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**AB-257 Specialty care networks: telehealth and other virtual services.** (2025-2026)

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AMENDED IN ASSEMBLY MARCH 27, 2025

CALIFORNIA LEGISLATURE— 2025–2026 REGULAR SESSION

**ASSEMBLY BILL**

**NO. 257**

Introduced by Assembly Member Flora  
(Coauthor: [Senator Dahle](#))

January 16, 2025

An act to add Division 121 (commencing with Section 151100) to the Health and Safety Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

AB 257, as amended, Flora. Specialty care ~~network~~: [networks](#): telehealth and other virtual services.

Existing law establishes, under the Medi-Cal program, certain time and distance standards for specified Medi-Cal managed care covered services, consistent with federal regulations relating to network adequacy standards, to ensure that those services, including certain specialty care, are available and accessible to enrollees of Medi-Cal managed care plans in a timely manner. Existing law sets forth other timely access requirements for health care service plans and health insurers, including with regard to referrals to a specialist.

Existing law establishes various health professions development programs, within the Department of Health Care Access and Information, for the promotion of education, training, and recruitment of health professionals to address workforce shortage and distribution needs. Existing law sets forth various provisions for the authorized use of telehealth in the delivery of health care services.

This bill would, subject to an appropriation, require the California Health and Human Services Agency, in collaboration with the Department of Health Care Access and Information and the State Department of Health Care Services, to establish a demonstration project for [a grant program](#). [Under the bill, the grant program would be aimed at facilitating](#) a telehealth and other virtual services specialty care network ~~that is~~ [or networks that are](#) designed to serve patients of safety-net providers consisting of qualifying providers, ~~defined to include, among others, rural health clinics and community health centers. The~~ [as defined](#).

[Under the bill, the purpose of the demonstration project would be to improve access to specialty care for Medi-Cal beneficiaries through development of a financially sustainable specialty care network or networks that are focused on serving the needs of the health care safety net. The](#) bill would authorize the focus of the project to include increasing access to behavioral and maternal

health services and additional specialties prioritized by the agency. The bill would state the intent of the Legislature that implementation of the demonstration project would facilitate compliance with any applicable network adequacy standards.

~~The bill would require the demonstration project to include a grant program to award funding to grantees, as defined, that meet specified conditions relating to specialist networks and health information technology. Under the bill, the purpose of the grant program would be to achieve certain objectives, including, among others, reducing structural barriers to access experienced by patients, improving cost effectiveness, and optimizing utilization. The bill would require a grantee to evaluate its performance on the objectives and to submit a report of its findings to the agency.~~

*The bill would require the agency to administer the grant program to award grant funds to one or more grantees based on an application process and by meeting specified conditions. The bill would require a grantee to use the funds to develop a network or networks by, among other things, providing health information technology and technical assistance to support both the specialists and any primary care provider care coordination, referral, or electronic consultations.*

*The bill would require the agency to arrange an independent evaluation of the demonstration project. The bill would require the evaluation to examine the extent to which the project was successful in achieving certain objectives, including, among others, reducing structural barriers to access experienced by patients. The bill would require a grantee to report data and information to allow for monitoring and evaluation of the project. The bill would require the agency to ensure that lessons learned, recommendations, and best practices from the project are publicly disseminated to inform the development of a telehealth and specialty care network or networks to serve the needs of the health care safety net.*

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

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## THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

**SECTION 1.** Division 121 (commencing with Section 151100) is added to the Health and Safety Code, to read:

### **DIVISION 121. Equal Access to Specialty Care Everywhere**

**151100.** For purposes of this division, the following definitions apply:

(a) "Agency" means the California Health and Human Services Agency, unless otherwise specified.

(b) "Demonstration project" means the project established in Section 151102, also known as Equal Access to Specialty Care Everywhere.

(c) "Qualifying provider" means a provider that meets both of the following criteria:

(1) The provider is a rural health clinic, federally qualified health center, critical access hospital, or other community health center, including, but not limited to, an Indian health clinic.

