

Office of Health Care Affordability
Department of Health Care Access and Information

Patient and Consumer Forum on Health Care Affordability

October 6, 2026





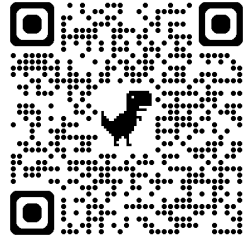
Office of Health Care Affordability
Department of Health Care Access and Information

Welcome

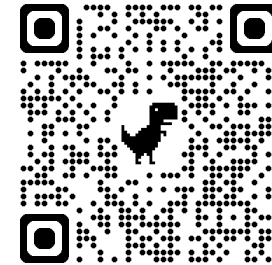


Patient Resources

- For assistance with charity care, please contact [HCAI's Hospital Fair Billing Program](#)

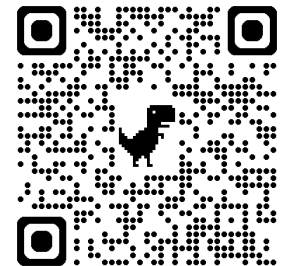


- For those struggling to get or maintain coverage, help is available through [Health Consumer Alliance](#)



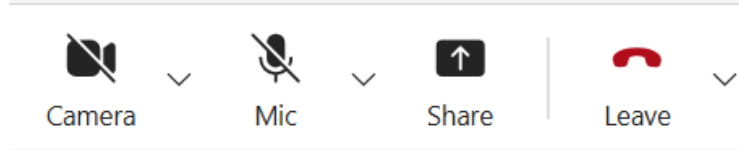
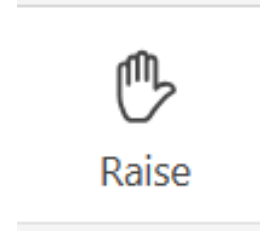
- Need help filing a dispute against your health plan, timely access, or accessing mental health care?

- Contact the [Department of Managed Health Care's Help Center](#)



Meeting Expectations for Participants

- Microphones will be enabled during discussion periods and open forum. Please limit discussion and questions to the topic being presented.
- To raise your hand, click the “Raise Hand” feature at the top of your screen.
- Participants will be called upon in order.
- Once your name is called, please select the microphone icon in the top bar of your screen to unmute.
- Please keep comments brief to ensure everyone has a chance to provide comments.



Agenda

Item 1

Welcome and Forum Overview

Item 2

Overview of the Hospital Fair Billing Program

Item 3

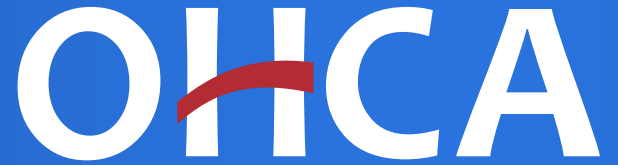
CalRx and High-Cost Drugs

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Slow Spending Growth: Progressive Enforcement of Spending Targets

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Open Forum



Office of Health Care Affordability
Department of Health Care Access and Information

Patient and Consumer Forum Overview

Vishaal Pegany, Deputy Director



Forum Overview

The Patient and Consumer Forum on Health Care Affordability is a meeting where the Office of Health Care Affordability (OHCA) will engage directly with patients, consumers, and advocates on OHCA's work to promote more affordable health care while maintaining or improving access, equity, and quality.

In each forum, HCAI staff will present on relevant topics, followed by a discussion period where attendees can engage with staff about the presented topics.

OHCA staff will attempt to answer all questions. If the office is unable to address all questions, it will strive to answer them offline or at future forum meetings. You may also send questions directly via email to OHCA at OHCA@HCAI.CA.GOV.

Spring Patient and Consumer Forum Debrief

- Staff engaged around 100 patients, patient advocates and consumer advocates.
- Multiple participants expressed support for OHCA's work and appreciation for the forum discussion, noting that they felt more comfortable voicing their opinions in this setting.
- Some participants representing patients with rare diseases shared their concern over possible incentives to deny health care services for patients with chronic conditions that require high levels of costly care.
 - These advocates suggested implementing carveouts for Specialized Treatment Centers/ Centers of Excellence to ensure no negative unintended consequences for these patients due to entity responses to the spending target.
 - Advocates expressed their interest and willingness to collaborate with OHCA and provide their input in future discussions to inform enforcement of spending targets.
- Labor union representatives and small business owners noted their struggles in negotiating benefits for employees without sacrificing wage increases.
- The meeting materials, including the presentation, can be accessed at the [Patient and Consumer Forum webpage](#).

Other OHCA Public Meetings

While this forum is geared toward patients and consumers, and patient and consumer advocacy groups, there are other public meetings available to engage with the Office and the Board.

