STATE OF CALIFORNIA
Budget Change Proposal - Cover Sheet
DF-46 (REV 07/23)

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

Hyperion Budget Request Name	Relevant Program or Subprogram
4140-070-BCP-2026-GB	3855 – Health Care Information and Quality Analysis

Budget Request Title
Employee Healthcare Coverage Reporting (AB 1418)

Budget Request Summary
The Department of Health Care Access and Information (HCAI) requests $178,000 to fund one position in 2026-27 and annually thereafter from the California Health Data and Planning Fund to implement new reporting requirements related to health care workers' health coverage waiting periods, pursuant to Chapter 398, Statutes of 2025 (Assembly Bill (AB) 1418).

Requires Legislation (submit required legislation with the BCP)	Code Section(s) to be Added/Amended/Repealed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 10/9/2025

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 **Project Approval Document:** N/A

Approval Date: 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
Denard Uy	1/10/2026	Michael Valle	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

Some California health care workers face waiting periods before becoming eligible for employer-sponsored health care coverage. Currently, data on waiting periods is not collected. AB 1418 requires health facilities, clinics, home health agencies, and hospices to report to HCAI whether waiting periods exist for their employees, and if so, the length of those periods. This information must be reported using standardized date ranges and, where applicable, categorized by employee classifications. This data will be useful in identifying gaps and informing future health policy decisions.

HCAI is the primary repository for healthcare data in California. HCAI is responsible for the collection and publication of healthcare, facility-level reports, financial and utilization reports, as well as patient-level data, from over 10,000 licensed health care facilities. HCAI currently collects Annual Utilization Reports that include data on patient demographics, visits, licensed beds and patient census, inpatient and outpatient services, financial and any other facility-level metrics as required by the Department.

Commencing January 1, 2027, this bill mandates HCAI to annually collect and publicly report on detailed data on employer-sponsored health care coverage waiting periods from health facilities, including clinics, hospitals, long-term care facilities, and home health agencies and hospices.

Although the bill allows HCAI to integrate these reporting requirements into existing reporting programs, the department currently lacks the dedicated resources, both in staffing and technical infrastructure, necessary to implement the programmatical and technological reporting requirements of this bill.

B. Justification

AB 1418 imposes new HCAI data collection responsibilities by mandating annual reporting and public disclosures of employer-sponsored health coverage waiting periods. This data will allow HCAI to identify disparities in health care coverage for California's health care workforce and inform future policy decisions to improve timely access to health care coverage.

Implementing this bill will require modifications to expand current reporting systems and processes. HCAI will also be responsible for the development of data products and public-facing platforms to disseminate health care coverage waiting period data in a transparent and accessible format. Specifically, HCAI must:

- Develop new data elements and report specifications;
- Modify and test existing Annual Utilization Report (AUR) reporting platform to accommodate new data elements;
- Conduct outreach and provide technical assistance to report preparers of over 10,000 licensed facilities to facilitate accurate and timely reporting;
- Develop and lead the process to review and validate data for completeness and quality;
- Develop data products and publish them in a transparent and accessible format on various department websites.

The increase in data collection, validation, and programmatic requirements imposed on HCAI will require new staffing resources. These activities cannot be absorbed within existing resources.

HCAI will leverage the existing data infrastructure, the previously approved System for Integrated Electronic Reporting and Auditing (SIERA), which supports various HCAI facility data programs. SIERA is utilized to collect, store, manage, and report on licensed facility AUR

reports. Modifications to SIERA are necessary to incorporate new data elements related to employer-sponsored health care coverage waiting periods.

To support those activities, HCAI requires one position totaling $178,000 in 2026-27 and ongoing. The modifications to the existing reporting system to incorporate new data elements in a new section are expected to incur minor and absorbable costs.

One Associate Governmental Program Analyst in the Enterprise Data Operations Branch will lead the integration of employer-sponsored health care waiting periods from health facilities, clinics, home health agencies, and hospices into existing reporting programs. Activities include requirements gathering, outreach and engagement, technical assistance, data collection and review, and data dissemination.

