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

Fiscal Year	Business Unit Number	Department
2026-27	4150 / 0530	Department of Managed Health Care / California Health and Human Services Agency

Hyperion Budget Request Name	Relevant Program or Subprogram
4150-033-BCP-2026-GB	3870-Health Plan Program

Budget Request Title
Menopause Services

Budget Request Summary

Department of Managed Health Care (DMHC) requests two positions and $407,000 in 2026-27, $391,000 in 2027-28 and annually thereafter from the Managed Care Fund to support implementation of new proposed statutory amendments that would specify required health care coverage, provider education, and patient information programs for perimenopause, menopause, and postmenopausal care.

In addition, California Health and Human Services Agency requests provisional language authorizing the Department of Finance to provide up to $3 million General Fund in 2026-27 for a statewide public awareness campaign to support greater understanding of perimenopause and menopause, including evaluation and treatment options.

Requires Legislation (submit required legislation with the BCP)	Code Section(s) to be Added/Amended/Repealed
☒ Trailer Bill Language ☒ Budget Bill Language ☐ N/A	Business and Professions Code Sections 2190.4 and 2454.7, Health and Safety Code Section 1367.252, Insurance Code, Welfare and Institutions Code Section 14132.

Does this BCP contain information technology (IT) components? ☐ Yes ☒ No	Department CIO	Date
	N/A	N/A

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

Prepared By	Date	Reviewed By	Date
Rita Pearson	1/10/2026	Gita Mehirdel	1/10/2026
Department Director	**Date**	**Agency Secretary**	**Date**
Mary Watanabe	1/10/2026	Kim Johnson	1/10/2026

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

The Department of Managed Health Care (DMHC) requests two positions and $407,000 in 2026-27, $391,000 in 2027-28 and annually thereafter from the Managed Care Fund to support proposed statutory amendments that would specify required health care coverage, provider education, and patient information programs for perimenopause, menopause, and postmenopausal care.

The following table notes the requested positions by program and classification:

Table 1- Positions Requested

Program / Classification	Number of Positions 2026-27 / Ongoing
Office of Plan Monitoring (OPM)	
Health Program Specialist II	2
Total Positions	**2**

In addition, California Health and Human Services Agency requests provisional language authorizing the Department of Finance to provide up to $3 million General Fund in 2026-27 for a statewide public awareness campaign to support greater understanding of perimenopause and menopause, including evaluation and treatment options.

Background/History

The DMHC's mission is to ensure health plan members have access to equitable, high-quality, timely and affordable health care within a stable health care delivery system. As part of this mission, the DMHC licenses and regulates health plans under the Knox-Keene Health Care Service Plan Act of 1975 (Knox-Keene Act). Embedded in the mission is the task of evaluating and promoting health care service plan (health plan) regulatory compliance so that health plan members have consistent access to timely and medically necessary health care services.

Menopause is a natural biological transition that marks the end of a woman's reproductive years, often proceeded by perimenopause. The proposed statutory amendments would establish new requirements for non-specialized health plans, regarding coverage of perimenopause, menopause and postmenopausal care and codify the Medi-Cal Program's menopause coverage policy.

To evaluate and enforce compliance with the proposed statutory amendments, the DMHC will need to:

- Provide initial analytical and administrative support to review health plan filing and assess compliance with the new menopause-related coverage and program requirements.
- Provide ongoing analytical and administrative support to monitor health plan implementation, evaluate updated policies and notices and verify adherence to statutory deadlines.
- Conduct routine health plan surveys to verify continued compliance with the proposed statutory language requirements.

To implement the requirements of this proposal, additional resources are required to provide the analytical, administrative and compliance monitoring capacity necessary to meet the statutory requirements.

B. Justification

The proposed statutory amendments establish new health plan requirements for coverage, evaluation and treatment of perimenopause and menopause.

These new requirements create new workload for the DMHC, including review of health plan filings, ongoing compliance monitoring, and integration into routine health plan surveys.

The DMHC has determined the following resources are necessary to implement the requirements of the proposed statutory amendments.

Office of Plan Monitoring (OPM)

The DMHC's OPM Division of Plan Survey (DPS) performs routine (triennial) and non-routine medical surveys of DMHC-licensed health, behavioral and specialized health plans.

The proposed statutory amendments would require DPS to update, enhance and implement new and existing survey tools, including but not limited to the quality assurance, behavioral health, technical assistance guides, grievance and appeals and utilization management tools. The division anticipates additional workload to develop and maintain survey methodologies during routine and follow up survey activities to verify compliance with the requirements established in the proposed statutory amendments.

The OPM is requesting the following resource to address the additional workload:

2.0 Health Program Specialist II
These positions will provide analytical and administrative support for health plan compliance monitoring and survey activities, including the development of reports and supporting documentation. These positions will also work closely with OPM's legal staff and vendors to regularly update and maintain compliance tools, verifying that they reflect current laws and regulations and incorporating revisions as needed.

The DMHC estimates costs for OPM to be two positions and $399,000 Managed Care Fund in 2026-27, and $383,000 Managed Care Fund in 2027-28 and annually thereafter.

Office of Technology and Innovation (OTI)

The DMHC's OTI is responsible for all DMHC IT-related facets, including application/system development and support, procurement and management of IT assets, data security and supporting staff members' IT needs. OTI anticipates additional annual software licensing costs for the new employees included in this proposal.

The DMHC estimates the OTI costs to be $8,000 Managed Care Fund in 2026-27 and annually thereafter for software license costs.

C. Departmentwide and Statewide Considerations

This proposal aligns with the DMHC's mission to support health plan members' access to equitable, high-quality, timely and affordable health care within the health care delivery system. This proposal also aligns with the DMHC's strategic plan to improve health care access, quality and value to empower all Californians to live healthier lives.

This proposal supports the California Health and Human Services Agency's strategic priority to Build a Healthy California for All by monitoring for and addressing barriers to care in health plans' delivery systems to support access to care.

D. Outcomes and Accountability

Approval of this proposal will provide the DMHC with the necessary resources to implement the requirements of the proposed statutory amendments.

E. Implementation Plan

The DMHC will begin the hiring process in early 2026-27.

F. Supplemental Information

This request will be funded through annual assessment of the health plans that are regulated by the DMHC. The ongoing fiscal impact of this request to full-service health plans is estimated at less than $0.01 per enrollee per year.

Proposed Provisional Language:

0530-001-0001—For support of Secretary of California Health and Human Services.

Provision 5

Notwithstanding any other law, the Department of Finance may augment this item up to $3,000,000 to dedicate resources to a statewide public awareness campaign to support greater understanding of perimenopause and menopause, the challenges facing women during the menopause transition, and how to access evaluation and treatments. Funds may be used for necessary personnel services expenditures, contracts, and interagency agreements.

