STATE OF CALIFORNIA
Budget Change Proposal - Cover Sheet
DF-46 (REV 03/25)

Fiscal Year	Business Unit Number	Department
2026-27	4140	Department of Health Care Access and Information

Hyperion Budget Request Name	Relevant Program or Subprogram
4140-032-BCP-2026-GB	3855 - Health Care Information and Quality Analysis

Budget Request Title
Data Exchange Framework and Office of the Patient Advocate Shift

Budget Request Summary
Department of Health Care Access and Information (HCAI) requests $8,800,000 General Fund, and $2,360,000 Health Plan Improvement Trust Fund in 2026-27 and ongoing, for 16 positions and costs for consulting, to facilitate the transfer of two Center for Data Insights and Innovation (CDII) programs to HCAI. The transfer includes the Data Exchange Framework (DxF) and Office of the Patient Advocate (OPA).

Requires Legislation (submit required legislation with the BCP)	Code Section(s) to be Added/Amended/Repealed
☐ Trailer Bill Language ☐ Budget Bill Language ☒ N/A	N/A

Does this BCP contain information technology (IT) components? ☒ Yes ☐ No *If yes, departmental Chief Information Officer must sign.*	Department CIO Michael Valle	Date 1/10/2026

For IT requests, specify the project number, the most recent project approval document (FSR, SPR, S1BA, S2AA, S3SD, S4PRA), the approval date, and the total project cost.

Project No. N/A **Approval Date:** N/A

Project Approval Document: N/A **Total Project Cost:** N/A

If proposal affects another department, does other department concur with proposal? ☒ Yes ☐ No
Attach comments of affected department, signed and dated by the department director or designee.

Prepared By	Date	Reviewed By	Date
Matthew Ortiz	1/10/2026	Scott Christman	1/10/2026
Department Director	**Date**	**Agency Secretary**	**Date**
Elizabeth Landsberg	1/10/2026	Kim Johnson	1/10/2026

Department of Finance Use Only

Additional Review: ☐ Capital Outlay ☐ ITCU ☐ FSCU ☐ OSAE ☐ Dept. of Technology

Principal Program Budget Analyst	Date submitted to the Legislature
Joseph Donaldson	1/10/2026

A. Problem Statement

In July 2025, California Health and Human Services Agency (CalHHS) began a reorganization to better align Center for Data Insights and Innovation's (CDII) workstreams, including the Data Exchange Framework (DxF) and the Office of the Patient Advocate (OPA).

This shift enables CalHHS to embed data and innovation efforts more directly within departments positioned to drive results. As part of this realignment, transferring DxF and OPA have been transferred to the Department of Health Care Access and Information (HCAI) -- with strong alignment with HCAI's mission to improve health care access, affordability, equity and quality.

This BCP would effectuate the transition in statute and update the law to reflect the programs' role. For example:

- Statutory requirements for OPA to provide direct consumer tools and education create duplicative responsibilities and do not align with available resources.

If these changes are not addressed, the state risks operational misalignment, unnecessary reporting burdens, and siloed funding streams that undermine the goals of the reorganization.

This proposal seeks statutory and budget changes to:

- Eliminate duplicative mandates and align responsibilities with available resources.
- Consolidate funding by redirecting General Fund and OPA Trust Fund to HCAI.
- Address additional technical and conforming issues to support long-term sustainability and impact.

Background/History

Data Exchange Framework: Chapter 143, Statutes of 2021(Assembly Bill (AB) 133) established DxF, focused on the secure, real-time exchange of health and social services information across hospitals, clinics, payers, and government agencies. DxF provides a statewide policy and technical foundation for secure, standardized, and equitable data sharing. DxF enables providers, health plans, counties, and community-based organizations to share information in real time to support whole-person care. It builds on and aligns with several statewide priorities, including the Office of Health Care Affordability, CalAIM, the Master Plan for Aging, and the Children and Youth Behavioral Health Initiative.

Key DxF elements include:

- A common data sharing agreement that sets the rules of the road for participation.
- Implementation supports such as grants and technical assistance to help organizations meet requirements.
- A focus on privacy and equity, especially for communities that have historically been left out of data and care systems.

DxF reflects CHHS's broader vision for a person-first system that makes it easier for people to get the services they need, when and where they need them.