(2) At least 50 percent of the provider's patient population is either uninsured or enrolled in the Medi-Cal program, or the provider is located in a medically underserved area, as designated by the Health Resources and Services Administration of the United States Department of Health and Human Services.

(d) "Telehealth" has the same meaning as set forth in Section 2290.5 of the Business and Professions Code, including, but not limited to, store and forward modalities.

**151101.** Implementation of this division shall be subject to an appropriation made by the Legislature for this purpose in the annual Budget Act or another statute.

**151102.** (a) The California Health and Human Services Agency, in collaboration with the Department of Health Care Access and Information and the State Department of Health Care Services, shall establish a demonstration project for a grant program, aimed at facilitating a telehealth and other virtual services specialty care network or networks that are designed to serve patients of safety-net providers consisting of qualifying providers, as defined in Section 151100. The demonstration project shall be known, and may be cited, as Equal Access to Specialty Care Everywhere.

(b) (1) The purpose of the demonstration project shall be to improve access to specialty care for Medi-Cal beneficiaries through development of a financially sustainable specialty care network or networks that are focused on serving the needs of the health care safety net.

(2) The focus of the demonstration project may include increasing access to behavioral and maternal health services and additional specialties prioritized by the agency.

(c) Funding under this division shall be used for establishing the demonstration project for purposes of the grant program and network or networks described in subdivision (a), and for any reasonable administrative costs resulting from the demonstration project.

(d) It is the intent of the Legislature that implementation of the demonstration project will facilitate compliance with any network adequacy standards set forth under existing law as applicable for health care service plans, health insurers, Medi-Cal managed care plans, or other entities providing health care coverage.

**151103.** (a) The agency shall administer the grant program described in Section 151102 to award grant funds to one or more grantees based on an application process, subject to an appropriation as described in Section 151101.

(b) (1) To be eligible for grant funding under this division, the applicant shall meet both of the following conditions:

(A) The applicant consists of, or partners with, a network of health care providers, including at least 10 qualifying providers.

(B) The applicant has a demonstrated record of supporting the delivery of health care services and addressing social determinants of health in underserved communities.

(2) The agency shall determine whether an applicant is in compliance with the conditions described in paragraph (1).

(c) A grantee shall use grant funds allocated under this division to develop a specialty care network or networks, in accordance with Section 151102, focused on serving the needs of the health care safety net, including all of the following:

(1) Establishing, through contracting, direct hire, or partnering, a network of clinical specialists.

(2) Providing health information technology and technical assistance to support both the specialists and any primary care provider care coordination, referral, or electronic consultations.

(3) Ensuring interoperable electronic health record bidirectional communication, and coordination of services, between primary care providers and specialty care providers.

(d) Grant funding under this division shall be used for the purposes described in subdivision (c) and shall not be used for payment or reimbursement for any health services delivered to patients.

(e) The agency shall arrange an independent evaluation of the demonstration project. The evaluation shall examine the extent to which the demonstration project was successful in achieving all of the following objectives:

(1) Increasing capacity and efficiencies to address shortages of specialists through enhanced triage capabilities and reduction in missed appointments.

(2) Reducing structural barriers to access experienced by patients, particularly those who have health-related social needs or disabilities, and those experiencing significant health disparities, including by reducing waiting times.

(3) Increasing financial sustainability of health care providers in rural and underserved areas.

(4) Strengthening public health resiliency, including surveillance capabilities and mitigation.

(5) Improving cost-effectiveness and optimizing utilization.

(6) Improving interoperability, interclinician care coordination, and care management.

(f) A grantee shall report data and information, in a manner and frequency determined by the agency, to allow for monitoring and evaluation of the demonstration project.

(g) The agency shall ensure that lessons learned, recommendations, and best practices from the demonstration project are publicly disseminated to inform the development of a telehealth and specialty care network or networks to serve the needs of the health care safety net.