Attachment A: BCP Fiscal Detail Sheet

Attachment B: Workload Standards

Attachment C: Current Org Chart

Attachment D: Proposed Org Chart

BCP Fiscal Detail Sheet

(Dollars in Thousands)

BCP Title: Menopause Services

BR Name: 4150-033-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	2	2	2	2	2
Total Positions	**0**	**2**	**2**	**2**	**2**	**2**
Earnings - Permanent	0	198	198	198	198	198
Total Salaries and Wages	**$0**	**$198**	**$198**	**$198**	**$198**	**$198**
Total Staff Benefits	0	143	143	143	143	143
Total Personal Services	**$0**	**$341**	**$341**	**$341**	**$341**	**$341**

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	4	4	4	4	4
5302 - Printing	0	2	2	2	2	2
5304 - Communications	0	4	4	4	4	4
5306 - Postage	0	2	2	2	2	2
5320 - Travel: In-State	0	20	20	20	20	20
5322 - Training	0	8	8	8	8	8
5346 - Information Technology	0	8	8	8	8	8
5368 - Non-Capital Asset Purchases - Equipment	0	18	2	2	2	2
Total Operating Expenses and Equipment	**$0**	**$66**	**$50**	**$50**	**$50**	**$50**

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**	**$407**	**$391**	**$391**	**$391**	**$391**

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 - 0933 - Managed Care Fund	0	407	391	391	391	391
Total State Operations Expenditures	**$0**	**$407**	**$391**	**$391**	**$391**	**$391**
Total All Funds	**$0**	**$407**	**$391**	**$391**	**$391**	**$391**

Program Summary

Program Funding

Program Funding	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
3870 - Health Plan Program	0	407	391	391	391	391
Total All Programs	**$0**	**$407**	**$391**	**$391**	**$391**	**$391**

Personal Services Details

Positions

Positions	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
8336 - Hlth Program Spec II (Eff. 07-01-2026)	0	2	2	2	2	2
Total Positions	**0**	**2**	**2**	**2**	**2**	**2**

Salaries and Wages

Salaries and Wages	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
8336 - Hlth Program Spec II (Eff. 07-01-2026)	0	198	198	198	198	198
Total Salaries and Wages	**$0**	**$198**	**$198**	**$198**	**$198**	**$198**

Staff Benefits

Staff Benefits	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
5150450 - Medicare Taxation	0	3	3	3	3	3
5150500 - OASDI	0	12	12	12	12	12
5150630 - Retirement - Public Employees - Miscellaneous	0	62	62	62	62	62
5150820 - Other Post-Employment Benefits (OPEB) Employer Contributions	0	6	6	6	6	6
5150900 - Staff Benefits - Other	0	60	60	60	60	60
Total Staff Benefits	**$0**	**$143**	**$143**	**$143**	**$143**	**$143**

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**	**$341**	**$341**	**$341**	**$341**	**$341**

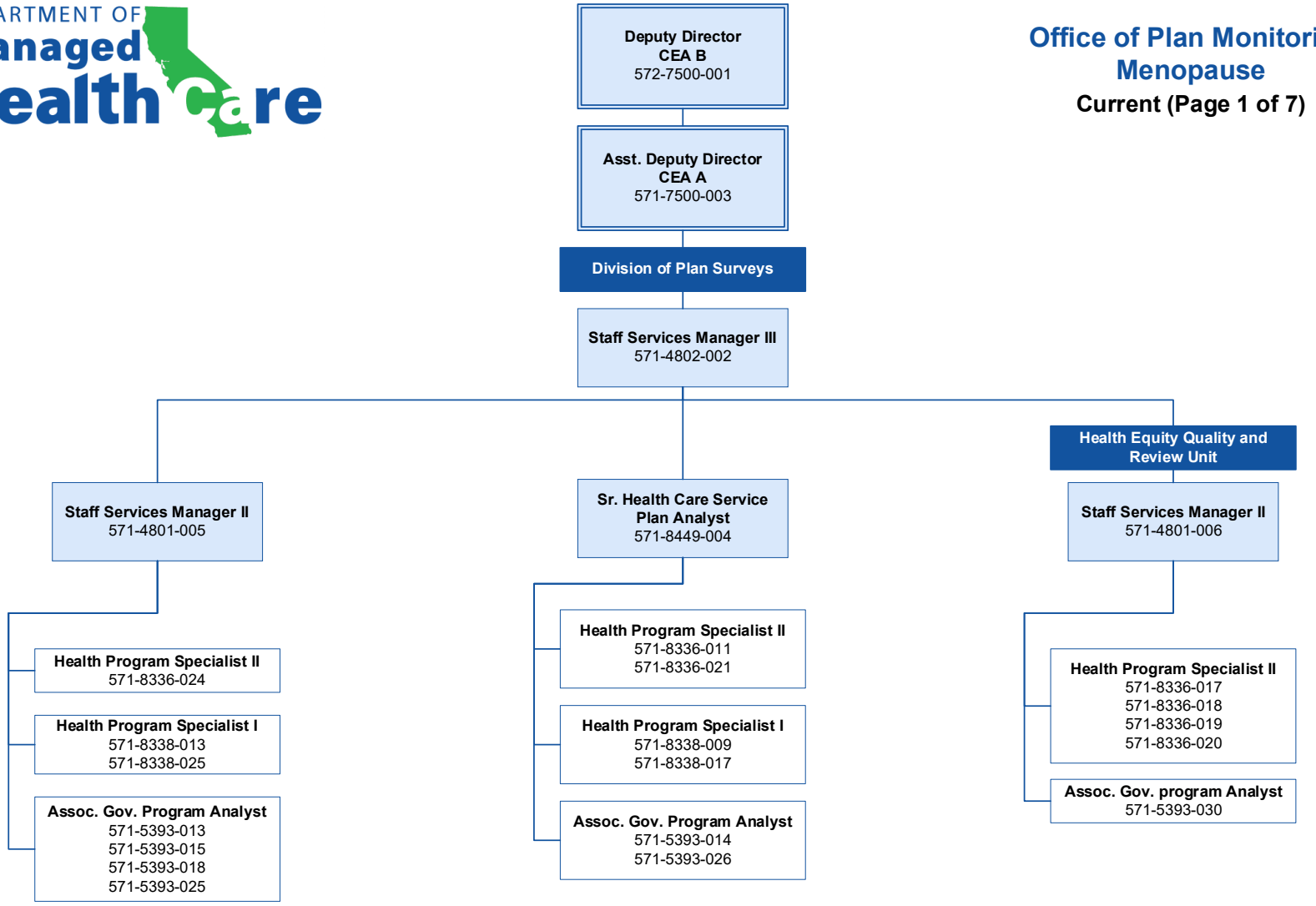
WORKLOAD STANDARDS
Office of Plan Monitoring (OPM)
2 Health Program Specialist II

Activities/ Tasks	2026-27 Tasks Per Year	2027-28/ Ongoing Tasks Per Year	2026-27 Hours Per Task	2027-28 /Ongoing Hours Per Task	2026-27 Total Hours	2027-28/ Ongoing Total Hours
Provide initial analysis and administrative support pertaining to health plan compliance monitoring. Assist in defining compliance monitoring activities, coordinate and help DPS legal, contracted consultants, and health plans. Assist with developing other program materials regarding compliance monitoring. Years one and two.	104	0	10	25	1,040	0
Provide ongoing analysis and administrative support pertaining to health plan compliance monitoring. Assist in defining compliance monitoring activities, coordinate and help DPS legal, contracted consultants, and health plans. Assist with developing other program materials regarding compliance monitoring.	0	104	10	9	0	936
Contribute and provide assistance in developing and providing training for staff and vendors health plan compliance monitoring. Years one and two.	2	0	14	14	28	0
Develop Survey scope of work and conduct initial analysis of health plan information and data, including analysis of additional logs and data requested from health plans, related to new requirements of the statutory amendments. Each licensed health plan is subject to a Routine Survey every three years.	50	51	13.6	13.0	682	667
Coordinate with assigned attorney to develop focused file pull strategy related to identified concerns. Assume 25 percent of year two and year three and ongoing plans will require focused file reviews for menopausal service issues identified in GA data, UM denial logs, and data from the HC or other divisions related to the statutory amendments.	25	26	24	24	600	616
Review and validate deficiency findings related to the statutory amendments' requirements in Preliminary Report and Final Reports for all Plans surveyed each year. Assume 100 percent of the Plans surveyed will have uncorrected deficiencies at issuance of the Final Report and require Follow-Up Surveys).	50	51	19	19	950	975
Assume 100 percent of the plans requiring focused file review have uncorrected deficiencies at issuance of the Final Report and require Follow-Up Surveys. Strategize with attorney and clinical consultants to develop scope of work and assistance guide, conduct analysis of health plan data and information,	25	26	12	12	300	308

