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

Fiscal Year	**Business Unit Number**	**Department**
2026-27	4265	California Department of Public Health

Hyperion Budget Request Name	**Relevant Program or Subprogram**
4265-095-BCP-2026-GB	4050010 – Heath Facilities

Budget Request Title
Centralized Application Branch License Renewal and Certification Branch Expansion

Budget Request Summary
The California Department of Public Health requests 7 positions, $493,000 in reimbursement authority and $493,000 from the Licensing and Certification Fund in 2026-27 and ongoing to create a Provider Certification Section and a second Provider Certification Unit to support the Provider Licensing renewals and certifications.

Requires Legislation (submit required legislation with the BCP)	**Code Section(s) to be Added/Amended/Repealed**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**	**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 **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**
Eric Ruth	7/9/2025	Phuong La	8/5/2025
Department Director	**Date**	**Agency Secretary**	**Date**
Susan Fanelli	8/7/2025	Julie Souliere	9/4/2025

Department of Finance Use Only

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

Principal Program Budget Analyst	**Date submitted to the Legislature.**
Nina Hoang	January 10, 2026

A. Problem Statement

The California Department of Public Health (CDPH), Center for Health Care Quality (CHCQ) is responsible for regulatory oversight of licensed health care facilities and health care professionals to assess the safety, effectiveness, and quality of health care for all Californians. CHCQ fulfills this role by conducting periodic inspections and complaint investigations of health care facilities to determine compliance with federal and state laws and regulations. CHCQ receives funds through Title XVIII and Title XIX grants from the Centers for Medicare and Medicaid Services (CMS) and licensing fees paid by health care facilities. CHCQ licenses and certifies over 15,000 health care facilities and agencies across California in 32 different licensure and certification categories. CHCQ evaluates health care facilities for compliance with state and federal laws and regulations, and contracts with the Los Angeles County Department of Public Health to license and certify health care facilities located in Los Angeles County.

The Licensing and Certification Division consists of three branches and one section: the Centralized Applications Branch (CAB), Healthcare Workforce Branch, Investigations Branch, and Emergency Preparedness and Disaster Response Section. The CAB consists of four sections: CAB Administration (CABA) Section, Long Term Care (LTC) Section, Non-Long-Term Care (NLTC) Section, and Home Health Agency (HHA)/Hospice Section. Within each section there are three to four units. There are 14 units in total. The CAB processes health care facility licensure and certification applications for CHCQ. CAB processes all applications for initial health care facility licenses and certification, changes to existing licenses and certification, licensure renewals, and conducts activities associated with license expiration, license revocation, certification termination, and certification adverse actions. CAB processes applications on a first-in, first-out basis and often works with applicants to address incomplete or inaccurate application materials. The LTC Section, NLTC Section, and HHA/Hospice Section workload funnels through the CABA Section. In the CABA Section, one unit needs additional resources to timely process the increasing workload and mitigate delays to the providers seeking certification.

The CABA Section, Provider Certification Unit (PCU) processes initial certification kits for enrollment into the Medi-Cal Program, processes certification kits for changes to current enrollment in the Medi-Cal Program and performs certification activities associated with adverse actions. The challenges the CABA Section faces includes the volume of incoming workload and the limited resources to process the workload in a timely manner. The delays in processing applications in a timely manner results in expenses incurred by providers seeking licensure and certification. Providers incur overhead expenses such as property, staffing, equipment, and other business expenses before they can generate revenue while waiting for licensure approval to operate a health care facility. Additionally, providers cannot bill Medicare and Medi-Cal to receive reimbursement for services provided until they are approved to enroll in the Medicare and/or Medi-Cal Programs. The number of licensed and certified facilities increases each year, which increases the number of incoming applications licensure and certification activities. Not allowing CAB to grow by obtaining additional resources may result in long-term delays.