Chapter 325, Statutes of 2025 (Senate Bill (SB) 660) transfers administration of the DxF to HCAI and expands compliance, enforcement, and governance requirements. Specifically, HCAI is responsible for the establishment, implementation, and all of the functions of the DxF including the data sharing agreement and policies and procedures.

Office of the Patient Advocate was established in 2000 as part of the "HMO bill of rights" at the same time the Department of Managed Health Care was created. Its primary mission was to elevate transparency, accountability, and consumer empowerment in California's health

care system, through consumer education about managed care and public-facing tools like the California Health Care Quality Report Cards.

Chapter 696, Statutes of 2021 (Assembly Bill (AB) 172) administratively restructured OPA under the newly created CDII within CalHHS. This realignment centralized OPA's data, analytics, and public transparency functions within CDII.

OPA work includes:

- Publishing Health Care Quality Report cards for health plans and medical groups.
    - Includes clinical performance and patient experience data for the state's largest HMO and PPO health plans, which are responsible for providing health care services to around 16 million commercially insured Californians.
    - Cost ratings for approximately 200 of the state's medical groups, in addition to providing clinical performance and patient experience scores.
    - Clinical performance ratings for medical groups that serve Medicare Advantage plan members.
- Producing annual Complaint Data Reports which include analysis of health care complaints to multiple state departments, helping to identify problems facing California health care consumers, demographic disparities, and opportunities for effective complaint resolution.
- The authority to provide consumer assistance tools and educational resources.

OPA plays a key role in promoting transparency, accountability, and equity across California's health care landscape.

Resource History for DxF and OPA
(Dollars in thousands)

Program Budget	**PY**	**CY**
Authorized Expenditures	0	$5,000
Actual Expenditures	0	$4,990
Revenues	0	$0
Authorized Positions	0	16
Filled Positions	0	14
Vacancies	0	2

B. Justification

The transfer of the DxF and OPA from CalHHS to HCAI is a strategic shift to align these efforts with the department's core mission of advancing health care access, affordability, equity and quality using data and public transparency.

To make this transition successful, resources are needed to:

- Support continuity of operations after the transition in support of the core program activities including secure data exchange, publication of health care quality reports, and analysis of patient complaint data.

- Streamline funding by consolidating revenues into HCAI's General Fund and redirecting OPA Trust Fund to HCAI, improving efficiency and long-term fiscal alignment.
- Update outdated statutory requirements to reflect the new program structure, eliminating duplicative mandates that no longer align with program direction or available resources.

The requested resources, covering ongoing contract costs and staff positions, will enable HCAI to maintain efficient operations on these initiatives while embedding them more deeply into existing department programs. This will enhance the state's ability to deliver actionable health care data and improve transparency.

Data Exchange Framework

For 2026-27, HCAI requests $8,800,000 in General Fund and twelve (12) ongoing positions transferred from CalHHS for state operations. This amount reflects the labor and contracts necessary to support continuity of operations.

- Two (2.0) CEA-B position responsible for policy and operations strategic leadership. Responsible for leading the overall policy development, operations, and programmatic oversight of DxF. Will provide vision, direction, and high-level coordination across all DxF functions, ensuring alignment with statutory mandates, stakeholder needs, and interagency priorities.
- One (1.0) Attorney III position to serve as Assistant Chief Counsel for the DxF program. Responsible for providing expert legal guidance on data sharing, privacy, statutory compliance, and regulatory issues. The incumber will support policy interpretation, interagency agreements, and any legal matters related to the program's implementation.
- One (1.0) Staff Services Manager I to serve as supervisor for the DxF team. Will provide direct support to a multidisciplinary team supporting DxF operations. Responsible for workload management, staff performance, and timely implementation of legislative analysis, program activities, and administrative functions.
- Two (2.0) Staff Services Manager I (Specialist) to serve as program managers. Subject matter experts overseeing critical components, including legislation and regulatory subject matter. Both roles will serve as high-level leads and coordinate across offices to support integration of policy and operational goals.
- Five (5.0) Associate Governmental Program Analyst to provide analytical and programmatic support. Key functional areas will include legislative analysis, communications, stakeholder engagement, program evaluations, and internal coordination.
- One (1.0) Office Technician to provide clerical support for the DxF leadership team. Responsible for scheduling, correspondence preparation, document management, and coordination of internal meetings.

