

LEGISLATIVE UPDATE



Week of March 16, 2026

State Issues	
Legislative Schedule	As we reported, several bills were introduced in the 2026 Legislative Session as “spot bills” and bills are still being amended with their intended purpose. While it seems the Legislature is just beginning to act with committee hearings gearing up this week and next, the Legislature is set to go on Spring Recess next Thursday, March 26 through April 6.
Rural Health Transformation Fund	<p>The Department of Health Care Access and Information (HCAI) released additional informational materials about the Rural Health Transformation Fund. You can access their FAQs here and a set of updated slides here. You can access the website for the California State Office of Rural Health, which is responsible for the program, here.</p> <p>The Rural Health Transformation Program is a Centers for Medicare & Medicaid Services (CMS) project authorized by HR 1 and funded at \$50 billion over five years. The goal is to help states improve rural health access, quality, and outcomes through health system transformation. California’s approach is built around three interrelated initiatives: the Transformative Care Model, Workforce Development, and Technology & Tools.</p> <p>On December 29, 2025, CMS announced it awarded California \$233,639,308 for year 1. On January 30, 2026, as required by CMS, California submitted a revised programmatic budget that further describes their planning for the award. California is in the midst of its ongoing negotiations with CMS to gain approval on the proposed use of funds and working internally on their program design and grants administration functions.</p>
New Leadership Appointment at DHCS	This week, Governor Newsom announced he was appointing Lindy Harrington as the new Chief Deputy Director for Policy and Program Support at the California Department of Health Care Services. Harrington has been Assistant State Medicaid Director at DHCS since 2023, where she has been a fixture for almost 25 years. She is one of the State’s key experts on Medicaid financing and negotiating with the federal government regarding funding for the State’s Medi-Cal program.
Federal Vaccine Changes Blocked in Federal Court	<p>A federal judge on March 16 issued a ruling blocking implementation of significant changes to federal childhood vaccine recommendations and temporarily preventing recently installed members of the Advisory Committee on Immunization Practices (ACIP) from serving while legal challenges move forward.</p> <p>The decision by U.S. District Judge Brian Murphy came in response to a lawsuit filed by the American Academy of Pediatrics and other medical organizations challenging actions by the U.S. Department of Health and Human Services (HHS) to revise the nation’s routine childhood immunization schedule and restructure ACIP. The court blocked HHS</p>

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<p>Federal Vaccine Changes Blocked in Federal Court <i>(continued)</i></p>	<p>from implementing a January decision that would have downgraded several vaccines from “routine” recommendations to “shared clinical decision-making,” a category public health experts say can create confusion about the strength of evidence supporting vaccination and may contribute to lower immunization rates.</p> <p>The American Academy of Pediatrics argued in its lawsuit that federal officials did not follow established procedures used for decades to evaluate vaccine evidence and develop recommendations. In his opinion, Judge Murphy wrote that statutory and regulatory frameworks have formalized how vaccine recommendations are made and linked to coverage decisions, emphasizing that deviations from these processes risk undermining confidence in federal public health actions.</p>
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