Resource History
Reimbursements 0995
(Dollars in thousands)

Program Budget	2020-21	2021-22	2022-23	2023-24*	2024-25*	2025-26*
Reimbursement Authority	12,134	12,914	13,862	$15,614	15,693	15,693
Reimbursement Collected	7,726	9,376	6,958	6,814	7,383	7,383

* Projected

Resource History
State Department of Public Health Licensing and Certification Program Fund
(Dollars in thousands)

Program Budget	2020-21	2021-22	2022-23	2023-24	2024-25*	2025-26*
Authorized Expenditures	$212,413	$263,309	$300,119	$311,530	$282,261	$322,947
Actual Expenditures	$207,345	$222,022	$263,399	$311,490	$282,261	$322,947
Revenues	$226,049	$264,027	$316,731	$312,305	$286,308	$269,142
Authorized Positions	1,418.25	1,477.25	1,536.4	1,534.4	1,560.2	1,573.2
Filled Positions	1,242.25	1,254.0	1,276.8	1,364.8	1,421.3	1,433.2
Vacancies	176.0	223.25	259.6	169.6	138.9	140

* Projected

Workload History

Workload Measure	2020-21**	2021-22**	2022-23	2023-24	2024-25*	2025-26*
Medi-Cal certification requests Applications Received	N/A	N/A	2,222	1,936	2,673	2,701
Medi-Cal certification requests Application Processed	N/A	N/A	1,842	1,532	2,030	1,884
Medi-Cal certification requests: Application Backlog	N/A	N/A	380	784	1,427	2,244
Recertification Apps Received	N/A	N/A	182	752	793	881
Recertification Apps Processed	N/A	N/A	177	339	600	600
Recertification Apps Backlog	N/A	N/A	5	418	611	892
Adverse Actions Requests	N/A	N/A	884	845	795	850
Adverse Actions Processed	N/A	N/A	691	1,005	825	830
Adverse Actions Backlog	N/A	N/A	193	33	3	23

*Projected
** Data is not available, PCU was not keeping track of data in 2020-21 and 2021-22

B. Justification

CDPH requests 7 positions, $493,000 in reimbursement authority (Fund 0995) and $493,000 from the Licensing and Certification Fund (Fund 3098) in 2026-27 and ongoing to create a Provider Certification Section, that includes a second PCU to support certification processing.

All work completed within the Provider Certification Section would be eligible for 50 percent reimbursement through the Department of Health Care Services (DHCS) Inter-Agency Agreement. DHCS contracts with CDPH to review provider requests to enroll and update their Medi-Cal profile. CDPH's District Offices (DO) conduct certification surveys to determine if the provider meets the federal requirements for Medi-Cal certification and PCU reviews the required documentation to confirm all information is accurate prior to submitting required documentation to DHCS for Medi-Cal enrollment or update. If the documentation is inaccurate or incomplete, PCU must work with the applicants, DO, CAB analysts, and DHCS Provider Enrollment Division to resolve any discrepancies.

The existing PCU "A" consists of one unit manager and five analysts. Currently, PCU processes all Medi-Cal certification requests that result from an application that was approved by CAB. Application types include Initial, Change of Certification, Change of Ownership, Change of Bed, Change of Location, Change of Geographical Service Area, Change of Mailing Address, Change of Service, Change of Indirect Owner, Change of Name, Change of Stock Transfer, and Change of National Provider Identifier. Upon an approved application, the DO conducts the certification survey (if applicable) and if the facility meets the federal requirements for Medi-Cal certification, the DO will complete a CMS 1539 form (Medicare/Medicaid Certification and Transmittal) and submit it to PCU. PCU reviews the CMS 1539 form and required documents needed (certification kit) to enroll the provider or update the providers Medi-Cal profile. PCU will work with the provider or DO if there are any updates or documents needed prior to recommending Medi-Cal certification to DHCS, who is responsible for Medi-Cal enrollment. PCU currently has a backlog of approximately 600 certification kits, some pending CMS approvals before PCU can proceed. In addition to this backlog, PCU receives approximately 150 certification kits per month. The three Staff Services Analysts (SSA) can process approximately 125 additional certification kits per month. With the expected increase in workload and current backlog, PCU will not be able to process certification kits timely and clear the backlog.