Health Care Affordability Board

These are public meetings of the 8-member board. Held 9-12 times per year.

Attendees include: the general public, patients and consumers, health care entities, unions, consumer advocacy organizations, and trade associations.

Health Care Affordability Advisory Committee

These are public meetings of the 30 member advisory committee with representatives from various aspects of the health care delivery system. Held Quarterly.

Attendees include: the general public, patients and consumers, health care entities, unions, consumer advocacy organizations, and trade associations.

To learn more about these and other OHCA public meetings, please visit:

<https://hcai.ca.gov/affordability/ohca/#public-meetings>.

Health Care Affordability Board and Advisory Committee

Health Care Affordability Board

- Set spending targets, both statewide and sector-specific, and inform enforcement of the spending targets
- Approve key benchmarks, such as statewide goals for alternative payment model adoption
- Appoint a Health Care Affordability Advisory Committee to provide input on a range of topics

Advisory Committee

- Provide recommendations and input to the Board on:
- Statewide health care spending target and specific targets by health care sector and geographic region
 - Method for setting spending targets and adjustment factors to modify targets when appropriate
 - Definitions of health care sectors
 - Benchmarks for primary care and behavioral health spending
 - Statewide goals for the adoption of alternative payment models and standards
 - Quality and equity metrics
 - Standards to advance the stability of the health care workforce
 - Other areas requested by the Board or Office

California Health Care Foundation- The 25% Problem

Around 25 cents of every health care dollar does not help patients become healthier or get better care. In 2020, it was estimated that this added up to as much as \$73 billion dollars a year in California's health care system.

WHERE DOES THE 25% GO?



Administrative waste:
Red tape and
paperwork



Excessive profits:
Unfair pricing without
competition



Preventable illness:
Conditions caught
too late

California Health Care Foundation- The 25% Solution

According to CHCF, there are 10 actions to start to solve the 25% problem:

1. Support OHCA's authority to slow the growth of health care spending (top priority).
2. Cap payments to hospitals under state health care contracts.
3. Don't allow extra fees or different prices for the same service, just because of where it is delivered.
4. Prohibit contract terms that unfairly limit competition and patients' choices.
5. Give the Department of Managed Health Care the power to reject unreasonable premium increases.
6. Prevent medical debt by strengthening existing statewide hospital financial assistance programs.
7. Expand financial assistance programs to other providers and settings.
8. Require and support all California providers and health plans to adopt electronic prior authorization practices.
9. Require standardized claims and billing system rules across all health plans and health systems.
10. Shift health care spending into primary care.

A Combined Affordability Strategy

CHCF's research points to a broad approach to achieving health care affordability rather than a single policy. Californians want reforms that:

- 1. Lower prices that are already too high**
Directly address hospital prices, facility fees, and market power
- 2. Prevent unjustified future increases**
Set enforceable limits and require savings to reach consumers
- 3. Reduce barriers that keep people from care**
Improve coverage choices, primary care access, and debt protections
- 4. Hold the health care system accountable**
Use transparent enforcement and measure whether households save money



Office of Health Care Affordability
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OHCA Workstreams



There are Multiple Workstreams to Advance OHCA's Goals

Primary Care and
Behavioral Health
Investment
Benchmarks

Quality and Equity
Performance
Measures

Monitoring Workforce
Stability

Alternative Payment
Models

Cost-reducing
Strategies

Reviewing Mergers

Spending Targets

CalRx and
Pharmaceutical
Policy

If you have any questions or comments on the **Forum Overview and OHCA Workstreams sections**, this is your opportunity to speak.

Staff will do our best to answer questions but may need to follow-up with answers at a later date.

You may send additional questions and comments to our inbox at OHCA@HCAI.CA.GOV.

To call in: (916) 535-0978; Conference ID: 666 219 107#



Office of Health Care Affordability
Department of Health Care Access and Information

An Overview of the Hospital Fair Billing Program (HFBP) aka Hospital Bill Complaint Program

Melissa Ferkovich
Assistant Chief Counsel



Cost of Health Care in California

- Many Californians struggle to afford and access the care they need.
- California's rising health care costs are a growing burden on workers and families.
- More than **half** of Californians report skipping or delaying medical care due to costs.
- Black and Latine communities are more likely to report difficulty paying medical bills.



Hospital Fair Billing Overview



- Reviews hospital financial assistance policies, notices, website, and postings for compliance with the Hospital Fair Pricing Act (Act).
- Administers the Hospital Bill Complaint Program to investigate patient complaints about possible violations of the Act.
- Under the Act, hospitals are required to have both a discount payment policy and a charity care policy, to provide financial assistance to qualified patients.

