

PROPOSED TEXT

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**Title 22, California Code of Regulations
Division 7. Health Planning and Facility Construction**

Chapter 11.5. Promotion of Competitive Health Care Markets; Health Care Affordability

Article 2. Health Care Spending Targets.

§ 97445. Definitions.

As used in this Article, the following definitions apply:

(a) "Affiliated," as used in section 97449(d) of these regulations, refers to a situation in which an entity controls, is controlled by, or is under common control with another entity.

(b) "Board" shall mean the Health Care Affordability Board.

(c) "Control" (including the terms "controlling," "controlled by," and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of an entity, whether through the ownership of voting shares, debt, by contract, or otherwise.

(ed) "Department" shall mean the Department of Health Care Access and Information.

(de) "Directly contracted plan" means a payer or fully integrated delivery system that is directly contracted with a group purchaser, individual subscriber, or a public agency, to arrange for the provision of health care services to members.

(ef) "Director" shall mean the director of the Department of Health Care Access and Information.

(fg) "Fully integrated delivery system" shall have the meaning set forth in section 127500.2(h) of the Health and Safety Code ("the Code").

(gh) "Health insurer" means a health insurer licensed to provide health insurance or specialized behavioral health-only policies, as defined in Section 106 of the Insurance Code.

(hi) "Health plan" means a health care service plan or a specialized mental health care service plan as defined in 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). "Health plan"

1 does not include a health care service plan that holds only a restricted or limited license under
2 28 CCR § 1300.49(a).

3
4 (ij) "Office" shall mean the Office of Health Care Affordability established by section 127501 of
5 the Code.

6
7 (~~jk~~) "Payer" shall have the meaning set forth in section 127500.2(o) of the Code.

8
9 (~~kl~~) "Plan-to-plan contract" means a contractual arrangement between a payer or fully
10 integrated delivery system and another payer or fully integrated delivery system, in which the
11 subcontracted plan makes network providers available to the directly contracted plan's
12 members, and the subcontracted plan may be responsible for other directly contracted plan
13 functions. Plan-to-plan contracts do not include contractual arrangements between a payer or
14 fully integrated delivery system and a physician organization.

15
16 (~~lm~~) "Physician organization" shall have the meaning set forth in section 127500.2(p) of the
17 Code.

18
19 (~~mn~~) "Registered submitter" means a payer or fully integrated delivery system or approved
20 voluntary submitter that has registered to submit data through the Data Portal.

21
22 (~~no~~) "Reporting year" means the service year for which data files are being reported.

23
24 (~~op~~) "Required submitter" means a payer or fully integrated delivery system that meets any of
25 the criteria in section 97449(a).

26
27 (~~pg~~) "Subcontracted Plan" means a payer or fully integrated delivery system that has a plan-to-
28 plan contract allowing a directly contracted plan's members access to the subcontracted plan's
29 network providers.

30
31 (~~qr~~) "System" or "THCE System" means the Total Health Care Expenditures Data System.

32
33 (~~rs~~) "THCE Data Portal" or "Data Portal" means the secure data submission mechanism
34 through which health care entities register to submit data and data files are submitted to the
35 System. The Data Portal is available via the Department's website, hcai.ca.gov.

36
37 (~~st~~) "THCE Data Submission Guide" or the "Guide" means the Office of Health Care
38 Affordability: Total Health Care Expenditures Data Submission Guide (Version 3.0), dated April
39 2026, and hereby incorporated by reference. The Guide is available on, and may be
40 downloaded from, the Department's website.

41
42 (~~tu~~) "OHCA Attribution Addendum" means the Office of Health Care Affordability: Attribution
43 Addendum, dated April 2026, and hereby incorporated by reference. The OHCA Attribution
44 Addendum is available on, and may be downloaded from, the Department's website.

(uv) "OHCA Behavioral Health Addendum" means the Office of Health Care Affordability: Behavioral Health Addendum, dated April 2026, and hereby incorporated by reference. The OHCA Behavioral Health Addendum is available on, and may be downloaded from, the Department's website.