To maintain Medi-Cal enrollment, the provider must be recertified as indicated in Title 42 of the Code of Federal Regulations, and frequency depends on the facility type. The DOs conduct recertification surveys and provide the CMS 1539 form to PCU who then reviews and provides it to DHCS to update the facility's Medi-Cal profile. The CMS has recently requested CDPH to prioritize completing recertification surveys, which will increase the recertification workload for 2025-26 and 2026-27. Currently, PCU processes approximately 50 recertifications each month. There are 15 DOs in California, and each DO will be expected to increase their recertification workload each month. With the expected increase in workload and current backlog, PCU will not be able to process recertification workload timely and clear the back log.

PCU also reviews CMS 1539s with adverse actions listed from the DOs and determines if fees, suspension, or a letter of possible termination should be issued to the provider. If a letter is required, PCU will draft and issue the letter. PCU's two Associate Governmental Program Analysts

(AGPA) review, draft, and issue all civil money penalties and/or adverse action letters. The adverse actions stem from recertification or complaint surveys, both of which have been CDPH's priority to complete and increase the number of on-site visits in response to the complaints/facility reported incidents received each year. There are approximately 51,960 complaints/facility reported incidents for 2024-25. With the increase in survey workload and/or responses stemming from the complaints/facility reported incidents, this will in turn increase the adverse action workload received by PCU.

The proposed new unit will add additional resources to reduce the backlog and delays in processing certification workload, allowing providers to receive reimbursement for services provided in a timely manner. The significant and sustained increase in both certification and recertification workloads – compounded by growing backlogs, heightened federal priorities, and rising complaint-driven adverse actions – has surpassed the current supervisory capacity of a single Unit Manager overseeing PCU "A".

Hiring an additional Section and Unit manager to manage the requested two AGPAs and three SSAs is important for effective oversight, training, and operational continuity amid an expanding and multifaceted workload.

C. Departmentwide and Statewide Considerations

In support of CDPH's mission, performing ongoing core public health activities directly aligns with the department's Strategic Map of Protecting the Public's Health. We accomplish this by increasing the timeliness, efficiency, and quality of operational functions.

D. Outcomes and Accountability

Projected Outcomes

Workload Measure	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
Medi-Cal certification requests Applications Received	2,701	2,729	2,757	2,785	2,814	2,841
Medi-Cal certification requests Application Processed	1,884	2,634	3,384	3,384	3,384	3,384
Medi-Cal certification requests Application Backlog	2,244	2,339	1,712	1,113	543	-
Recertification Apps Received	881	931	956	969	975	977
Recertification Apps Processed	600	900	1,200	1,200	1,200	1,200
Recertification Apps Backlog	892	923	679	448	223	-
Adverse Actions Requests	850	900	919	908	880	845
Adverse Actions Processed	830	875	900	900	900	900
Adverse Actions Backlog	23	48	67	75	55	-

E. Implementation Plan

- Hiring and Recruitment: July 2026 to August 2026.
- Onboarding and job training: September 2026 to November 2026.
- Work on work measures: Starting December 2026.

F. Supplemental Information (If Applicable)

- Attachment I: Fiscal Detail Sheet.
- Attachment II: Workload Analysis.
- Attachment III: Current vs. Proposed Organizational Charts.