What Does the Act Require From Hospitals?



- Ensure uninsured or ‘high medical cost’ patients at or below 400% of the federal poverty level get help paying their medical bills.
- File charity/discount and debt-collection policies/applications with HCAI for public posting.
- Do not consider patients’ monetary assets; do not require applying for other coverage before screening/providing discounts.
- Provide written notice at time of service, at discharge, or by mail within 72 hours of the service about available financial assistance.

What Does the Act Require From Hospitals (Continued)?



- Cap billed charges at what hospital would expect to receive from the greater of Medicare or Medi-Cal.
- No selling debt unless it has been at least 180 days from last communication from patient about billing or after determination that patient does not qualify.
- No adverse credit reporting and no real-property liens/sales.
- Hospital must apply a reasonable payment plan considering essential living expense to those who qualify for discount payment.
- Requires financial assistance screening and presumptive eligibility by July 1, 2027.

Hospital Bill Complaint Program



Under the Hospital Fair Billing Program, the Hospital Bill Complaint Program was created to investigate patient complaints about:

- The hospital's application of its financial assistance (charity care and discount payment) and debt collection policies.
- The hospital's compliance with notice, accessibility, and website requirements.

Who Should Contact Hospital Fair Billing for Help?

The Hospital Fair Billing Program can help patients get financial assistance for hospital bills if the patient:

- Is uninsured (self-pay) or underinsured (have high medical costs);
- AND your family income is at or below 400% of the federal poverty level.
- Note: Some hospitals offer discounts to patients with higher incomes.

You can file a complaint if:

- You applied for financial assistance but were denied.
- You were never told about the financial assistance program.
- You were sent to collections but need financial assistance.

What Issues are Not Covered?

The Hospital Bill Complaint Program cannot help with:

- General billing disputes (i.e., wrong services charged, wrong account, etc.).
- Price estimates or quotes.
- Price differences between hospitals.
- Health plan payment and cost share issues.
- Billing by an emergency room physician or provider (other than facility charges).
- Issues about the quality of care received.

Applications Available for Download

Arabic	Hmong	Punjabi
Armenian	Japanese	Russian
Chinese/Simplified/ Traditional	Khmer/Cambodian	Spanish
English	Korean	Thai
Farsi	Laotian	Ukrainian
Filipino/Tagalog	Mien	Vietnamese
Hindi	Portuguese	*Other languages upon request

Hospital Bill Complaint Program Success Story

*A parent reached out to HCAI because his four-year-old son was undergoing cancer treatment that they could not afford. Despite having primary insurance and California Children's Services (CCS) as secondary insurance, **they continued to receive bills**. Although the case involved billing issues outside the HCAI's jurisdiction, the hospital reprocessed the claims after receiving a complaint via the Hospital Bill Complaint Program.*

Outcome: The hospital recognized areas for workflow improvement and adjusted the patient's bills, **reducing one account by over \$20,000 and another by over \$2,000**, which was also removed from collections. This intervention resulted in a total savings of over \$22,000 for the patient.

Hospital Bill Complaint Program Success Story

*A 51-year-old uninsured Spanish speaking patient was injured and unable to work for over a month when he visited the hospital and **incurred a bill of over \$2,500**. He submitted a financial assistance application to the hospital but was denied for not being able to provide income documentation. He was a self-employed worker who had no way to prove how much he earned.*

Outcome: Although the hospital initially denied the patient's financial assistance application, in response to the patient's complaint, they re-evaluated his application and determined that he was eligible for a 100% charity care financial assistance.

Contacting the Hospital Fair Billing Program

- File a complaint online at hcai.ca.gov/HospitalBillHelp, or by mail at:
Department of Health Care Access and Information
Hospital Bill Complaint Program
2020 West El Camino, Suite 1101
Sacramento, CA 95833
- For free assistance, consumers may contact the Health Consumer Alliance by visiting healthconsumer.org, or by calling (888) 804-3536.
- Sign up for Hospital Fair Billing Program's Mailing List at hcai.ca.gov/mailing-list/

If you have any questions or comments on the **Overview of the Hospital Fair Billing Program**, this is your opportunity to speak.

Staff will do our best to answer questions, but may need to follow up offline or at a future forum date.

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Office of Health Care Affordability
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CalRx[®] and High-Cost Drugs

Emily Estus, Assistant Deputy Director



OHCA Pharmaceutical Work

CalRx[®]

- Insulin
- Naloxone
- Albuterol
- Reproductive Health
- Epinephrine Pens
- Tuberculosis Medications

Pharmaceutical Research & Policy

- Data Briefs and Analyses
- Policy Research and Recommendations

Common Pharmaceutical Terms

What are Generics?