Office of the Patient Advocate

For 2026-27, HCAI requests $2,360,000 in Health Plan Improvement Trust Fund and four (4) ongoing positions transferred from CalHHS for state operations. This amount reflects the labor and contracts necessary to support continuity of operations.

- Two (2.0) Staff Services Manager I (Specialist) to manage OPA's public reporting initiative and coordinate program activities across multiple functional areas. Serves as senior program experts responsible for overseeing cross-functional coordination, data validation, and publication timelines. Manages OPA website, ensuring timely updates and continuous improvement to enhance access to health care quality and complaint data. Collaborates

with internal and external partners to support compliance with state requirements and alignment with strategic program goals.

- One (1.0) Research Data Specialist II to serve as technical lead for OPA's Health Care Quality Report Cards. Responsible for planning, development, and implementation of methodological design work related to public reporting on health care quality, patient experience, and health equity. Develops and manages end-to-end data documentation protocols and advises leadership on overall OPA data products.
- One (1.0) Associate Governmental Program Analyst to provide analytical and programmatic support. Key functional areas will include internal coordination and administrative support for OPA.

Without these adjustments, the state risks operational gaps, inefficiencies, and misalignment between legislative mandates and program capacity.

C. Departmentwide and Statewide Considerations

The proposal supports and sustains multiple department-wide and statewide goals, including key priorities identified in the state's health care reform efforts, equity strategies, and data modernization initiatives. Transferring DxF and OPA to HCAI directly advances the department's statutory role in improving health care access, affordability, equity, quality, and transparency through data and public accountability.

Alignment with HCAI's Mission and Initiatives: The proposed transfer builds on and strengthens HCAI's existing portfolio of health data initiatives including:

- Health Care Payments Data (HPD) program, which has built California's comprehensive all-payer claims database to increase transparency and inform value-based health care decisions.
- Office of Health Care Affordability, which sets cost targets and analyzes systemwide spending to contain health care costs and improve outcomes.
- Office of Health Workforce Development, which uses data to guide targeted investments aimed at closing health care access gaps—particularly in areas with unmet need and workforce shortages across primary care, behavioral health, nursing, and oral health professions.

Bridging DxF and OPA into HCAI enhances the department's capacity to coordinate these efforts and improve how California leverages data to drive systemic change.

Statewide Strategic Alignment: This proposal aligns with broader statewide efforts, including:

- Governor's Master Plan for Aging, which relies on integrated data systems to support whole-person care, care coordination, and accountability.
- Children and Youth Behavioral Health Initiative (CYBHI), calls for a coordinated data-driven system of care that delivers timely and appropriate behavioral health interventions for children and youth. Both DxF and OPA support CYBHI's vision by enabling behavioral health services to be informed by timely, actionable data.
- BH-CONNECT: In 2024, the Department of Health Care Services (DHCS) secured a new Medicaid Section 1115 Demonstration aimed at expanding access to and improving the quality of behavioral health services for Medi-Cal members. The BH-CONNECT demonstration builds on federal guidance and associated funding from the Centers for Medicare & Medicaid Services (CMS) to enhance care for individuals with significant behavioral health needs. HCAI is partnering with DHCS and other state and local entities to support key components of BH-CONNECT, including workforce training,

recruitment, and retention strategies to expand the supply of licensed and non-licensed behavioral health practitioners serving Medi-Cal and uninsured populations.

    - As BH-CONNECT expands integrated, community-based behavioral health care models, DxF can facilitate real-time, secure data exchange across systems, improving care coordination and continuity. Together, these programs reinforce data-informed, equitable, and person-centered care for Californians with behavioral health needs.

- Equity Considerations: This transition supports that equity remains a core focus of both DxF and OPA. HCAI's growing emphasis on addressing regional and demographic disparities in access, cost, and quality of care provides a strong platform for embedding equity into public reporting, system accountability, and evidence-based policymaking. OPA's consumer-facing tools and health quality reporting functions, when integrated into HCAI, can be more effectively designed and deployed to serve vulnerable populations. Leveraging linked datasets and infrastructure from HPD, OCHA, and workforce initiatives will enhance the state's ability to close equity gaps in health care access and outcomes.

D. Outcomes and Accountability

It is anticipated that with the success of this proposal, there will be synergy across multiple HCAI programs, enhanced data sharing and data-driven decisions, that ultimately increase access to care.