Attachment I - BCP Fiscal Detail Sheet

(Dollars in Thousands)

BCP Title: Centralized Application Branch License Renewal Certification Branch Expansion

BR Name: 4265-095-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	7.0	7.0	7.0	7.0	7.0
Total Positions	**0.0**	**7.0**	**7.0**	**7.0**	**7.0**	**7.0**
Salaries and Wages Earnings - Permanent	0	532	532	532	532	532
Total Salaries and Wages	**$0**	**$532**	**$532**	**$532**	**$532**	**$532**
Total Staff Benefits	0	292	292	292	292	292
Total Personal Services	**$0**	**$824**	**$824**	**$824**	**$824**	**$824**

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	42	42	42	42	42
5302 - Printing	0	14	14	14	14	14
5322 - Training	0	8	8	8	8	8
5342 - Departmental Services	0	98	98	98	98	98
Total Operating Expenses and Equipment	**$0**	**$162**	**$162**	**$162**	**$162**	**$162**

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**	**$986**	**$986**	**$986**	**$986**	**$986**

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 - 0995 - Reimbursements	0	493	493	493	493	493
State Operations - 3098 - State Department of Public Health Licensing and Certification Program Fund	0	493	493	493	493	493
Total State Operations Expenditures	**$0**	**$986**	**$986**	**$986**	**$986**	**$986**
Total All Funds	**$0**	**$986**	**$986**	**$986**	**$986**	**$986**

Program Summary

Program Funding

Program Funding	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
4050010 - Health Facilities	0	986	986	986	986	986
Total All Programs	**$0**	**$986**	**$986**	**$986**	**$986**	**$986**

Center for Health Care Quality
Licensing & Certification Division
Centralized Applications Branch

Attachment II
Workload Analysis

Provider Certification Section
Staff Services Manager II
1.0 Position

Activity	Number of Items	Hours per Item	Total Annual Hours
Supervise, manage, and direct workload priorities for the Provider Certification Section, which includes reviewing and entering pertinent data from certification applications from health facilities, clinics, and agencies into the database of records, processing federal certification enrollment and Adverse Action activities related to the Medicare/Medi- Cal Programs, responding to public inquiries and maintaining certification application records. Evaluate data metrics to determine and monitor workload priorities and performance on timeliness and volume related to processing. Review and apply state and federal laws and regulations to determine requirements relative to the certification process. Oversight of Section workload to confirm information and data are accurate and necessary. Assist with the development, implementation, and maintenance of the on-line application system. Oversight of Section workload assisting with operations of the database of records. Make recommendations to the Staff Services Manager III (SSM III). Provide guidance to the Staff Services Manager I's (SSM I) and Center for Health Care Quality (CHCQ) district office managers regarding inquiries from the public, providers, stakeholder groups, and other state departments. Provide guidance to SSM I's for continuous quality improvement in customer service and program efficiencies. Assist in preparation of special reports, participate in CHCQ management projects, and other support activities for CHCQ management.	1	720	720
Prepare annual staff performance and probation reports as necessary. Arrange for staff development and training. Conduct hiring interviews, complete hiring packages, and other personnel actions as necessary. Provide supervision and support to the SSM I's on personnel, staff development, and other issues as they arise. Train and/or prepare presentations to stakeholders and other CHCQ staff on the certification process upon request. Provide consultation to other CHCQ units as necessary.	1	630	630

Center for Health Care Quality
Licensing & Certification Division
Centralized Applications Branch

Attachment II
Workload Analysis

Activity	Number of Items	Hours per Item	Total Annual Hours
Review and respond to letters, emails, and phone calls from CHCQ district offices, state agencies, providers, Centers for Medicare and Medicaid Services (CMS), and the public. Delegate, review, and approve letters to providers regarding compliance with state and federal laws and regulations. Work with the Office of Legal Services in the preparation of response to providers who are not in compliance with certification requirements. Coordinate the preparation for appeal hearings as necessary. Provide subject matter expertise in the application process and respond to inquiries from the legislature, advocacy groups, providers, and media.	1	360	360
Attend meetings to represent the program and act on behalf of the branch chief on application topics in his/her absence. Review applications and certification documents upon SSM I absence. Attend regular meetings with immediate SSM III to discuss unit activity. Perform other work-related duties as necessary.	1	90	90
Total hours for workload projected for this classification			**1,800**
1,800 hours = 1 Position			
Actual number of Positions requested			**1.0**