Generics are exact copies of chemical drugs.

What are Biosimilars?

Biosimilars are similar to a generic drug, but for medicines made from living cells (aka complex biologic drugs). They are designed to work the same way as the original medicine and must meet FDA standards for safety and effectiveness.

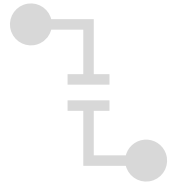
What is a Pharmacy Benefit Manager, or PBM?

Pharmacy Benefit Managers are middlemen entities between health plans, pharmacies, and pharmaceutical manufacturers. They negotiate drug prices with manufacturers and create "formularies" for health plans that determine drug coverage and cost-sharing.

CalRx[®] History

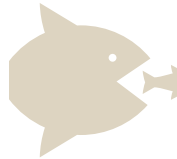
- State-led initiative launched in 2019
- Mission: Reduce drug costs where the market has failed even when generics/biosimilars exist
- Focus Areas: Insulin, Naloxone, Reproductive Health, Albuterol, and other affordability initiatives
- Approach: Develop, manufacture, or partner to deliver low-cost medications with transparent pricing
- Vision: Affordable, accessible medications for all Californians

CalRx[®] Target Drug Selection Criteria



Broken Market

- Generics are available but still costly due to market dysfunction



Missing Generic Competition

- No generic competition despite eligibility



Impact of New Player

- Evidence shows a new competitor could improve access



High Consumer Spending

- Patients pay significant out-of-pocket costs



High Price per Unit

- Medications priced excessively high for each unit



Equity Target Population

- Drug is critical for underserved or at-risk groups



Public Health Concerns

- Drug flagged by public health due to cost, access, or supply issues



Large Target Population

- Medications that treat widespread conditions



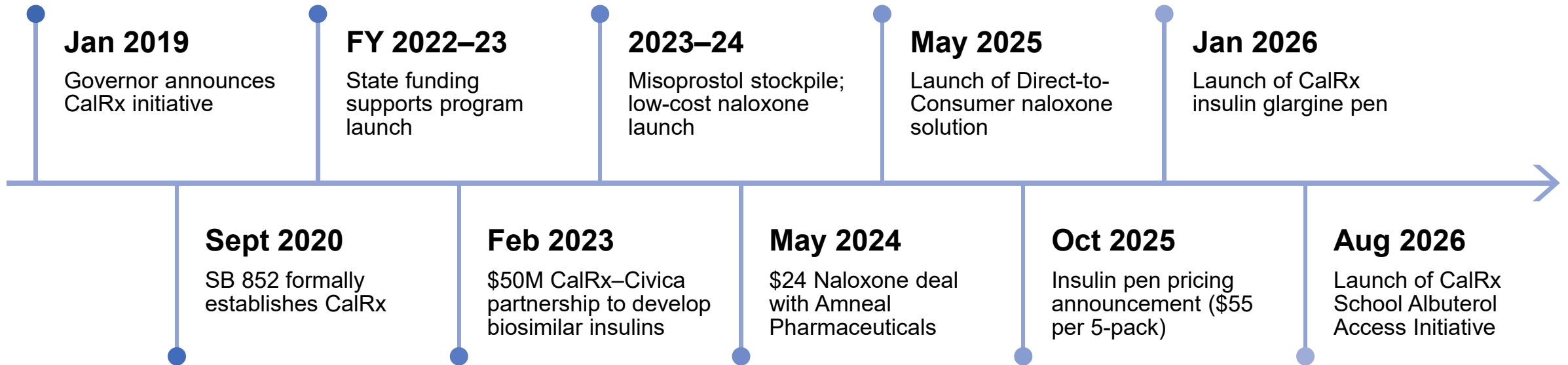
Ease of Adoption

- Provider and patient willingness to switch to a generic medication

CalRx[®] Accomplishments

Year	Drug	What
2023	Reproductive Health	Developed a stockpile of a key reproductive health medication to ensure access amid national supply concerns.
2024	Naloxone	CalRx naloxone nasal spray (used to reverse opioid overdoses) launched at \$24 a twin-pack, almost a 50% reduction compared to the brand price. CalRx naloxone is now only \$19 per twin-pack.
2026	Insulin	CalRx insulin glargine pens became available January 1, 2026, at \$55 per 5-pack.
2026	Albuterol	CalRx launched a system that allows TK–12 schools to easily get emergency use asthma inhalers and spacers.