~~SECTION 1. Division 121 (commencing with Section 151100) is added to the Health and Safety Code, to read:~~

~~121. Equal Access to Specialty Care Everywhere~~

~~151100. For purposes of this division, the following definitions apply:~~

~~(a) "Agency" means the California Health and Human Services Agency, unless otherwise specified.~~

~~(b) "Demonstration project" means the project established in Section 151102, also known as Equal Access to Specialty Care Everywhere.~~

~~(c)“Grantee” means an entity that meets all of the following conditions:~~

~~(1)Consisting of, or partnering with, a network of health care providers, including at least 50 qualifying providers that serve individuals who are uninsured, individuals who are covered under the Medi-Cal program or other state public programs serving expansion populations, and individuals who are covered under the federal Medicare Program or other federal health care programs;~~

~~(2)Ensuring interoperable electronic health record bidirectional communication with primary care providers;~~

~~(3)Coordinating services, furnished through health information technology tools to individuals, with the primary care providers of those individuals;~~

~~(4)Offering evaluation and analysis on specialty service access among underserved communities;~~

~~(5)Having a demonstrated record of supporting the delivery of health care services and addressing social determinants of health in underserved communities in multiple regions throughout the state;~~

~~(d)“Qualifying provider” means a rural health clinic, federally qualified health center, critical access hospital, or other community health center, including, but not limited to, an Indian health clinic.~~

~~(e)“Telehealth” has the same meaning as set forth in Section 2290.5 of the Business and Professions Code, including, but not limited to, store and forward modalities.~~

~~151101.Implementation of this division shall be subject to an appropriation made by the Legislature for this purpose in the annual Budget Act or another statute.~~

~~151102.(a)The California Health and Human Services Agency, in collaboration with the Department of Health Care Access and Information and the State Department of Health Care Services, shall establish a demonstration project for a telehealth and other virtual services specialty care network that is designed to serve patients of safety net providers consisting of qualifying providers, as defined in Section 151100. The demonstration project shall be known, and may be cited, as Equal Access to Specialty Care Everywhere.~~

~~(b)The focus of the demonstration project may include increasing access to behavioral and maternal health services and additional specialties prioritized by the agency.~~

~~(c)Funding under this division shall be used for establishing the demonstration project for purposes of the network described in subdivision (a) and the grant program described in Section 151103, and for any reasonable administrative costs resulting from the demonstration project. Funding under this division shall not be used for payment or reimbursement for any health services delivered to patients.~~

~~(d)It is the intent of the Legislature that implementation of the demonstration project will facilitate compliance with any network adequacy standards set forth under existing law as applicable for health care service plans, health insurers, Medi-Cal managed care plans, or other entities providing health care coverage.~~

~~151103.(a)The demonstration project shall include a grant program, administered by the agency, to award funding to grantees based on an application process, subject to an appropriation as described in Section 151101. To be eligible for grant funding under this division, the applicant shall meet both of the following conditions:~~

~~(1)Establishing, through contracting, direct hire, or partnering, a network of clinical specialists;~~

~~(2)Providing health information technology and technical assistance to support both the specialists and any primary care provider care coordination, referral, or electronic consultations;~~

~~(b)The purpose of the grant program is to achieve all of the following objectives:~~

~~(1)Increasing capacity and efficiencies to address endemic and growing workforce shortages of specialists through enhanced triage capabilities and reduction in missed appointments;~~

~~(2)Reducing structural barriers to access experienced by patients, particularly those who have health related social needs or disabilities, and those experiencing significant health disparities, including by reducing waiting times;~~

~~(3)Increasing financial sustainability of health care providers in rural and underserved areas;~~

~~(4)Strengthening public health resiliency, including surveillance capabilities and mitigation;~~

~~(5)Improving cost effectiveness and optimizing utilization;~~

~~(6) Improving interoperability, inter-clinician care coordination, and enhanced care management.~~

~~(c) A grantee shall evaluate its performance on the objectives described in subdivision (b) and shall submit a report of its findings to the agency.~~