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Agency
**California Department of
Public Health**



Gavin Newsom
Governor

August 27, 2026

AFL 26-28

TO: Home Health Agencies (HHA)

SUBJECT: Senate Bill (SB) 164 – Home Health Agency Licensure: Moratorium on New Licenses and Expansion of Licensure Requirements

AUTHORITY: Health and Safety Code (HSC) Division 2, Chapter 8 (commencing with Section 1725)

All Facilities Letter (AFL) Summary

This AFL notifies HHAs of the chaptering of SB 164 (Chapter 27, Statutes of 2026) establishing a moratorium on HHA licensure, as of June 29, 2026, until no later than 90 days after the effective date of the revised HHA regulations adopted by CDPH as required by the bill. SB 164 also includes conditions for exceptions to the moratorium and changes of ownership limitations.

SB 164 makes additional updates to HHA licensure including:

- Specifying that HHAs must submit mandatory management personnel information at initial application and any time there is a change in management personnel, and requires currently licensed HHAs to submit information for them by March 31, 2027.
- Requiring an applicant for licensure of a private HHA to submit fingerprints to the California Department of Justice for any person with a 5 percent or greater interest in a business entity that owns the HHA.
- Expanding grounds for denial, suspension, or revocation of a HHA license.
- Prohibiting CDPH from renewing a provisional license issued to a HHA that does not meet full licensure standards but meets specified conditions.

Licensure Moratorium

Effective June 29, 2026, SB 164 institutes a moratorium on new HHA licensure until no later than 90 days after the effective date of the revised HHA regulations adopted by CDPH as required by the bill. During the moratorium, CDPH will be prohibited from issuing a new license to begin operation of a new HHA. The moratorium prohibits CDPH from issuing a new initial license or approving the addition of a branch office to an existing license. CDPH may grant an exception during the moratorium upon making a written finding that an applicant, including, but not

limited to, an applicant with a license application pending as of June 29, 2026, has demonstrated unmet need for HHA services in the applicant's proposed service area based on the concentration of all existing HHA services in that area.

Unmet Need

SB 164 requires HHA and branch office licensure applicants to prove unmet need for HHA services in their geographic service area to be eligible for licensure, including, but not limited to, provisional licensure and licensure via accreditation by an accrediting organization. CDPH may make an exception for a CHOW that will allow for a HHA to continue providing services if it has either previously met or can demonstrate it is currently meeting the geographic need requirement. CDPH may consider and request additional supporting evidence to determine whether there is an unmet need in the HHA's geographic service area.

Five-Year Prohibition on Changes of Ownership (CHOWs)

SB 164 reiterates existing law that a HHA license is not transferable. The bill prohibits CDPH from approving a CHOW of a licensed HHA within five years of the date a license was initially issued to the licensee, permitting only the licensee to use that license during the five-year period. CDPH may make an exception for extenuating circumstances if the HHA proves to CDPH either (1) a need to ensure continuity of care for existing patients, or (2) both a financial hardship and that, if the HHA were to close, there would be an unmet need for HHA services in its geographic service area.

Applications Received Before June 29, 2026

CDPH must cease processing applications for new HHA licensure that have not been issued a license as of June 29, 2026. CHOW applications pending as of June 29, 2026, will be subject to the five-year prohibition on CHOWs unless CDPH grants an exception.

CDPH will send a letter to all applicants with pending applications as of June 29, 2026, asking that they either (1) indicate their intent to withdraw their application, or (2) submit a justification for an exception and any supporting documentation to demonstrate the HHA meets the new requirements to CDPH's Center for Health Care Quality (CHCQ), Centralized Applications Branch (CAB) by October 9, 2026.

For applicants seeking to withdraw their application, CDPH will process and issue fee refunds to those applicants that previously submitted application fees. Due to the large number of licensure applications, applicants may experience some delay in receiving their refunds. If an applicant decides to continue with the application process, the application will be subject to the licensing fee.

CDPH will automatically withdraw the application if the applicant does not submit notification of intent to withdraw, justification and any supporting documentation to demonstrate need based on geographic concentration, or intent to continue with the CHOW process by October 9, 2026.