Activities/ Tasks	2026-27 Tasks Per Year	2027-28/ Ongoing Tasks Per Year	2026-27 Hours Per Task	2027-28 /Ongoing Hours Per Task	2026-27 Total Hours	2027-28/ Ongoing Total Hours
develop file pull strategies in preparation for Follow-Up Surveys. Year three and ongoing.						
Assume 50 percent of the plans requiring a follow-up survey will result in enforcement referral (3 less complex). Compile supporting documents and assist Legal with OE referrals for any uncorrected deficiencies.	0	13	10	6.7	0	85
Provide assistance to OE with moderately complex enforcement actions.	0	2	10	6.7	0	13
Total Hours Worked					**3,600**	**3,600**
Number of Positions Required					**2**	**2**

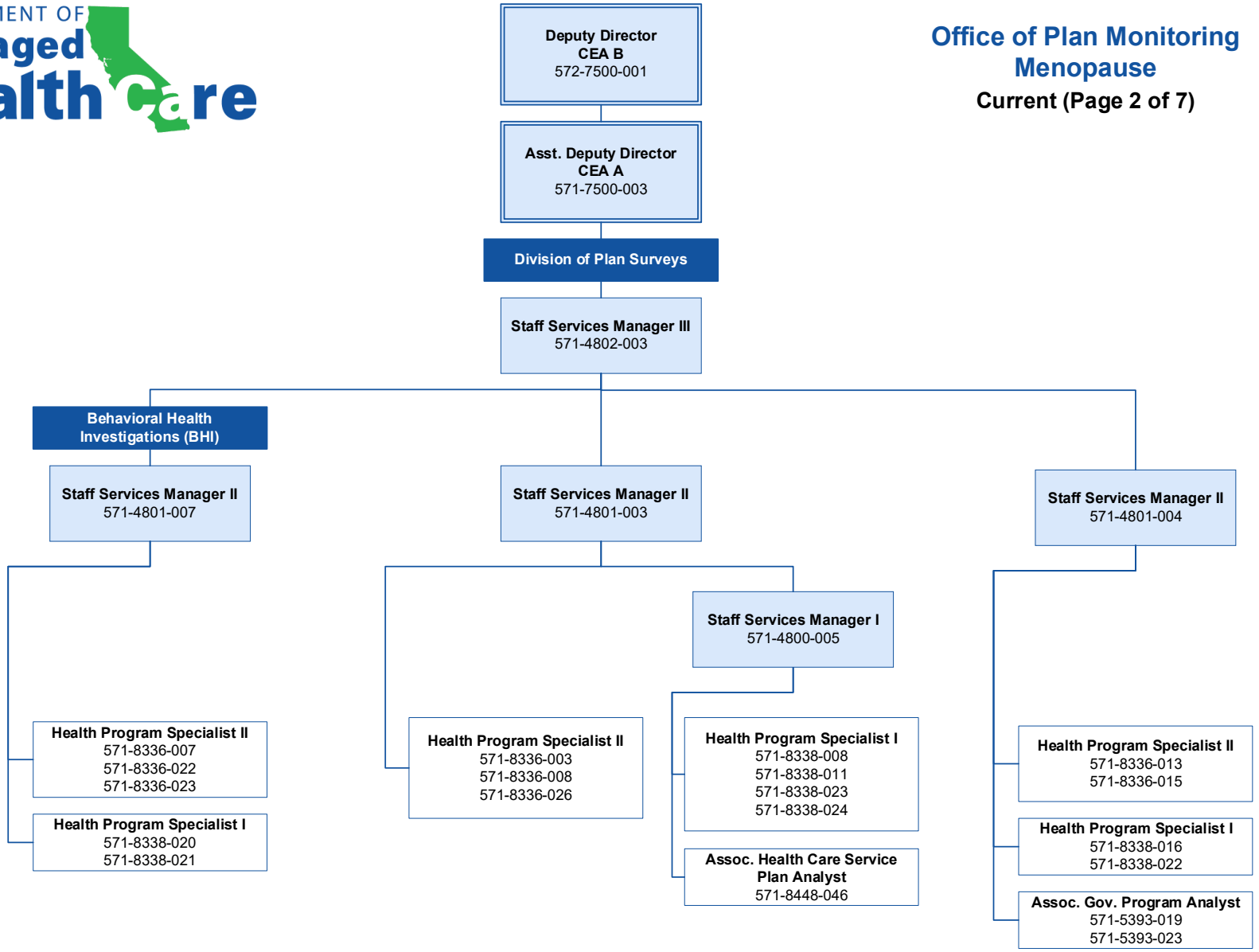
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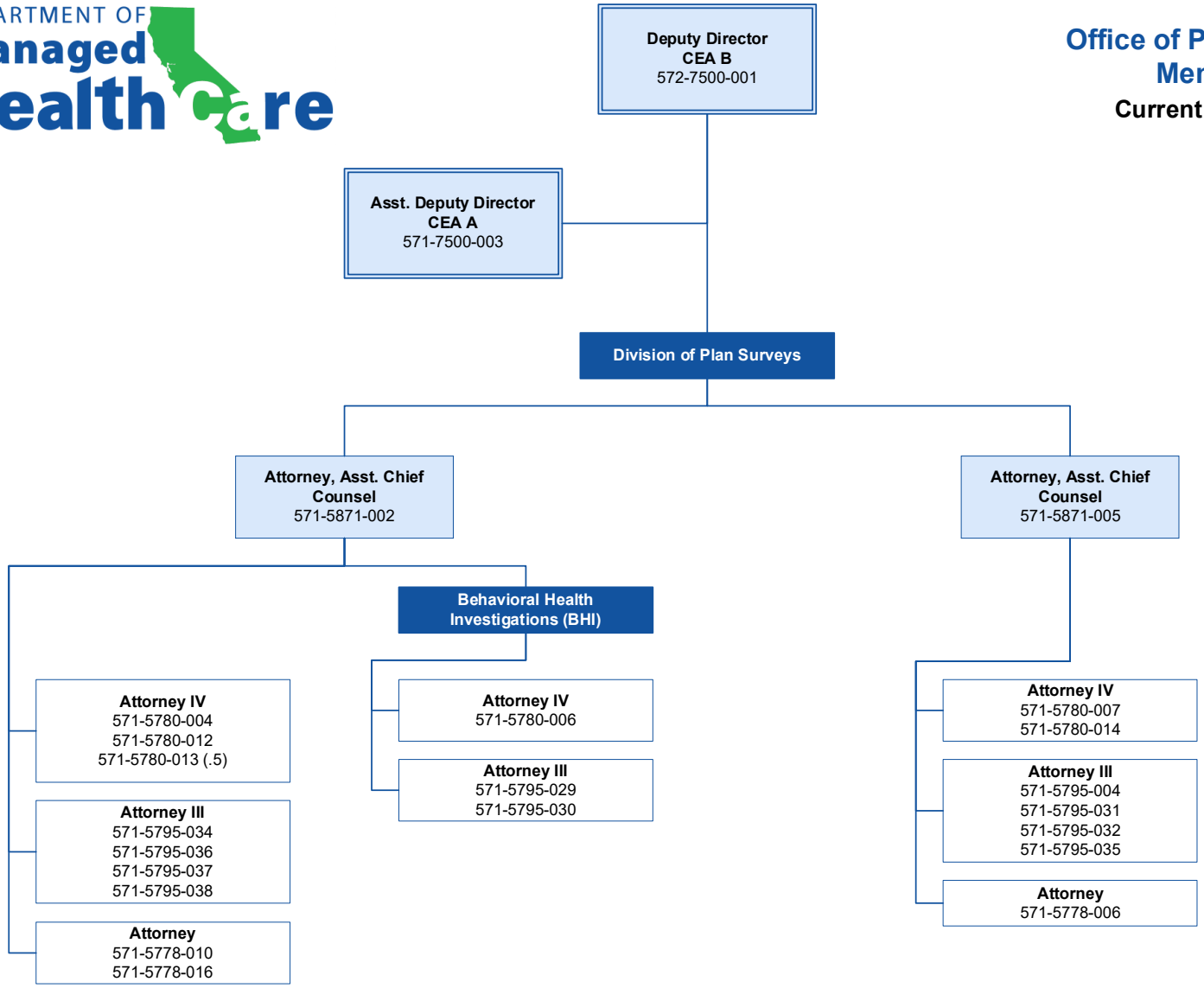
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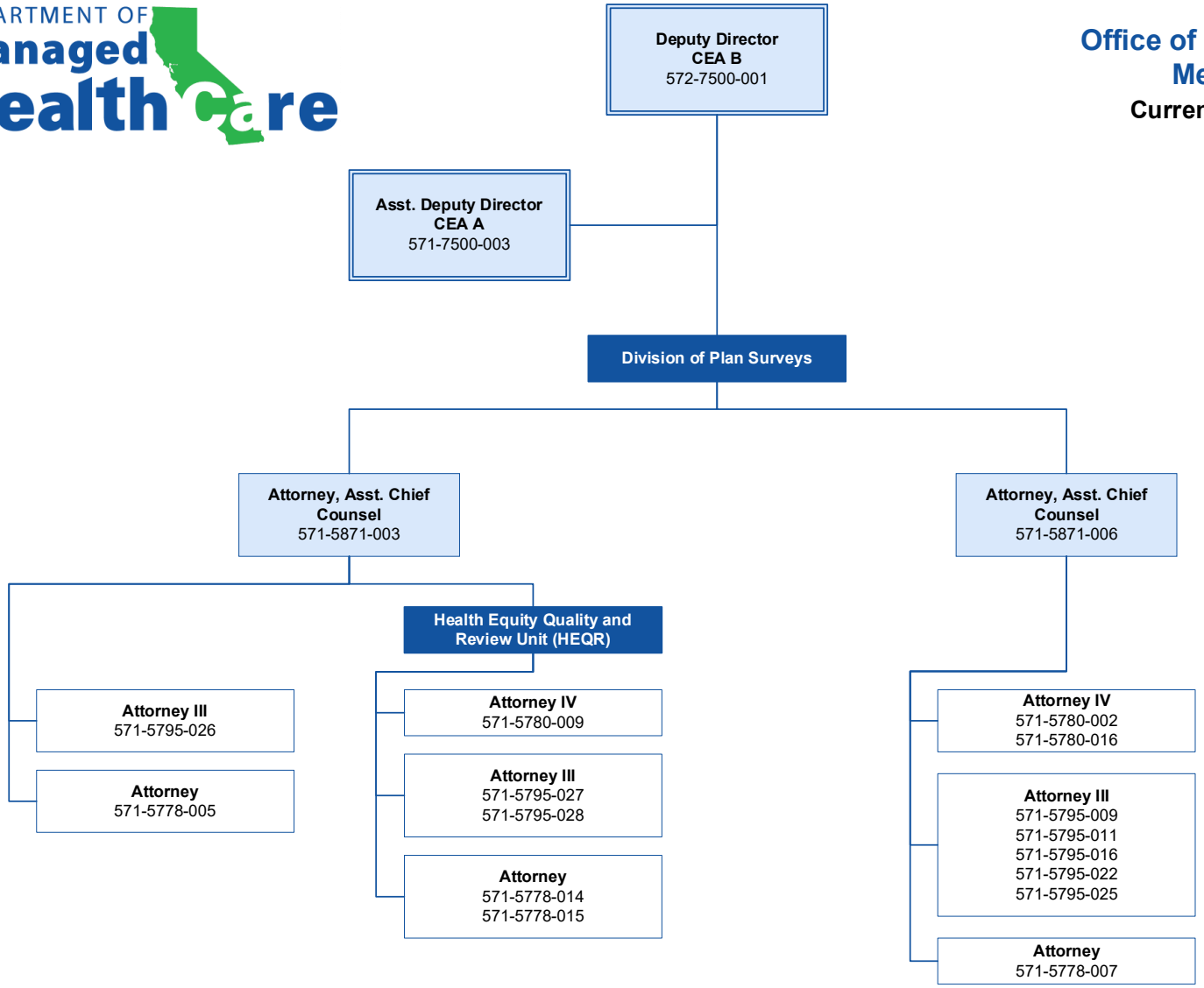