CalRx[®] Milestones



Civica® Insulin Partnership



- Insulin is a key treatment for people with diabetes whose body cannot properly regulate blood sugar.
- In March 2023, CalRx and Civica reached an agreement to offer CalRx-branded insulin at unprecedented low prices – **not more than \$30 per vial or \$55 for five pens.**
- **Civica is developing biosimilars for three of the most popular types of insulins:** Insulin glargine, aspart and lispro*

*Corresponding to brand names Lantus, Novolog and Humalog, respectively

Insulin Glargine Updates

- Civica partnered with Biocon® to deliver an insulin glargine pen under the CalRx label in California and Civica label nationwide beginning January 1, 2026, at the same CalRx price of \$55 per 5-pack.
- This partnership allows any California pharmacy to order.
- As of September 2026, CalRx insulin glargine is available to enrollees of Blue Shield of CA, Anthem Blue Cross of CA, Federal Employees Plan, and Valley Health Plan.



Naloxone

- Naloxone is an emergency treatment to quickly reverse an overdose from opioids, including heroin and fentanyl.
- This initiative is part of the state's comprehensive approach to address this opioid overdose crisis.
- CalRx's partnership with DHCS's [Naloxone Distribution Project](#) (NDP) increases the availability of this life-saving medication.
 - Since 2018, the NDP has distributed over 9.3 million kits of naloxone, resulting in more than [465,800 reported overdose reversals](#).
 - 2026: CalRx naloxone lowered to \$19 per twin pack (from \$24 at launch in 2024)
 - Cumulative state savings so far: \$61M

School Albuterol (Asthma Treatment) Access Initiative

In partnership with the California Department of Public Health (CDPH), Amneal Pharmaceuticals, and the California School Nurses Organization (CSNO), CalRx® launched this initiative in August 2026 to support access to emergency use stock albuterol asthma treatments in schools, including:



Easy-to-use portal for ordering



Free Back-to-School Packs of 2 inhalers + 25 spacers for 3 years



Free asthma & stock albuterol training materials
(for public school districts only)

- **Eligible Schools:** public/charter TK–12 schools, school districts, and/or county offices of education
- As of October 1, 2026, **789 Back-to-School Packs** have been shipped.

Reproductive Health

- In February 2023, CalRx[®] stockpiled misoprostol* in response to *Alliance for Hippocratic Medicine v. U.S. Food and Drug Administration*, which would have limited access to mifepristone had it succeeded and could have created a sudden spike in demand for misoprostol as the only remaining drug available for a medication assisted abortion.
- This stockpile was managed through CalRx[®] and CDPH, and we partnered with the UC Health Systems and Honeybee Health to disperse the stockpile in a timely manner to ensure that these drugs did not expire before use.
- CalRx[®] remains committed to women's reproductive freedoms and may supply reproductive health drugs again in the future.

*Misoprostol is used either solo or in combination with mifepristone to produce a medication assisted abortion. California maintains committed to the combination regimen, which produces a higher success rate with lower risk to the carrier.

Next Up: Epinephrine Pens & TB Medications

Epinephrine Pens

- Pen devices that deliver a precise dose of epinephrine, a life-saving medication that can stop severe allergic reactions.
- Clear example of a broken market in U.S. health care:
 - Brand-name EpiPens cost \$650–\$750 per two-pack
 - Other options range from \$95–\$400 per two-pack but are dispensed far less often than EpiPens
- CalRx[®] solution would focus on supporting development of low-cost option in market.

Tuberculosis Medications

- Tuberculosis (TB) rates have increased in California in recent years.
- Due to low profit margins and unstable demand, multiple first-line TB drugs have experienced recurrent shortages, manufacturer exits, and price changes.
- CalRx[®] solution would combine purchasing power for state and local health departments to stabilize supply at a low price point, ensuring reliable access for county TB programs and other safety-net settings.

Analyzing the Pharmaceutical Market and Recommending Policies to Lower Drug Costs

PBMs

Identify strategies to ensure pharmacy benefit managers (PBMs) deliver valuable service without adding extra cost

Drug Prices

Evaluate policies to lower prescription drug prices in the state, such as proposed legislation or Prescription Drug Affordability Board models

Group Purchasing

Explore additional ways that California can use our size to negotiate better deals on drugs