Analysis of All Feasible Alternatives

Several alternatives were considered as part of the CalHHS reorganization. While each has some merit, they fall short in terms of alignment, efficiency, and long-term sustainability. Below is an overview of alternatives and tradeoffs.

Alternative 1: Maintain the Status Quo, DxF and OPA remain under CalHHS CDII.

Continue operating DxF and OPA within CalHHS under the existing statutory and organizational structure.

Pros:

- No statutory changes required

Cons:

- Misalignment with CDII's fragmentation as parts have already transferred to OTSI and HCAI via interagency agreements.
- Missed opportunity to leverage HCAI's established infrastructure, funding mechanisms, and strategic alignment with data, access, affordability, and workforce efforts.

Maintaining the status quo results in operational inefficiencies, administrative fragmentation, and limits the state's ability to expand on the progress made to date.

Alternative 2: Transfer Programs to Another CalHHS Department

Reassign DxF and OPA to another department within CalHHS that administers related programs, such as Department of Health Care Services (DHCS) or Department of Social Services (DSS).

Pros:

- Programs remain within CalHHS umbrella.
- Potential synergies with Medicaid delivery system or other community-based initiatives.

Cons:

- Funding structures at these departments are not well-matched to the ongoing needs of DxF and OPA.
- Both departments are responding to an unpredictable federal landscape that will occupy their policy, program, and administrative attention for the foreseeable future.

While plausible, this alternative introduces mission drift and lacks the operational fit that HCAI uniquely offers as a planning, data, and policy-focused department.

Alternative 3: Reassign Functions Without Statutory Changes or Funding Realignment

Transfer DxF and OPA to HCAI administratively, but do not pursue statutory changes or consolidate funding mechanisms.

Pros:

- Faster implementation with limited legislative action.
- Enables transition of day-to-day operations to HCAI.

Cons:

- Statute doesn't reflect actual placement of DxF and OPA and retains outdated statutory requirements.
- Maintains fragmented funding model complicating budget planning and transparency.
- Limits long-term effectiveness. Creates siloed decision-making separate from statutory ownership, and other administrative efficiencies.

This approach is a half-measure that is not efficient nor creates strategic alignment.

Proposed Solution: Full Transfer with Statutory and Budget Realignment

The full-measure transfer of DxF and OPA to HCAI, with the associated statutory changes to eliminate outdated mandates, streamline reporting, and consolidated funding to the General Fund.

Pros:

- Creates alignment between mission, operations, and funding.
- Improves long-term efficiency and sustainability.
- Supports statewide goals for data-driven policy, health equity, and access expansion.
- Leverages HCAI's existing strengths in planning, health data, affordability, and workforce development.

Cons:

- Requires legislative action.

This is the most sustainable and mission-aligned option. It best positions the state to continue advancing innovation, consumer protection, and access to care in a unified framework under one department.

E. Implementation Plan

This implementation plan outlines a phased approach to transferring the DxF and OPA to HCAI. The goal is to support a seamless transition, maintain continuity of operations, and

position both programs for long-term success within HCAI's infrastructure. While this is an initial administrative transfer, the authority assumed through this BCP will formalize and sustain the work already underway.

Phase	Timeline	Objective	Key Activities
Phase 1: Operational Readiness and Onboarding	August – September 2025	Support Day 1 operations and staff integration into HCAI	• Deliver onboarding sessions and orientation. • Host informal welcome events to build relationships. • Introduce DxF and OPA staff at HCAI meetings.
Phase 2: Build Shared Understanding and Identify Collaboration Opportunities	September – October 2025	Surface synergies across HCAI programs and raise awareness of DxF and OPA functions	• Conduct discovery conversations with HCAI program leads. • Coordinate with OHCA, data, and workforce units. • Spotlight DxF and OPA internally. Begin aligning OPA's consumer engagement with HCAI communications strategy.
Phase 3: Assess Current State and Organizational Fit	September – October 2025 (overlaps with Phase 2)	Understand current operations and identify pain points, duplication, and alignment opportunities	• Interview DxF and OPA staff to document required vs. discretionary activities. • Map roles, responsibilities, and workflows. • Evaluate areas for streamlining and standardization. • Apply equity lens to identify enhancements for vulnerable populations.
Phase 4: Analyze Findings and Develop Strategic Change Plan	November 2025	Translate findings into a long-term integration and modernization strategy	• Synthesize input from previous phases into a comprehensive change plan. Recommend structural, procedural, and statutory adjustments. • Present change plan to HCAI executive leadership for phased implementation in 2026.
Phase 5: Post-BCP Implementation and Formalization	July 2026 onward	Operationalize legislative and budget authority, implement long-term changes via administrative transfer already underway	• Update organizational structure, program documentation, and statutory references. • Transfer program budgets and realign funding sources. • Continue stakeholder engagement and internal communications to reinforce program identity within HCAI.