Table 1 – FUNDING REQUESTED

Category	Funding for FY 26/27 and Ongoing
Personal Services	$160,000
Staff Operating Expenses and Equipment	$18,000
Total Annual Cost	$178,000

C. Departmentwide and Statewide Considerations

The data reporting and collection will identify health care coverage waiting periods for health care workers. By identifying these gaps and providing recommendations to promote equitable access to health care through employer-sponsored coverage, especially for vulnerable populations.

This initiative is in direct alignment with HCAI's mission to "expand equitable access to quality, affordable health care for all Californians through resilient facilities, actionable information, and the health workforce each community needs."

D. Outcomes and Accountability

Outcomes

Approval of the requested resource will enable HCAI to fulfill the statutory requirements of AB 1418 by collecting mandated data from licensed facilities regarding employer-sponsored health care waiting period by employee classification. This funding will support the implementation of the reporting requirements, continued development of SIERA, provide technical assistance to data submitters, and the validation and dissemination of submitted report data.

Accountability

HCAI will use its considerable experience and application of best practices to implement the reporting requirements and technical aspects of this bill, including planning, management, and oversight of all task activities.

Projected Outcomes						
Workload Measure	**CY**	**BY**	**BY+1**	**BY+2**	**BY+3**	**BY+4**
Research new and updated reporting requirements.	0	200	0	0	0	0
Modification of existing data reporting infrastructure to collect new data elements.	0	200	100	100	100	100
Perform system testing and quality assurance to facilitate accurate data capture and reporting.	0	200	100	100	100	100
Conduct outreach and engagement activities with licensed facilities to inform them of new reporting requirements.	0	100	50	50	50	50
Provide technical assistance to report submitters.	0	200	300	300	300	300
Develop data submitter reporting resources and update existing report manual and instructions.	0	250	200	200	200	200
Collect reports from licensed health facilities.	0	100	200	200	200	200
Develop data validation protocols and analytical criteria for consistency and accuracy.	0	300	100	100	100	100
Review report data for completeness and consistency.	0	0	100	100	100	100
Contact report submitters to resolve data submission errors, clarify discrepancies, and facilitate compliance with reporting requirements.	0	50	100	100	100	100
Analyze submitted data to identify trends, disparities, and statistical outliers.	0	0	100	100	100	100

Conduct ongoing stakeholder engagement to facilitate awareness, understanding of compliance with reporting requirements.	0	0	100	100	100	100
Develop, update, and publish public-facing dashboards, reports, and accessible datasets.	0	100	50	50	50	50
Verify all resources, manuals, and documentation are machine-readable, accessible to individuals with disabilities.	0	100	100	100	100	100
Facilitate compliance with data privacy standards.	0	0	100	100	100	100
Collaborate with IT staff to incorporate future validation upgrades or expansions based on stakeholder feedback.	0	0	100	100	100	100

E. Implementation Plan

With this approval of this budget change proposal, HCAI will perform the following activities to implement the new law:

- 2026-27
    - Research update reporting requirements.
    - Modify existing data reporting infrastructure to collect new data elements.
    - Conduct outreach and engagements activities with licensed facilities to inform them of new report requirements.
    - Provide technical assistance to report submitters.
    - Develop data submitter reporting resources and update existing report manuals and documentation.
    - Begin data collection from licensed health facilities beginning February 15, 2027, for 2026 calendar year.
- 2027-28 and Ongoing
    - Ongoing data collection from licensed facilities includes outreach to licensed facilities for late submission.
    - Develop data validation protocols and analytical criteria for consistency and accuracy.
    - Review report data for completeness and consistency.

- Contact report submitters to resolve data submission errors, clarify discrepancies, and facilitate compliance with reporting requirements.
- Analyze submitted data to identify trends, disparities, and statistical outliers.
- Conduct ongoing stakeholder engagements to facilitate awareness, understanding and compliance with reporting requirements.
- Develop, update, and publish public-facing dashboards, reports, and accessible datasets.
- Facilitate all resources, manuals, and documentation are machine-readable, accessible to individuals with disabilities.