Center for Health Care Quality
Licensing & Certification Division
Centralized Applications Branch

Attachment II
Workload Analysis

Provider Certification Unit B
Staff Services Manager I
1.0 Position

Activity	Number of Items	Hours per Item	Total Annual Hours
Supervising and directing staff in the development and implementation of public and program policy, procedures, interpretation of statute and regulation, special projects, correspondence and other activities as necessary to meet the needs of the program. Determining priorities and responding to requests from within and outside the program related to the Field Policy Unit's work. Advising the Section Chief regarding emerging and sensitive issues in emerging health care issues and health facility oversight and regulation. Assuring appropriate unit staff consultation with legal services, provider associations, advocates, and program staff in the development of recommendations for the adoption of or for changes in public policy or program procedures. Completing the most difficult and sensitive assignments as directed or as necessary.	1	810	810
Supervision of assigned staff, including responsibility for hiring, evaluating, disciplining, arranging for and/or providing orientation and training of staff, as well as all related supervisory personnel duties, such as approval of travel claims, etc. Directing staff in their assigned duties and confirming compliance with program and state policy and procedures related to the staff's work. Setting and maintaining unit and individual quality and quantity standards and goals. Managing their time and effectively managing the assignment workload, including meeting deadlines for completion of assignment. Complying with policies and procedures related to equal employment opportunity, civil service and labor relations in supervising and managing the unit.	1	810	810
Other duties as assigned.	1	180	180
Total hours for workload projected for this classification			**1,800**
1,800 hours = 1 Position			
Actual number of Positions requested			**1.0**

Center for Health Care Quality
Licensing & Certification Division
Centralized Applications Branch

Attachment II
Workload Analysis

Provider Certification Unit B
Associate Governmental Program Analyst
2.0 Positions

Activity	Number of Items	Hours per Item	Total Annual Hours
Independently responsible for the intake, review, analysis and coordination of all incoming certification-related transactions involving all health facilities certified by the Licensing and Certification (L&C) Division under the Federal Social Security Act Title XIX. Review and determine the appropriate Provider Certification Unit (PCU) actions to be taken on all official certification and transmittals from 14 District Offices statewide, as well as the California Department of Aging (CDA) and CMS. Independently lead all workload related to all non-enforcement actions, such as initial certifications, changes in ownerships, names, locations, Medi-Cal reactivations, Medicare/Medi-Cal conversions, voluntary withdrawal from Medi-Cal, and related highly specialized areas, such as review of rural health center eligibility in concert with Office of Statewide Health Planning and Development (OSHPD) and CMS. Assist the Section Chief in the review and analysis of home health agency capitalization plans. Responsible for confirming the timely and accurate review, analysis and completion of new and updated Medi-Cal Provider Agreements, and the collection and completion of related provider ownership disclosures, as required by CMS and the California Department of Public Health (CDPH) for health facility participation in Medi-Cal.	2	540	1,080
Prepare and analyze reports generated from Automated Survey Processing Environment (ASPEN), Electronic Licensing Management Service (ELMS) and other internal and external database systems for presentation to the Section Chief and Division management. Interpret the data and report the findings for measurement against federal and state performance and workload standards. Advise the Section Chief of areas and processes that can be improved for efficiency and effectiveness and present recommendations for improvements. Use computer software (Access and Excel) to develop, organize and maintain flow charts, tables, spreadsheet and database to form the foundation of statistical reports and management information. Develop ad hoc management information reports as required.	2	540	1,080

Center for Health Care Quality
Licensing & Certification Division
Centralized Applications Branch