Phase	Timeline	Objective	Key Activities
			• Conduct follow-up internal and external feedback to monitor integration success and make continuous improvement.

This phased plan supports the goal that the transition of DxF and OPA into HCAI is well-coordinated, transparent, and sustainable. The activities outlined will minimize disruption to mission-critical work while enabling long-term integration into HCAI's strategic, operational, and equity frameworks. The transfer is also an opportunity to evaluate current statutory mandates and functions and to engage in system improvement. Formalizing this transfer through the BCP allows for the statutory and budgetary alignment necessary to support expanded impact and ongoing innovation.

BCP Fiscal Detail Sheet

(Dollars in Thousands)

BCP Title: Data Exchange Framework and Office of the Patient Advocate Shift

BR Name: 4140-032-BCP-2026-GB

Budget Request Summary

Personal Services

Personal Services	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
Positions - Permanent	0.0	16.0	16.0	16.0	16.0	16.0
Total Positions	**0.0**	**16.0**	**16.0**	**16.0**	**16.0**	**16.0**
Earnings - Permanent	0	1,674	1,674	1,674	1,674	1,674
Total Salaries and Wages	**$0**	**$1,674**	**$1,674**	**$1,674**	**$1,674**	**$1,674**
Total Staff Benefits	0	888	888	888	888	888
Total Personal Services	**$0**	**$2,562**	**$2,562**	**$2,562**	**$2,562**	**$2,562**

Operating Expenses and Equipment

Operating Expenses and Equipment	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
5301 - General Expense	0	349	349	349	349	349
5320 - Travel: In-State	0	48	48	48	48	48
5322 - Training	0	16	16	16	16	16
5324 - Facilities Operation	0	176	176	176	176	176
5340 - Consulting and Professional Services - External	0	7,801	7,801	7,801	7,801	7,801
5346 - Information Technology	0	208	208	208	208	208
Total Operating Expenses and Equipment	**$0**	**$8,598**	**$8,598**	**$8,598**	**$8,598**	**$8,598**

Total Budget Request

Total Budget Request	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
Total Budget Request	**$0**	**$11,160**	**$11,160**	**$11,160**	**$11,160**	**$11,160**

Fund Summary

Fund Source

Fund Source	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
State Operations - 0001 - General Fund	0	8,800	8,800	8,800	8,800	8,800
State Operations - 3209 - Health Plan Improvement Trust Fund	0	2,360	2,360	2,360	2,360	2,360
Total State Operations Expenditures	**$0**	**$11,160**	**$11,160**	**$11,160**	**$11,160**	**$11,160**
Total All Funds	**$0**	**$11,160**	**$11,160**	**$11,160**	**$11,160**	**$11,160**

Program Summary

Program Funding

Program Funding	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
3855 - Health Care Information and Quality Analysis	0	10,827	10,827	10,827	10,827	10,827
3860 - Administration	0	333	333	333	333	333
Total All Programs	**$0**	**$11,160**	**$11,160**	**$11,160**	**$11,160**	**$11,160**

Personal Services Details

Positions

Positions	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
VR00 - Various	0.0	16.0	16.0	16.0	16.0	16.0
Total Positions	**0.0**	**16.0**	**16.0**	**16.0**	**16.0**	**16.0**

Salaries and Wages

Salaries and Wages	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
VR00 - Various	0	1,674	1,674	1,674	1,674	1,674
Total Salaries and Wages	**$0**	**$1,674**	**$1,674**	**$1,674**	**$1,674**	**$1,674**

Staff Benefits

Staff Benefits	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
5150900 - Staff Benefits - Other	0	888	888	888	888	888
Total Staff Benefits	**$0**	**$888**	**$888**	**$888**	**$888**	**$888**

Total Personal Services

Total Personal Services	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
Total Personal Services	**$0**	**$2,562**	**$2,562**	**$2,562**	**$2,562**	**$2,562**