(vw) "OHCA Medi-Cal Payments Addendum" means the Office of Health Care Affordability: Medi-Cal Payments Addendum, dated April 2026, and hereby incorporated by reference. The OHCA Medi-Cal Payments Addendum is available on, and may be downloaded from, the Department's website.

(wx) "OHCA Primary Care Addendum" means the Office of Health Care Affordability: Primary Care Addendum, dated April 2026, and hereby incorporated by reference. The OHCA Primary Care Addendum is available on, and may be downloaded from, the Department's website.

(xy) "Voluntary submitter" means a payer or fully integrated delivery system that is not subject to the requirements of this Article that chooses to voluntarily submit data to the Office and has been approved by the Office to register to submit data through the Data Portal.

Note: Authority cited: Sections 127501, 127501.2 and 127501.4, Health and Safety Code.
Reference: Sections 127500.2, 127501.4, 127504 and 127505, Health and Safety Code.

§ 97448. Adjustments to Spending Targets Based on Nonsupervisory Employee Organized Labor Costs

(a) Definitions for the purposes of this section only.

(1) "Provider" shall include all of the following:

- (A) General acute care hospitals, as used section 1250(a) of the Code;
- (B) Acute psychiatric hospitals, as used in section 1250(a) of the Code;
- (C) Special hospitals, as used in section 1250(f) of the Code;
- (D) Chemical dependency recovery hospitals, as used in section 1250.3(a)(1) of the Code;
- (E) Psychiatric health facilities, as used in section 1250.2(a)(1) of the Code; or
- (F) Physician organizations, as used in section 127500.2(t)(1) of the Code.

(2) "Associated party" as used in sections 127501.4(j)(2) and 127502(d)(7) of the Code means a labor organization representing nonsupervisory employees of a provider or fully integrated delivery system (FIDS) in collective bargaining that, on behalf of either entity, requests a nonsupervisory employee organized labor cost adjustment ("adjustment") under this section.

(3) "Nonsupervisory employee" excludes individuals who have authority, in the interest of an employer to hire, transfer, suspend, lay off, recall, promote, discharge, assign, reward, or discipline other employees, or responsibility to direct them, or to adjust their grievances, or effectively to recommend such action, if, in connection with the foregoing, the exercise of such authority is not of a merely routine or clerical

1 nature, but requires the use of independent judgment. The direction of workflow or
2 coordination of work assignments alone does not render an individual supervisory,
3 and therefore excluded under this subsection.
4

5 (b) A request for an adjustment to an applicable spending target established under
6 section 127502 of the Code may be made pursuant to section 127502(d)(7) of the Code
7 ("request") by a provider, FIDS, and/or an associated party on behalf of a provider or
8 FIDS ("requestor"). The request shall be made under penalty of perjury using the portal
9 on the Office's website at <https://hcai.ca.gov/login/> ("portal"). A requestor filing a request
10 via the portal shall create a portal account by submitting the required information and
11 submitting a system-generated verification code. Alternatively, the requestor may use an
12 existing media account from Microsoft or Google to access the portal.
13

14 (c) Requests must be submitted by submitting all of the information required by the
15 Department's Nonsupervisory Organized Labor Adjustment (NOLA) Request File
16 Specifications Document ("Document"), Version 1.0, dated September 2026, which is
17 hereby incorporated by reference. A requestor shall submit the required information by:
18 (1) uploading text (.txt) files as set forth in the Document; and/or (2) entering the
19 information required by the Document directly into the portal. The Document is available
20 on, and may be downloaded from, the Department's website.
21

22 (d) Labor agreements submitted by a requestor to support a request for adjustment are
23 deemed confidential unless they have otherwise been made public. All other documents
24 and/or information submitted in support of a request for an adjustment shall be treated
25 as public record unless the requestor designates a document and/or information as
26 nonpublic and the Department accepts the designation in accordance with subsections
27 (d)(2) and (d)(3).
28