Cell and Gene Therapies

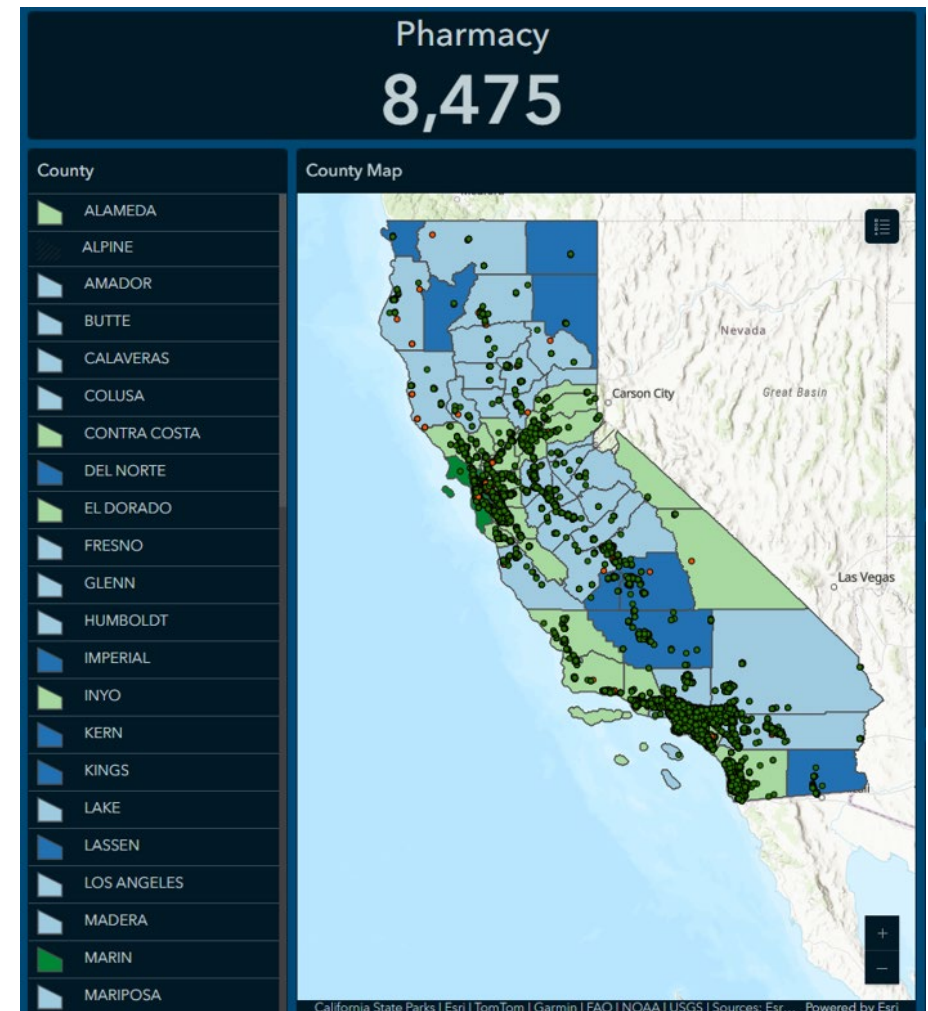
Tracking cell and gene therapies (CGT) and options for getting them to patients in an affordable way

Other Recent Policy Work

- As a state department, provide technical assistance on drug-related legislation and bills as requested
- Analyze risks and opportunities for preserving access to medication (i.e., reproductive health, vaccines, etc.)
- Develop research on pharmaceutical policy proposals as requested

Transparency and Data Analyses

- [Insulin/Metformin Distance](#): Data brief examining average distance traveled and share of mail order prescriptions for insulin and metformin (another diabetes medication) in California by county in 2022.
- [GLP-1s](#): Data brief examining trends in GLP-1 prescriptions for weight loss by Medi-Cal and Commercial payers for each drug, and annual costs per member by county.
- [The Pharmacy Deserts](#): Project identifies pharmacy closures in California from 2020-2025 to highlight regions in California with pharmacy access issues.



If you have any questions or comments on the **CalRx® and High-Cost Drugs** section, this is your opportunity to speak.

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Slow Spending Growth: Progressive Enforcement of the Spending Target

CJ Howard, Assistant Deputy Director



Defining Health Care Spending

What is health care spending?

Health Care Spending or **Total Health Care Expenditures (THCE)** measures the amount of money a health care entity spends on patient health care for the year.

What is a health care entity?

Health care entities include providers and payers of health care services, as well as fully integrated delivery systems.

How does OHCA calculate a health care entity's spending THCE?

The Total Health Care Expenditures (THCE) calculation includes two major parts*:

- 1. Total Medical Expense (TME):** Payments made by health plans, insurers, and members.
- 2. Administrative costs and profits:** Non-medical expenses and additional costs such as health plan and health insurer profits, broker commissions, Federal and State taxes and general administrative expenses.

*Depending on the type of entity, the calculation method can differ, but the overall goal is the same: to understand how much entities are spending and how fast those costs are rising.