Attachment II
Workload Analysis

Activity	Number of Items	Hours per Item	Total Annual Hours
Independently develop and maintain databases in Access and Excel for facility certification records. Research and resolve inconsistencies in facility files and/or tracking systems. Respond to requests for information orally and in writing from the district offices, CMS, other divisions, state agencies and the public under the California Public Records Act (CPRA) as required. Respond to the more complex calls from the public, federal, state or local government agencies regarding PCU certification and data management operations and participate in PCU special assignments or projects as directed.	2	360	720
Independently analyze and evaluate health facility survey and certification statistical data. Evaluate data for accuracy and compliance with applicable state and federal requirements. Track adverse actions taken against facilities to assure timeliness of processing. Coordinate actions with Medi-Cal Payment Systems Division to preclude inappropriate claims/payments.	2	270	540
Performs other work-related duties as assigned.	2	90	180
Total hours for workload projected for this classification			**3,600**
1,800 hours = 1 Position			
Actual number of Positions requested			**2.0**

Center for Health Care Quality
Licensing & Certification Division
Centralized Applications Branch

Attachment II
Workload Analysis

Provider Certification Unit B
Staff Services Analyst
3.0 Positions

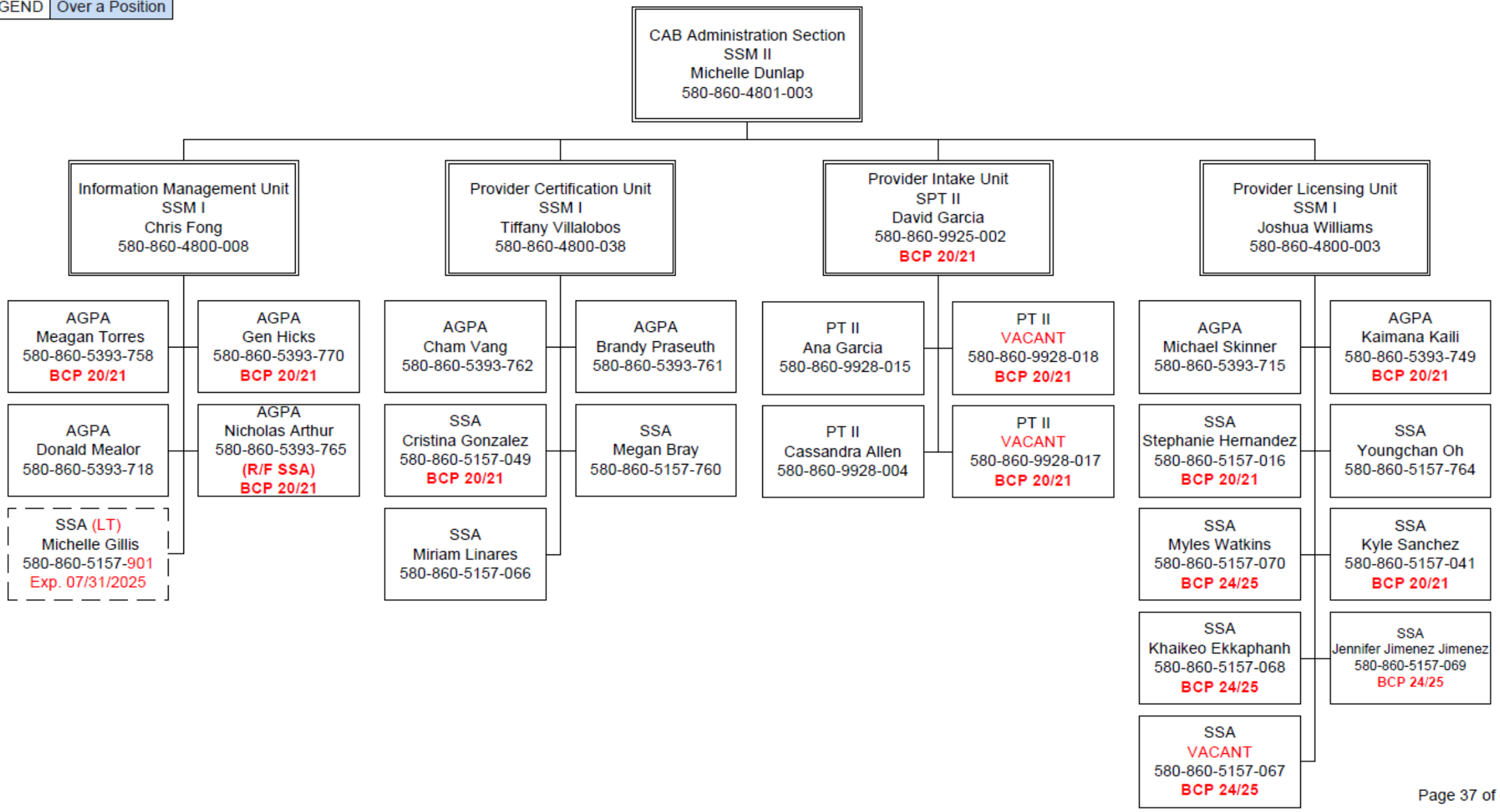
Activity	Number of Items	Hours per Item	Total Annual Hours
Responsible for the intake, review, analysis, coordination and processing of all incoming certification-related transactions involving all health facilities certified by the Licensing and Certification (L&C) Division under the Federal Social Security Act Title XIX. Review and determine the appropriate PCU action to be taken on official certification