Applications After June 29, 2026

Individuals or entities interested in applying for new HHA licensure after June 29, 2026, should begin by submitting an exception request. This consists of submitting a written justification and supporting documentation to demonstrate unmet need based on geographic concentration to CAB. If CAB determines there is an unmet need based on geographic concentration, CAB will notify the applicant that they may submit an application.

Applications for licensure of a branch office of an existing HHA, a change of geographical service area, or a change of location outside of a HHA's approved geographical service area will be subject to the moratorium.

The moratorium will not affect HHA license renewal or other report of change applications, including, but not limited to, a change of location without a change in service area or a change of mailing address.

Management Personnel

SB 164 requires a HHA to have:

- an administrator,
- an administrator designee,
- a director of patient care services (DPCS), **and**
- a DPCS designee

For each of these individuals, a HHA must submit to CDPH:

- a form HS 215A (or successor form),
- a resumé, **and**
- a list of all licensed facilities and HHAs that the individual is currently serving as management personnel

The HHA must submit all the above information to CDPH as part of the initial HHA application, within 10 business days of a change in management personnel, and, for currently licensed HHAs, on a one-time basis **no later than March 31, 2027**. A branch office of a parent HHA is exempt from these requirements. CDPH must use this information to verify professional licensure status of these individuals and may verify their association with the HHA and/or their work history. Verification may include contacting HHA personnel or previous employers by telephone.

Ownership Disclosures

SB 164 requires an applicant for licensure of a private HHA to submit fingerprints to the California Department of Justice, for the purpose of furnishing the person's criminal record to CDPH, for any person with a 5 percent or greater interest in a corporation, partnership, or association that owns the HHA.

Denials, Suspensions, and Revocations of HHA Licensure

SB 164 expands the grounds for possible denial, suspension, or revocation of a HHA license to also include:

- Prior termination from Medicare or Medi-Cal for noncompliance, or licensure suspension or revocation, of a HHA owned, operated, or managed by the applicant or licensee
- Demonstration of a pattern and practice of violations of state or federal standards during the last three years by a HHA owned, operated, or managed by the applicant or licensee
- Presence of the applicant or licensee on the List of Excluded Individuals/Entities of the US Department of Health and Human Services Office of Inspector General
- Failure by HHA management personnel to cooperate with CDPH for purposes of conducting an inspection or complaint investigation
- Failure to report a change in owner, management personnel, service area, or location

HHA Regulations

SB 164 requires CDPH to update existing HHA regulations as necessary and adopt regulations that include, but are not limited to, all of the following:

- Clarifying the maximum time and distance staff may travel to reach patients that consider typical traffic conditions and rural or urban service areas

- Limiting the number of HHAs that management personnel can be involved with concurrently
- Establishing HHA office space requirements

General Information

Applicants requesting an exception to the moratorium or the five-year prohibition on CHOWs, and HHAs submitting information for management personnel, must submit the required documentation by mail to:

California Department of Public Health
Licensing and Certification Program
Centralized Applications Branch
P.O. Box 997377, MS 3207
Sacramento, CA 95899-7377

For questions concerning the moratorium on initial HHA applications or the five-year prohibition on CHOWs, please email CABHHA@cdph.ca.gov

For questions concerning the moratorium on report of change applications other than CHOWs, please email cabhha-reportofchanges@cdph.ca.gov.

For questions concerning HHA regulations, please email CHCQ's Regulation Development Section at CHCQRegulations@cdph.ca.gov.

For all other questions concerning this AFL, please contact CAB by email at CAB@cdph.ca.gov or by phone at 916-552-8632.

Facilities are responsible for following all applicable laws. CDPH's failure to expressly notify facilities of statutory or regulatory requirements does not relieve facilities of their responsibility for following all laws and regulations. Facilities should refer to the full text of all applicable sections of the Health and Safety Code and Title 22 of the California Code of Regulations.

Sincerely,

Original signed by Mandi Posner

Mandi Posner
Deputy Director

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