



OFFICE OF THE GOVERNOR

OCT 06 2021

To the Members of the California State Assembly:

I am returning Assembly Bill 523 without my signature.

AB 523 would require the Department of Health Care Services (DHCS) to make permanent the specified Program of All-Inclusive Care for the Elderly (PACE) program flexibilities instituted, on or before January 1, 2021, in response to the public health emergency caused by COVID-19. AB 523 also requires DHCS to work with the Centers for Medicare and Medicaid Services to determine how to extend PACE flexibilities approved during COVID-19.

As part of the Budget Act of 2021, all telehealth flexibilities in the Medi-Cal program were extended until December 31, 2022. DHCS was also required to convene an advisory group to provide recommendations for establishing and adopting billing and utilization management protocols for telehealth modalities to increase access and equity and reduce disparities in the Medi-Cal program. This advisory group is the appropriate venue to participate and provide telehealth recommendations specific to the PACE program.

Additionally, the bill states that DHCS shall make the changes permanent, without conditioning the permanent changes on DHCS obtaining necessary federal approvals and federal financial participation or taking into consideration federal legal mandates.

For these reasons, I am returning this bill without my signature.

Sincerely,


Gavin Newsom