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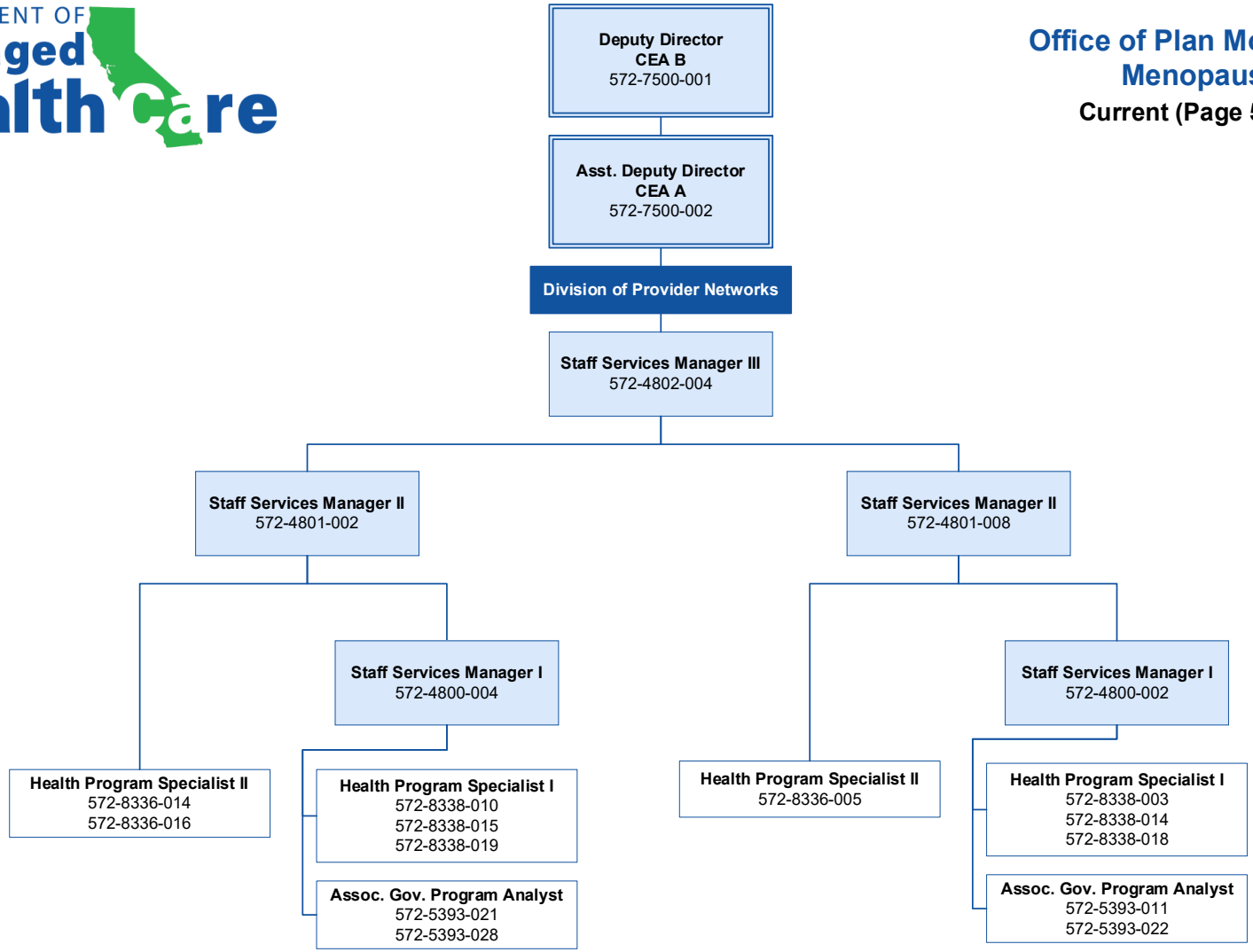
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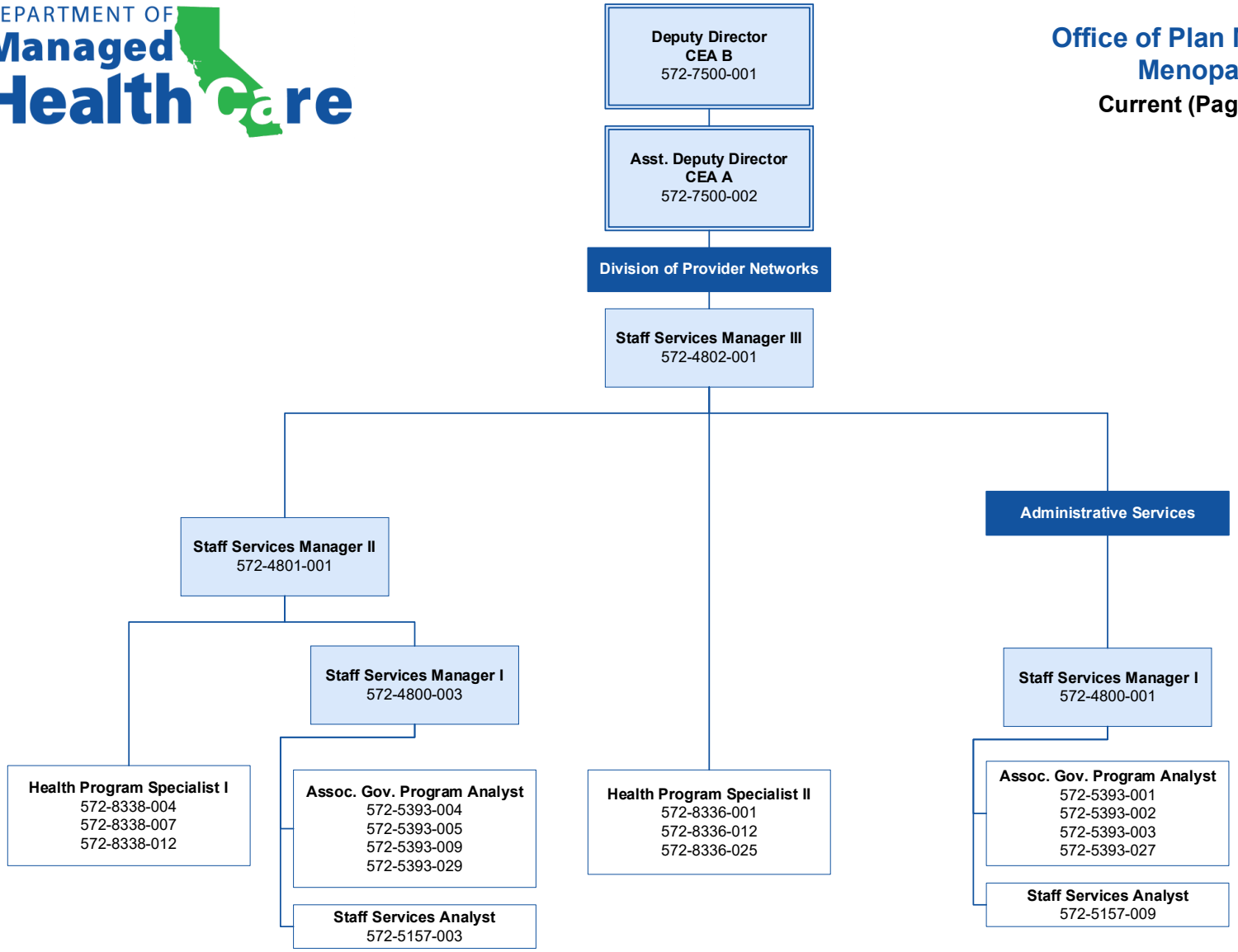
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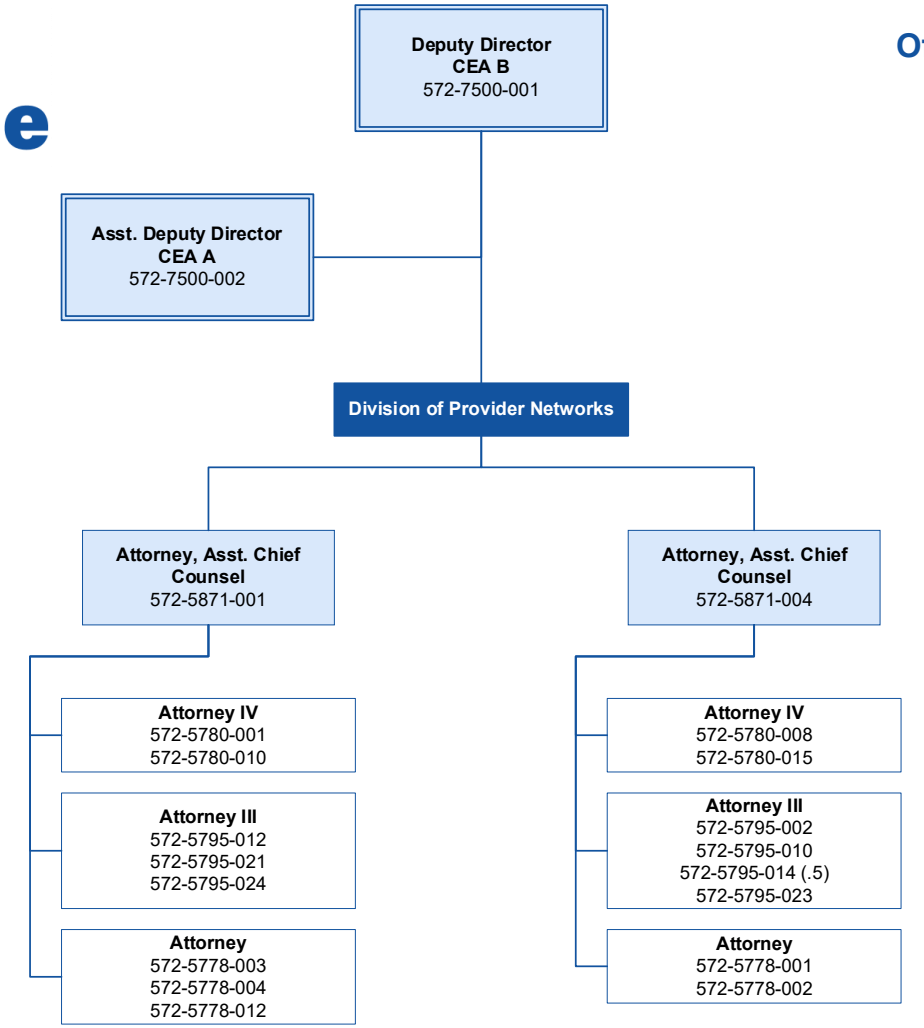
