SENATE BILL SB-23

Introduced by Senator Lena Gonzalez (D-33)

An act relating to Shared Physical and Mental Health Care Act.

LEGISLATIVE COUNSEL'S DIGEST

SB-23, Lena Gonzalez (D-33). Shared Physical and Mental Health Care Act.

Existing law requires the State Department of Health Care Services to develop standardized statewide transition tools to coordinate care for Medi-Cal beneficiaries moving between mental health delivery systems. Existing law permits the department to require the use of these tools.

This bill would require use of the transition tools and establish grants for existing Medi-Cal clinics to provide primary care and outpatient mental health services at the same location. Participating clinics would provide shared registration and scheduling, private treatment rooms, coordinated appointments, and a choice among available qualified providers. Patients could request either type of care without first attending an appointment for the other.

This bill would allow grants to support clinic improvements, staffing, care coordination, and supervised workforce training. Grants would prioritize underserved communities, including qualifying areas in the Central Valley, Inland Empire, and North State.

This bill would appropriate $20,000,000 from the General Fund for clinic grants, administration, and evaluation. Clinic participation would be voluntary. The bill would impose a state-mandated local program by requiring county mental health plans to use the transition tools and would provide reimbursement of qualifying mandated costs.

Vote: 2/3rds. Appropriations/fiscal: yes. Local program: yes.

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

California Legislature—2025-2026 Simulation Session

Senate Bill

Introduced by Senator Lena Gonzalez

September 29, 2026

An act to amend subdivision (g) of Section 14184.402 of the Welfare and Institution Code, relating to Medi-Cal care coordination.

Legislative Counsel’s Digest

SB , as introduced, Gonzalez. CalAIM coordinated physical and mental health care coverage.

The existing law establishes the California Advancing and Innovating Medi-Cal Act, known as CalAIM. Medi-Cal managed care plans cover physical health care and nonspecialty mental health services, while county mental health plans provide specialty mental health services. Section 14184.402 of the Welfare and Institutions Code permits coordinated, nonduplicative mental health services across these delivery systems and prohibits disputes between plans from delaying medically necessary services.

This bill would strengthen coordination under CalAIM by requiring each Medi-Cal managed care plan and county mental health plan serving the same area to maintain a joint access and payment coordination agreement. A beneficiary could request assistance through either plan and receive help obtaining physical or mental healthcare without having to resolve which plan is responsible for payment. The plans would establish internal referral, claims routing, and dispute resolution procedures while retaining their existing coverage responsibilities. The agreement would also include training for staff who coordinate referrals, billing, and insurance authorization.

The State Department of Health Care Services would implement these requirements through existing CalAIM contracts and guidance, subject to necessary federal approvals and available funding. This bill would not appropriate funds. Imposing additional duties on county mental health plans, it would impose a state mandated local program and provide for reimbursement of qualifying mandated costs.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: Yes

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Subdivision (g) of Section 14184.402 of the Welfare and Institutions Code is amended to read:

(g) A dispute between a county mental plan and a Medi-Cal managed care plan shall not delay the provision of medically necessary services by the county mental health plan or the Medi-Cal managed care plan.

(1) Beginning January 1, 2028, each county mental health plan and Medi-Cal managed care plan serving the same geographic area shall maintain a joint agreement coordinating access to physical health, nonspecialty mental health, and specialty mental health services. The agreement shall be incorporated into existing CalAIM coordination arrangements rather than establishing a separate insurance program.

(2) Either plan shall accept a beneficiary's request for assistance, identify an appropriate

provider, and assist with scheduling or transferring the request directly to the responsible plan. The beneficiary shall not be required to contact a second plan to restart the request or resolve a payment dispute. Each plan shall identify a contact responsible for following the request until the receiving plan confirms acceptance.

(3) The agreement shall establish a common referral process, an internally coordinated claims routing process, and a procedure for resolving payment responsibility within 30 calendar days. A claim received by the wrong participating plan shall be transmitted to the appropriate plan without requiring the beneficiary to resubmit it. Emergency and urgent care shall follow existing expedited access requirements.

(4) The plans shall exchange information necessary for care coordination only as permitted by state and federal confidentiality law, obtaining consent when required. A beneficiary may decline optional information sharing without losing otherwise covered services.

(5) The department shall issue implementation guidance by July 1, 2027, and monitor compliance through existing CalAIM oversight. Beginning July 1, 2029, plans shall report annually on referral completion, requests requiring transfer, and payment disputes that affect access. The department shall publish an aggregate summary without identifying beneficiary information.

(6) Implementation shall preserve existing benefit eligibility, provider qualifications, appeal rights, and each delivery system's responsibility for covered services. These requirements coordinate the beneficiary's experience and shall not transfer specialty mental health financial responsibility from counties to managed care plans without separate legal authority and necessary federal approval.
(7) The joint agreement shall include annual training for referral coordinators, medical billing and coding staff, and insurance authorization staff on physical and mental health coverage responsibilities, claim routing, patient navigation, and confidentiality. Plans may partner voluntarily with existing college or workforce training programs to provide this training within available administrative funding.

SEC. 2. The department shall implement this act using existing CalAIM administrative appropriations to the extent available. Any additional state or reimbursable county costs shall be supported by subsequent legislative appropriations. Requirements dependent on federal approval shall be implemented only after that approval is obtained and federal financial participation is available. The department shall identify additional funding and federal approval needs in its implementation guidance.

SEC. 3. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made

pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government code.