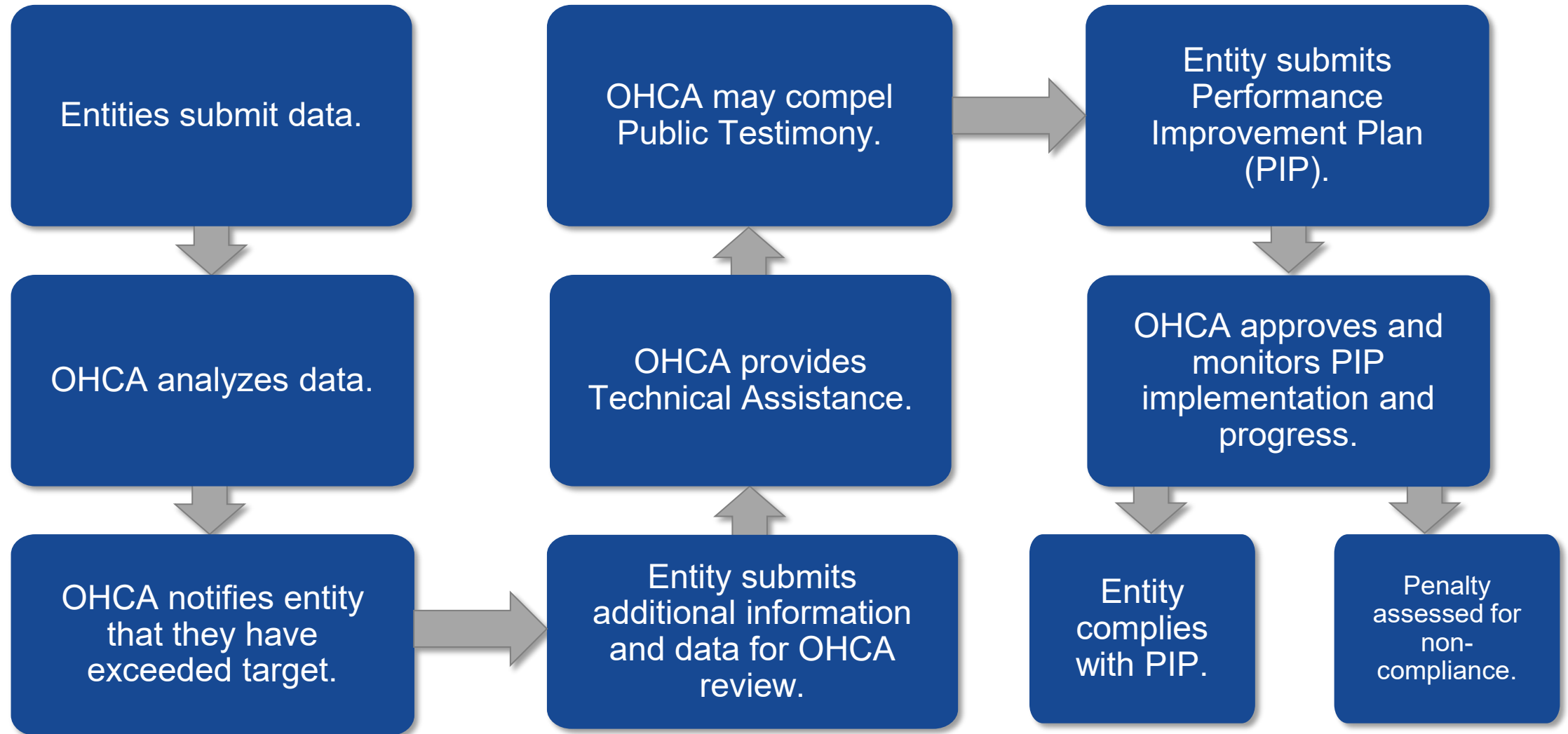
What is the Spending Target?

In April 2024, the Health Care Affordability Board established a 3.5% spending target for the year 2025 that would gradually decrease to 3.0% in 2029.

The targets are based on the average median household income growth from 2002-2022, ***signaling that health care spending should not grow faster than the income of California families.***

Year	Target
2025	3.5%
2026	3.5%
2027	3.2%
2028	3.2%
2029	3.0%

OHCA Progressive Enforcement Process



Progressive Enforcement Overview

WHO

- Entities (health plans, provider organizations with at least 25 physicians, and hospitals) who exceed the target

WHEN

- **For plans and provider organizations:** Progressive Enforcement begins in 2028, using data from 2025 and 2026. If penalties are imposed, they would be levied in 2030.
- **For hospitals:** Progressive Enforcement begins in 2029.* If penalties are imposed, they would be levied in 2031.

WHAT

- Technical Assistance
- Optional Public Testimony
- Performance Improvement Plans (PIP)
- Financial Penalties

See Health and Safety Code Section 127502.5 for full statutory text on OHCA's progressive enforcement process.