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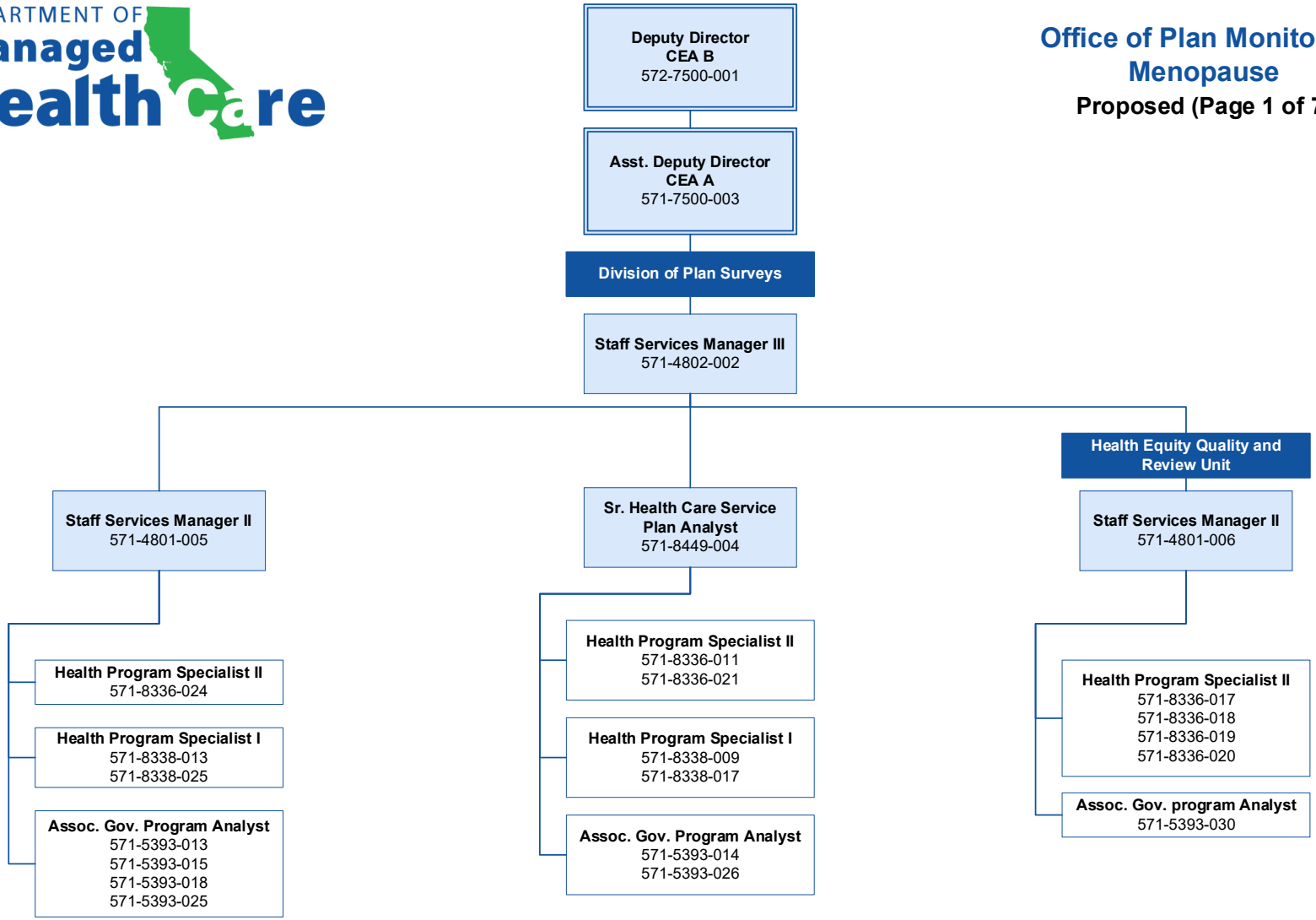
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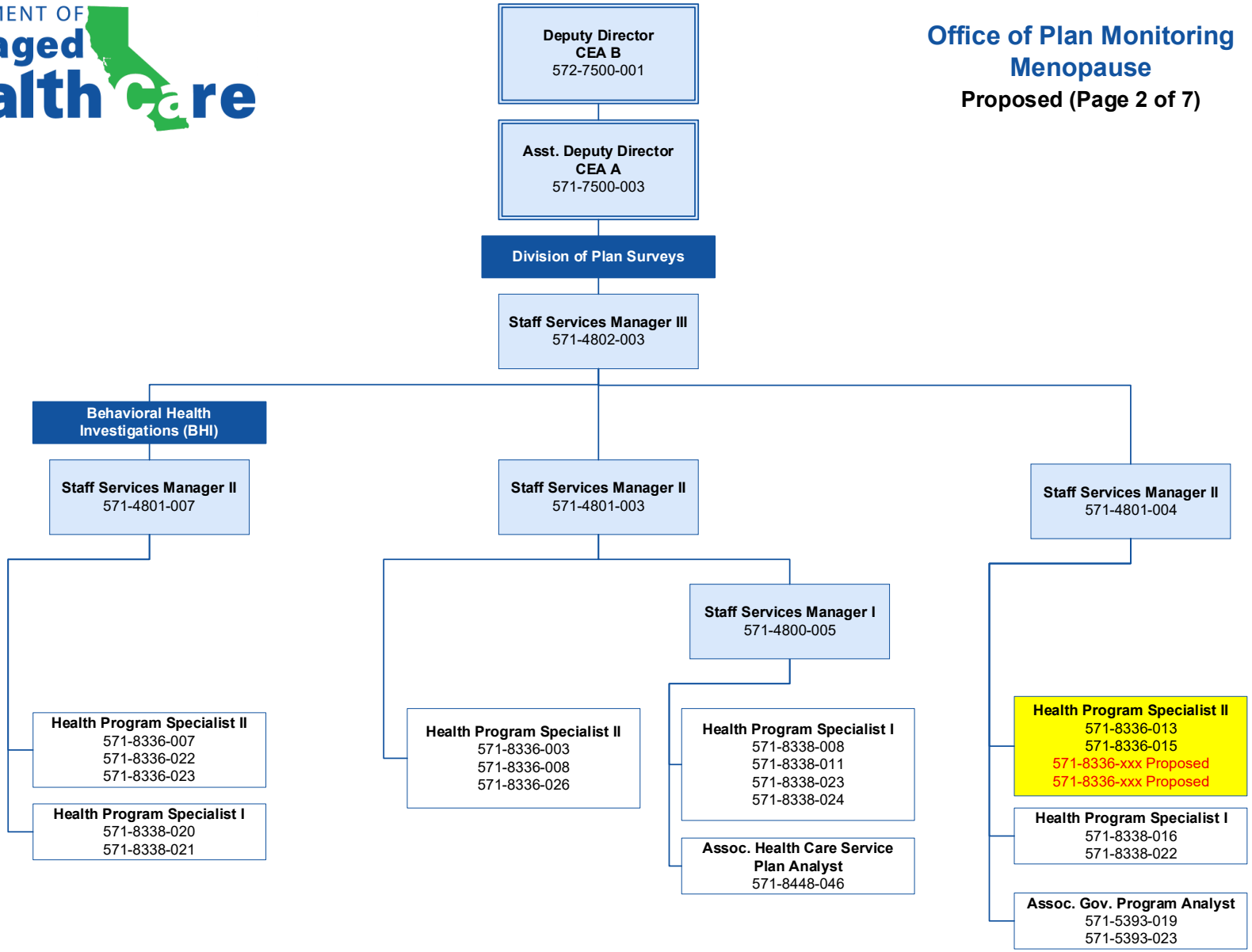
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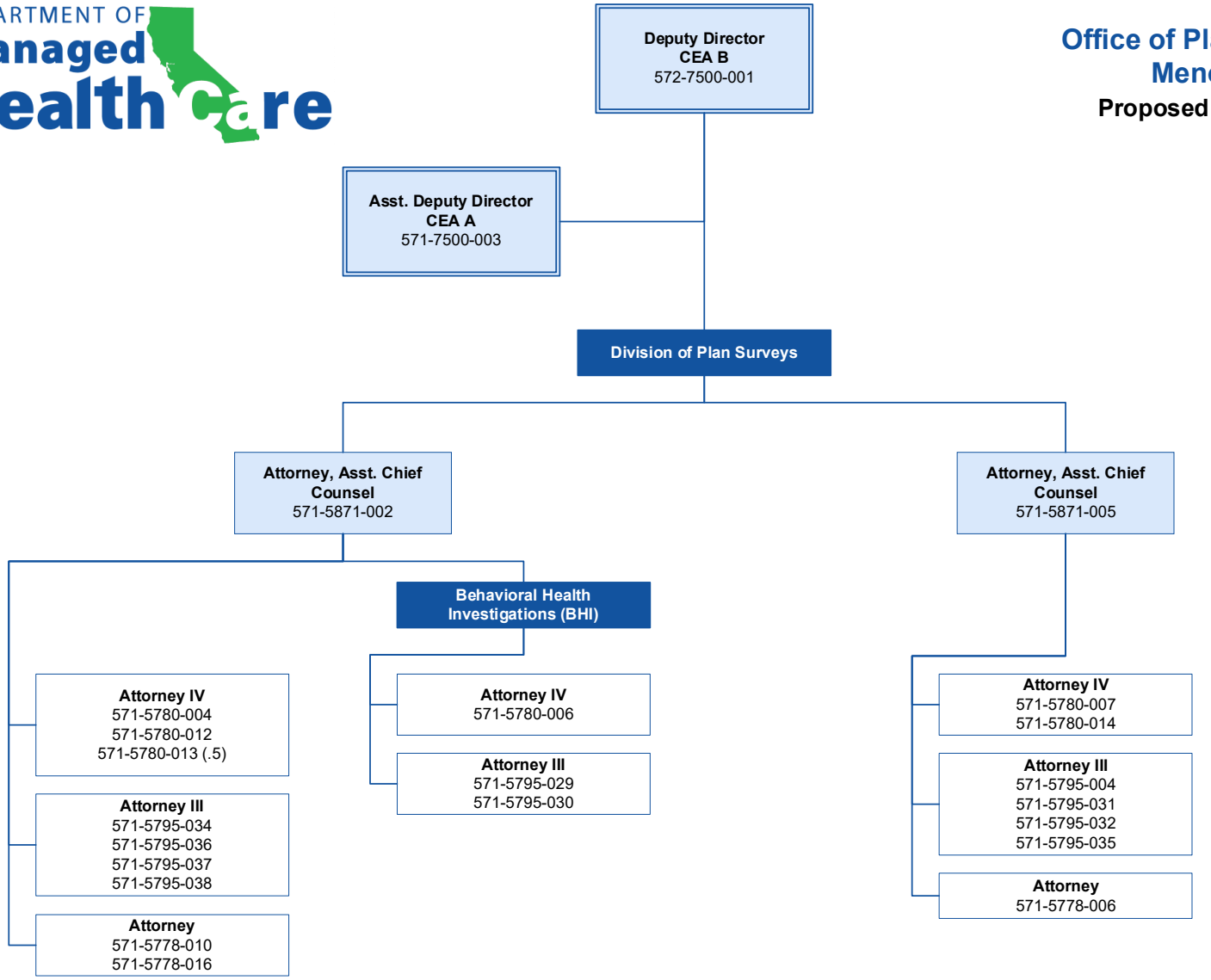
