



OFFICE OF THE GOVERNOR

SEP 27 2026

To the Members of the California State Assembly:

I am returning Assembly Bill 220 without my signature.

This bill would prohibit Medi-Cal managed care plans (MCPs) from creating or applying their own medical-necessity criteria for subacute care. If the Department of Health Care Services (DHCS) issues a standard authorization or reauthorization form for pediatric or adult subacute services, Medi-Cal MCPs would be required to accept that form. The bill also would prohibit Medi-Cal MCPs from requiring a subsequent authorization upon a patient's return from a bed hold for acute hospitalization.

I appreciate the author's intent to ensure that patients who require subacute services receive the care and support they need. However, Medi-Cal MCPs are already obligated to apply subacute medical necessity criteria in alignment with Medi-Cal policy. In response to the introduction of this bill, DHCS published clarifying guidance in June of this year to Medi-Cal MCPs regarding their responsibilities related to subacute care services — without limiting a Medi-Cal MCP's ability to use utilization management or increasing costs to the General Fund. Therefore, this bill is no longer necessary.

For this reason, I cannot sign this bill.

Sincerely,

Gavin Newsom