29 (1) For purposes of this section only, "nonpublic" means documents and/or
30 information that:
31

32 (A) Are confidentially maintained and not shared by the holder of the
33 document and/or information with the general public; and
34

35 (B) Does not include documents and/or information that are lawfully made
36 available to the general public from any federal, state, or local government
37 record or disclosure, media source, or any other publicly available source.
38

39 (2) A requestor may request confidential treatment of documents or information
40 submitted. The requestor shall file two versions of any document for which
41 confidentiality is requested. The nonpublic version shall be unredacted and shall
42 be maintained as confidential by the Department pending a determination of
43 confidentiality. The public version, which may be made available to the public by
44 the Department, shall have the confidential portions removed or redacted.
45 Requests for confidentiality of publicly available information or documents will be
46 denied.

1
2 (3) A requestor claiming confidentiality shall include a justification that provides a
3 detailed statement of the grounds enumerated in (A) through (D), below, on
4 which confidentiality is claimed, a statement of the specific time for which
5 confidential treatment of the document and/or information is necessary, and a
6 statement the document and/or information has been confidentially maintained
7 by the requestor. The detailed statement in support of the request for
8 confidentiality shall indicate whether any of the following applies:
9

10 (A) Whether the document and/or information is proprietary or of a
11 confidential business nature, including trade secrets (as defined in California
12 Civil Code section 3426.1(d)), and whether the release would be damaging or
13 prejudicial to the business concern;
14

15 (B) Whether another state or federal agency deems the document and/or
16 information confidential and, if so, for what period of time;
17

18 (C) Whether the document and/or information is confidential based on statute
19 or other law; or
20

21 (D) Whether the document and/or information is such that the public interest
22 is served in withholding the document and/or information.
23

24 (4) When the Department makes a determination regarding a request for
25 confidential treatment, the requestor will be notified in the portal. If a request for
26 confidential treatment is granted, the document and/or information will be marked
27 "Confidential" and kept separate from the public file. If a request for
28 confidentiality is denied, a requestor may withdraw any documents or information
29 for which it requested confidentiality in its submission by submitting a request
30 through the portal.
31

32 (e) Timing.
33

34 (1) Time to submit request. Requestors shall submit requests under this section
35 by the last business day of October two years preceding the year for which an
36 adjustment is requested. Requestors shall separately request adjustments for
37 each calendar year in which such an adjustment is desired. For requests made in
38 2026 only, requestors may submit requests by no later than November 16.
39

40 (2) Time for review of requests. The Department will inform requestors as soon
41 as practicable that the submitted request is complete, and will present completed
42 requests to the Board for consideration at a Board meeting held on or before
43 March 1 of the year preceding the year for which an adjustment is requested.
44

45 (f) Review of adjustments. The Department may request information and/or documents
46 at any time from a requestor to examine whether the adjustment continues to be

1 warranted. Requestors shall respond and provide information and/or documents within
2 10 days of the Department's request, unless the requestor shows good cause for an
3 extension.
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5 **NOTE:**

6 Authority cited: Sections 127501 and 127501.2, Health and Safety Code.

7 Reference: Sections 127501.4 and 127502, Health and Safety Code.
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9 **§ 97449. Total Health Care Expenditures Data Submission.**

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11 In order for the Office to measure total health care expenditures and per capita total health
12 care expenditures, the reporting requirements for payers and fully integrated delivery systems
13 to submit data and other information are as follows:
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15 ...

- 16 (b) A payer or fully integrated delivery system that meets any of the criteria in subsection
17 (a) ("required submitter") shall submit data for all required market categories as outlined
18 in the Guide incorporated in section 97445(st), to the extent consistent with federal law.
19 ...

20
21 **Note:**

22 Authority cited: Sections 127501, 127501.2 and 127501.4, Health and Safety Code.

23 Reference: Sections 127500.2, 127500.5 and 127501.4, Health and Safety Code.
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