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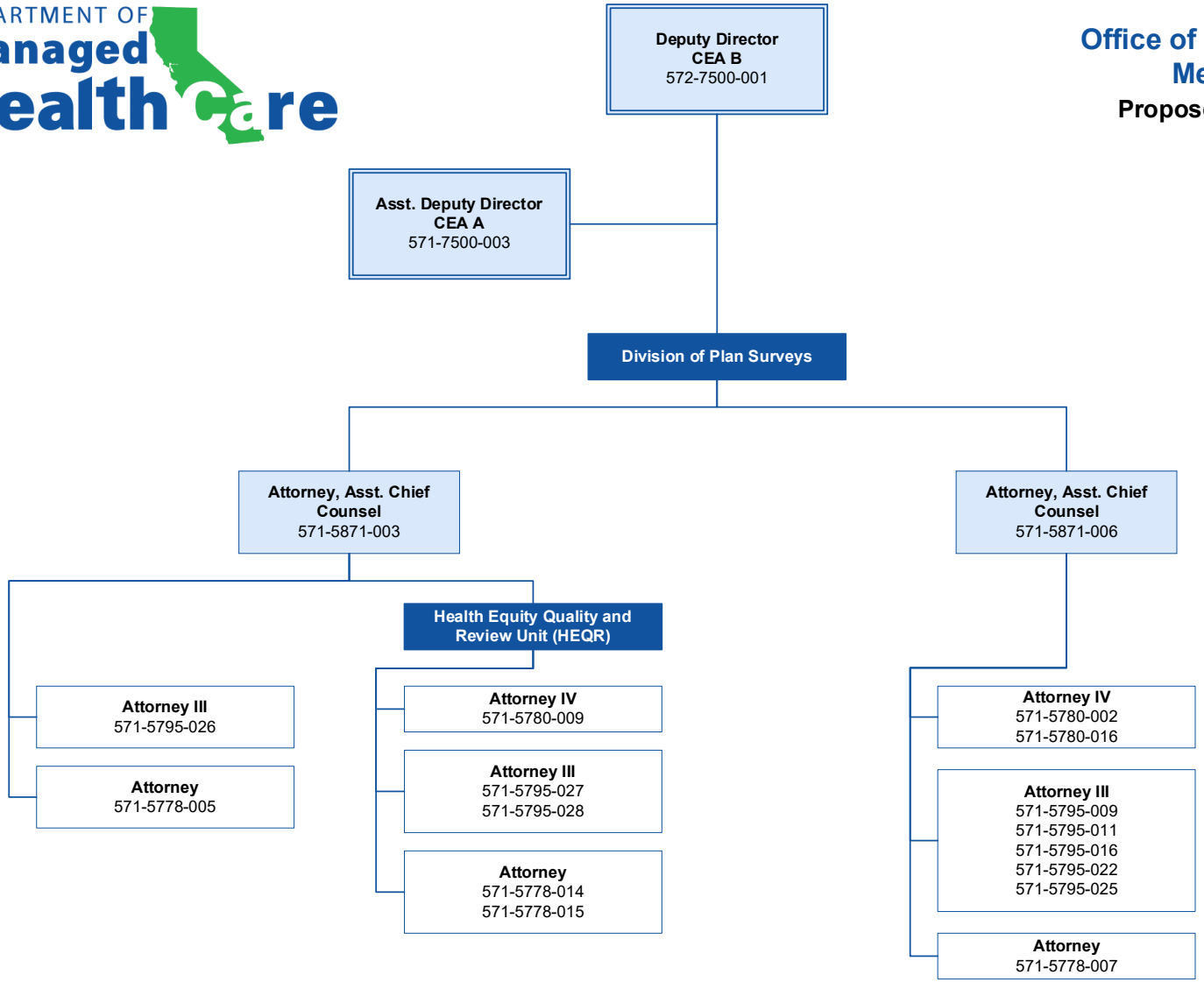
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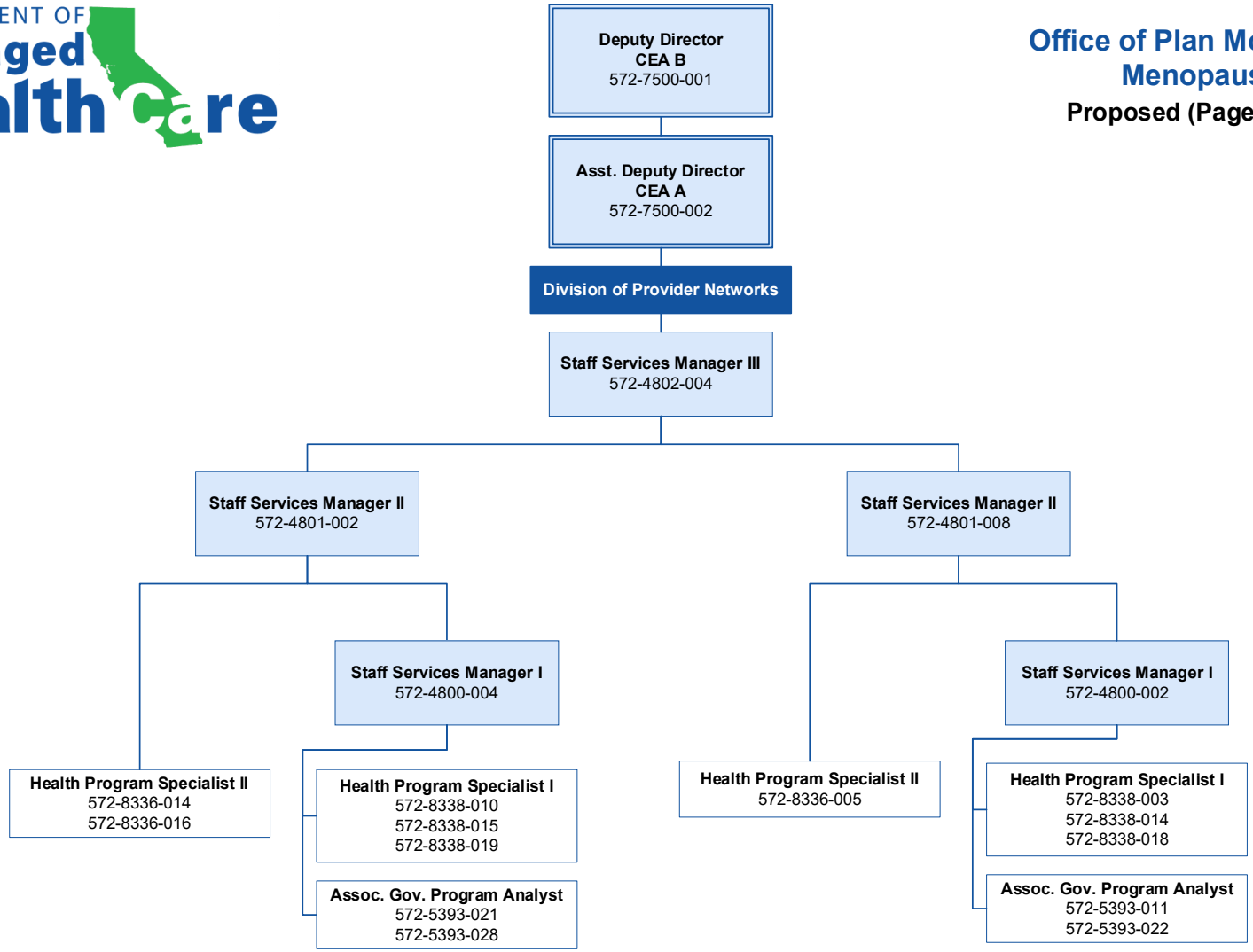
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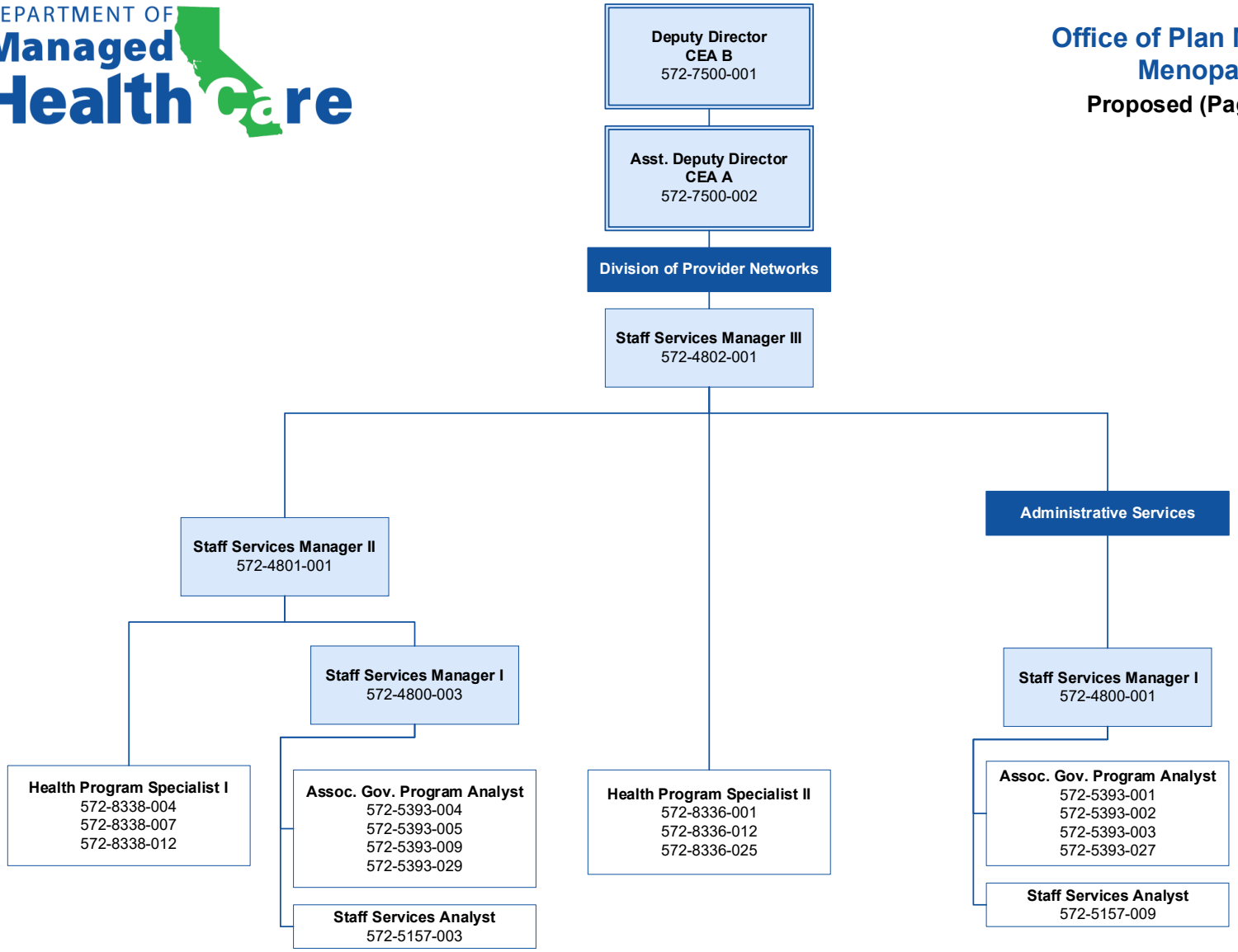
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