*Hospital data reporting is delayed compared with payers and provider organizations and the reporting period varies.

Exceeding the Spending Target

What can an entity who exceeds the spending target expect in the progressive enforcement process?

1. OHCA sends initial notice of exceeding the target to the entity.
2. Entity has 45 days to respond – opportunity to clarify data and provide additional information, including information related to enforcement considerations.
3. OHCA evaluates enforcement considerations, which are factors that may have contributed to the entity's excess spending. OHCA will use these considerations and information provided by entities to determine which entities to prioritize for enforcement.
4. OHCA provides technical assistance to all entities OHCA confirms exceeded the target – tailored by entity type.
5. For entities that proceed to next steps beyond technical assistance, OHCA may require public testimony and/or a performance improvement plan.

Enforcement Considerations
Population Characteristics
High-Cost Patient Outliers
Historical Spending Growth
Impact on Consumer Access and Affordability
Investments in Primary and Preventive Care
Entity Baseline Costs
High-Cost Drugs
Changes in State and Federal Law
Acts of God or Catastrophic Events
Non-supervisory organized labor costs
Amount of excess spending growth
Entity's actions that impair or impede enforcement

Performance Improvement Plans (PIPs)

- PIPs are action plans entities will implement to come into compliance with the spending growth target.
- OHCA will not approve PIPs that it deems likely to negatively impact access, quality, equity, and workforce stability.
- PIPs could be modified as OHCA monitors the entity and receives periodic progress updates.
- This flexibility allows OHCA and health care entities to participate in ongoing dialogue, incorporate new information, and update approaches as needed to ensure strategies remain responsive to real-world conditions and likely to bring the entity into compliance with the spending target.

Penalties Defined

Statute provides OHCA with two types of penalties. Procedural penalties to ensure entities fully engage with OHCA in the enforcement of spending targets, and spending target penalties, which are the final step in OHCA's progressive enforcement process.

1. Procedural Penalties: Apply to instances such as when entities repeatedly fail to implement the performance improvement plan or knowingly falsify information required by statute.

2. Spending Target Penalties: After a multi-year process and other progressive enforcement tools are exhausted, penalties will apply if entities still fail to comply with a PIP and continue to exceed the spending target.

Depending on the entity's compliance with the enforcement process, procedural penalties may still be issued in addition to spending target penalties.

Scope, Range, & Justification Factors

On August 16, 2026, the Health Care Affordability Board voted on the scope, range, and justification factors for both **spending target penalties** and **procedural penalties**, establishing how OHCA assesses:

- **Spending target penalties:** Ranging between 0% and 125% of the amount by which the entity exceeded the spending target. The penalty amount is calculated by first determining the amount by which the entity exceeded the target and then adjusted based on statutory justification factor.
- **Procedural penalties:** Up to \$10,000/day or up to \$500,000 per violation for repeated PIP failures or knowingly falsifying information provided to the office. Penalty amount may be adjusted based on statutory justification factors.
- **Justification factors include:**
 - The nature, number, and gravity of the offenses.
 - The fiscal condition of the health care entity, including revenues, reserves, profits, and assets of the entity, as well as any affiliates, subsidiaries, or other entities that control, govern, or are financially responsible for the entity or are subject to the control, governance, or financial control of the entity.
 - The market impact of the entity.
 - The related provision of nonfederal share associated with Medi-Cal reimbursement.

Penalty Justification Factors Examples

Penalty Justification Factor	Non-exhaustive potential examples of what each factor could include on a case-by-case basis
The nature, number, and gravity of the offenses.	• Excess growth beyond the state average or that was an extreme outlier • Conduct that resulted in harm to public, patients, access to care, affordability, market competition, etc. • A history of exceeding the target • Excess growth due to investments in primary care
The fiscal condition of the health care entity...	• Bankruptcies or other legal proceedings • Whether the proposed penalty negatively impacts the entity's financial standing with other state and federal regulators • If the entity's revenue, profit, assets, etc. significantly increased, especially in comparison with other years, while exceeding the target
The market impact of the entity.	• If the entity's share of total covered lives statewide is significant or greater than the average • The entity's impact on spending in its county or Covered California region • If the entity plays a unique or essential role in providing care to underserved populations

Next Steps: Enforcement Process Implementation Timeline*



*Dates are subject to change

If you have any questions or comments on the **OHCA Overview and Progressive Enforcement of the Spending Target**, this is your opportunity to speak.

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Department of Health Care
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Upcoming Patient and Consumer Public Forum: Spring 2027

For additional questions or comments, please contact:
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