F. Supplemental Information (If Applicable)

A. Attachment A- Fiscal Detail

B. Attachment B- Organizational Charts

WORKLOAD ANALYSIS
ACTIVITY/TASK DESCRIPTION
BCP TITLE: Employee Healthcare Coverage Reporting (AB 1418)

5393, Associate Governmental Program Analyst (FY2026-2027 and ongoing), Activities	**Number of Units**	**Hours/Unit**	**Total Hours**
Provide Technical Assistance: Provide intermediate to complex technical assistance to healthcare facilities in compliance with reporting mandates, including submission validations, errors, access, etc. Assist with system login credentials.	2500	.24 (15 mins)	600
Development of Report Forms and Manuals: Prepare, review, revise, and update existing reporting manual and form with new reporting requirements. Verify instructions are accurately reflected according to statutes. Update reporting forms to match that of the report submitted in SIERA. Verify all data fields on forms are correct prior to publication on ODP. Regularly update reporting instructions and forms with new updates and changes annually or on as-needed basis.	5	80	400
User Acceptance Testing (UAT): Perform application systems testing to facilitate report collection, validations, extraction, and report application process are working as designed. Report to management and attend meetings with IT to discuss bugs and other system application issues as needed. Regularly update application systems and changes annually or as necessary.	5	80	400
Data Quality Analysis: Perform data quality analysis, validations, and error checks on submitted reports. Reach out to health facilities for report revisions on improperly submitted reports, incorrect reporting, and reports needing further explanation. Verify the data collected meets with the validation checks in place and aligns with that of statutory requirements.	2500	.08 (4 mins)	200

Compile and Posting of Report Data: Prepare, review, analyze, and data extraction of healthcare facilities report data for publication on HCAI's website and/or Open Data Portal (ODP). Complete preliminary and final dataset of all facility types to facilitate data quality prior to management review. Regularly complete datasets bi-annually and update on as-needed basis.	5	20	100
Outreach Engagement Perform pre-and-post outreach engagements to health facilities. Notify health facilities of reporting requirements. Prepares and sends out email notifications and physical letters to health facilities. Assist in outreach support to health facilities in compliance with reporting mandates. Follow-up with non-compliant facilities post-due date for report submission.	2500	.04 (2 mins)	100
Total			**1,800**

BCP Fiscal Detail Sheet

(Dollars in Thousands)

BCP Title: Employee Healthcare Coverage Reporting (AB 1418)

BR Name: 4140-070-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	1.0	1.0	1.0	1.0	1.0
Total Positions	**0.0**	**1.0**	**1.0**	**1.0**	**1.0**	**1.0**
Salaries and Wages Earnings - Permanent	0	131	131	131	131	131
Total Salaries and Wages	**$0**	**$131**	**$131**	**$131**	**$131**	**$131**
Total Staff Benefits	0	29	29	29	29	29
Total Personal Services	**$0**	**$160**	**$160**	**$160**	**$160**	**$160**

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	18	18	18	18	18
Total Operating Expenses and Equipment	**$0**	**$18**	**$18**	**$18**	**$18**	**$18**

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**	**$178**	**$178**	**$178**	**$178**	**$178**

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 - 0143 - California Health Data and Planning Fund	0	178	178	178	178	178
Total State Operations Expenditures	**$0**	**$178**	**$178**	**$178**	**$178**	**$178**
Total All Funds	**$0**	**$178**	**$178**	**$178**	**$178**	**$178**

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	160	160	160	160	160
3860 - Administration	0	18	18	18	18	18
Total All Programs	**$0**	**$178**	**$178**	**$178**	**$178**	**$178**

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	1.0	1.0	1.0	1.0	1.0
Total Positions	**0.0**	**1.0**	**1.0**	**1.0**	**1.0**	**1.0**

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	131	131	131	131	131
Total Salaries and Wages	**$0**	**$131**	**$131**	**$131**	**$131**	**$131**

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	29	29	29	29	29
Total Staff Benefits	**$0**	**$29**	**$29**	**$29**	**$29**	**$29**

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**	**$160**	**$160**	**$160**	**$160**	**$160**