and transmittals from 14 District Offices statewide, as well as the CDA and CMS. Assist the Certification Specialist with workload related to non-enforcement actions, such as initial certifications, changes in ownership, names, locations, Medi-Cal reactivations, Medicare/Medi-Cal conversions, voluntary withdrawal from Medi-Cal, and related highly specialized areas, such as review of rural health center eligibility in concert with OSHPD and CMS, and assist the Unit Chief in the review and analysis of home health agency capitalization plans. Responsible for confirming the timely and accurate review, analysis, and completion of new and updated Medi-Cal Provider Agreements, the collection and completion and the completion of correspondence of related provider ownership disclosures, as required by CMS and CDPH for health facility participation in Medi-Cal.	3	720	2,160
Prepare and analyze reports generated from the ASPEN, ELMS and other internal and external database systems for presentation to the Unit Chief and Division management. Interpret data and report the findings for measurement against federal and state performance and workload standards. Advise the Section Chief of areas and processes that can be improved for efficiency and effectiveness. Use computer software (Access and Excel) to develop, organize, and maintain flow charts, tables, spreadsheets and databases forming statistical reports. Develop ad hoc reports as required.	3	540	1,620
Analyze and evaluate health facility survey and certification statistical data. Evaluate data for accuracy and compliance with applicable state and federal requirements. Track adverse actions taken against facilities to assure timeliness of processing. Coordinate actions with Medi-Cal Payment Systems Division to preclude inappropriate claims/payments.	3	180	540

Center for Health Care Quality
Licensing & Certification Division
Centralized Applications Branch

