



2026 LEGISLATIVE & BUDGET PRIORITIES

➤➤➤ **Appropriate Funding for County Indigent Care Programs to Serve Returning Eligible Populations Due to H.R. 1 Coverage Losses**

California counties serve as the health care safety net providers of last resort for uninsured residents and are legally obligated under Welfare and Institutions Code Section 17000 to provide basic, medically necessary care to eligible individuals who lack the ability to pay and are ineligible for other programs. Following Medi-Cal expansion under the Affordable Care Act, county indigent program caseloads declined, county 1991 Health Realignment funds were redirected to other state priorities, and counties reduced or restructured their indigent care infrastructure.

Coverage losses associated with H.R. 1 are expected to increase the number of uninsured Californians eligible for county indigent care programs.

Counties support efforts to keep people enrolled in state health coverage. However, should the state not backfill coverage counties will need resources to rebuild administrative and health care service delivery capacity to meet their statutory obligations.

CHEAC urges the Administration and Legislature to provide sustainable funding to support county indigent care programs.

➤➤➤ **Sustaining Public Health Information Technology Systems**

During the COVID-19 pandemic, California made critical investments to bolster the state's public health information technology systems, addressing system shortcomings and/or gaps that otherwise delayed or hindered local and state public health response efforts. Absent sustained funding, critical systems – including myCAvax, CalCONNECT, CalREDIE and its successor system, and the California Immunization Registry (CAIR) – face shutdowns on July 1, 2026. The loss of these systems would severely disrupt disease reporting, vaccination programs, contact tracing, and data sharing, impairing the state's ability to detect and respond to public health threats and increasing administrative burdens on both state and local health departments.

CHEAC urges the Administration and Legislature to provide funding to ensure these public health IT systems remain operational, secure, and capable of supporting California's ongoing communicable disease prevention and preparedness efforts.

➤➤➤ **Providing Adequate Funding for California Children’s Services**

County health departments administer the California Children’s Services (CCS) Program on behalf of or in partnership with the Department of Health Care Services (DHCS), serving children and youth with some of the most complex and medically intensive needs in the state. Despite the program’s critical role, county CCS programs have experienced chronic underfunding, with allocations that do not align with DHCS’s own CCS staffing standards. County funding supports essential functions, including eligibility determination (in all counties), care coordination and case management (in classic independent counties), and the delivery of medical therapy services. Current CCS allocations are approximately \$109 million below levels needed to meet DHCS staffing requirements.

These longstanding funding shortfalls are compounded by anticipated increases in costs associated with CCS clients who may lose Medi-Cal coverage due to the implementation of H.R. 1 or recent state policy changes – impacts not reflected in the Governor’s current budget proposal. Without adequate and stable funding, counties risk further erosion of the workforce necessary to serve this highly vulnerable population.

CHEAC urges the Legislature to fully fund County CCS programs in accordance with DHCS staffing standards.

➤➤➤ **Ensuring Appropriate Enforcement and Oversight of Emerging and Unregulated Substances**

Communities across California are increasingly impacted by the proliferation and availability of emerging and unregulated substances, such as kratom, tianeptine, and nitrous oxide. These products are often accessible in retail settings and online despite not being approved for consumption, and are increasingly associated with addiction, overdoses, emergency department visits, and other serious adverse health outcomes. Aggressive marketing and misleading claims portray some of these substances as safe or “natural,” masking growing evidence of misuse, dependency, and significant health risks.

Although the increasing use of these substances is frequently labeled a public health crisis, it also raises important questions about the role and capacity of local health departments. Public health must operate within defined areas of expertise, and enforcement related to the sale and distribution of these substances often fall beyond the authority and reach of local health departments. California urgently needs a clear, unified statewide enforcement framework that empowers state agencies to investigate and hold manufacturers, distributors, and retailers accountable for the sale and marketing of harmful and unregulated substances.

CHEAC supports a consistent authority and accountability framework to protect communities and prevent further harm.