

BUDGET BILL JR. (2025 BUDGET ACT – AB 108)

Please note, the below summary only highlights items anticipated to be of interest to local health departments. Please note, several actions are rolled up into larger appropriations figures to state departments/agencies and not clearly identified by a line item.

Distressed Hospital Grants

- Provides \$25 million to the Department of Health Care Access and Information (HCAI) to support grants to hospitals in immediate and significant financial distress to help prevent the closure of those hospitals.
- Specifies hospital eligibility criteria as of April 15, 2026, including (but not limited to): fewer than 10 days' cash on hand; documented best efforts to exhaust other financial options; a payer mix with more than 50 percent government payors and uninsured patients; classification as a not-for-profit or public hospital; and any other criteria determined by HCAI and DOF.
- Specifies any unencumbered funds shall revert to the State General Fund as of June 30, 2026.