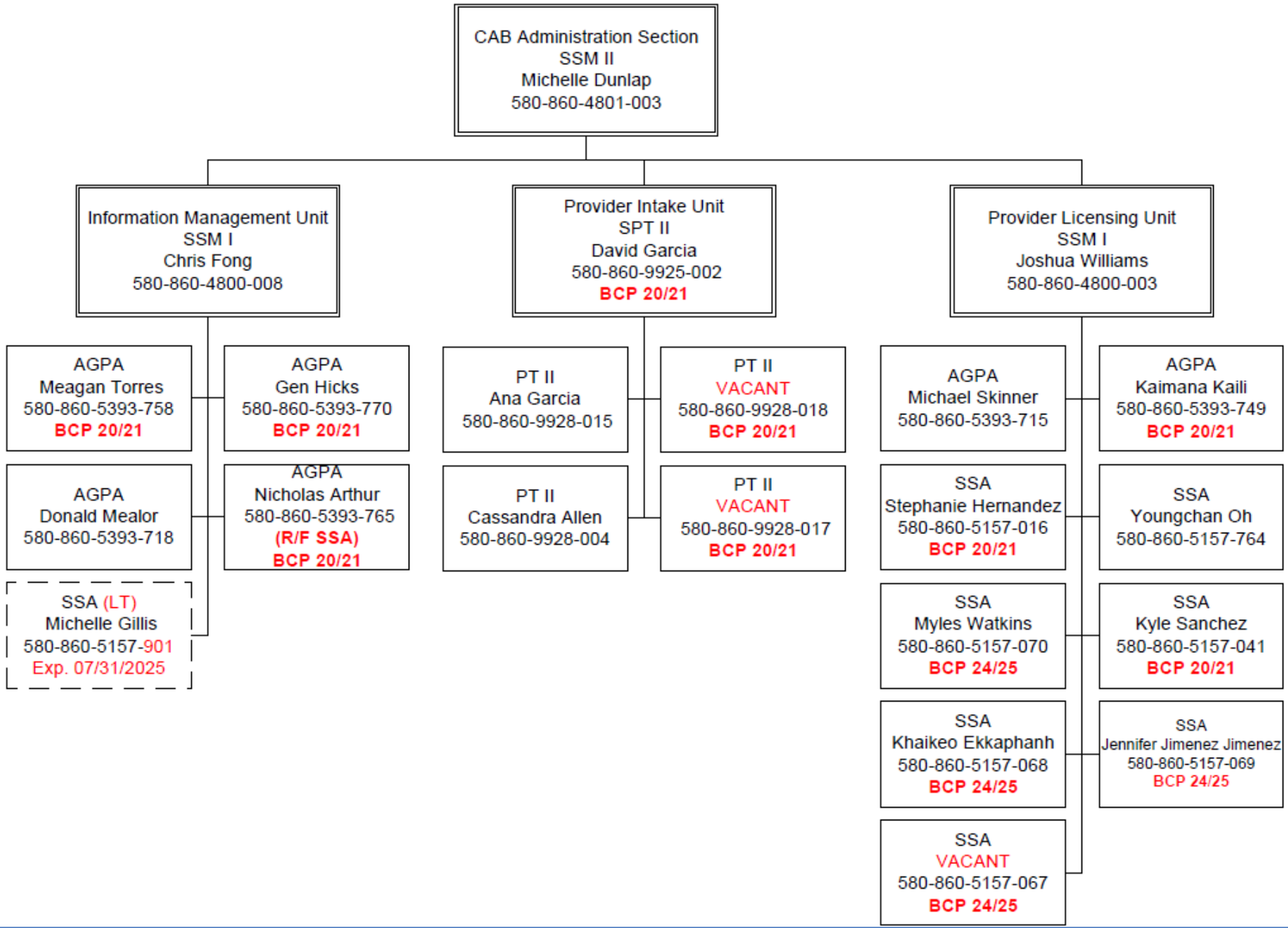
Attachment II
Workload Analysis

Activity	Number of Items	Hours per Item	Total Annual Hours
Develop and maintain databases in Access and Excel for facility certification records. Research and resolve inconsistencies in facility files and/or tracking systems. Respond to requests for information orally and in writing from the district offices, CMS, other divisions, state agencies and the public under the CPRA as required. Respond to the more complex calls from the public, federal, state or local government agencies regarding PCU certification and data management operations.	3	180	540
Participate in PCU special assignments or projects as directed. Other work-related as assigned.	3	180	540
Total hours for workload projected for this classification			**5,400**
1,800 hours = 1 Position			
Actual number of Positions requested			**3.0**

LEGEND | Over a Position



LEGEND | Over a Position



LEGEND | Over a Position

