	2026-2027	FC	2027-2028	Code
4260/Hlth Care	LA	No	C	10,000-50,000	C	10,000-50,000	C	10,000-50,000	0001
4260/Hlth Care	LA	No	C	10,000-50,000	C	10,000-50,000	C	10,000-50,000	0890
0531/OfcTechSol	SO	No	C	552	C	0	C	0	0001
<u>Fund Code</u>		<u>Title</u>							
0001		General Fund							
0890		Trust Fund, Federal							