

LEGISLATIVE UPDATE



Week of August 3, 2026

State Issues

Rural Health Transformation Funding	California is moving forward with its implementation of the federal Rural Health Transformation Program, included in HR 1. The California Rural Health Transformation (CalRHT) program, led by the Department of Health Care Access and Information (HCAI), is the state's approach to strengthening health care delivery in rural communities facing persistent access, workforce, and infrastructure challenges. RHTP is intended to give states the flexibility and resources to redesign how rural health care is delivered and financed. Rather than supplementing Medicare or Medicaid, the funding supports innovative, state-driven approaches to longstanding rural challenges. Federal Funding for California. California has been awarded \$233.6 million for Federal Fiscal Year 2026 to support rural communities statewide. HCAI and its partners are using the funding to advance a shared vision of a connected, resilient rural health system that helps Californians access timely, person-centered care closer to home. Funding Opportunities. HCAI has released several active grant opportunities rural health care providers are in the process of applying for: ▪ Transformative Care Model Accelerator Partners: \$39 million for organizations establishing rural collaboratives, implementing evidence-based models, leveraging technology, or expanding workforce capacity. ▪ Electronic health record modernization: \$11.6 million to support rural hospitals, clinics, and tribal communities. ▪ Workforce development, recruitment, and retention: \$54 million for health care providers serving rural California. Rural Health Policy Council. HCAI also created the Rural Health Policy Council (RHPC), an advisory group of rural health experts that provides input on the design and implementation of CalRHT. Members include rural health physicians, patient advocates, Medi-Cal managed care plans, and state representatives from CalPERS and EMS. The Council discusses policy questions, proposes ideas, and shares program information with rural communities. It does not have decision-making authority, but it serves as an important forum for partner and public engagement. More Information. HCAI continues to hold webinars and publish applicant materials, including a Frequently Asked Questions document that is updated as clarifications are needed.
Billionaires Tax Ballot Initiative: Supporters and Opponents	Proposition 40 will appear on the November ballot. Sponsored by SEIU-UHW, it would impose a one-time tax on billionaire assets to help close a claimed \$100 billion safety-net funding gap tied to HR 1. The lineup of supporters and opponents is increasingly notable.

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Billionaires Tax Ballot Initiative: Supporters and Opponents (continued)	Governor Newsom opposed the measure early and spent months unsuccessfully trying to negotiate with SEIU-UHW before it qualified. Leaks suggest SEIU-UHW offered to withdraw it in exchange for union concessions, including help securing medical facility contracts. SEIU-UHW denies this. After gubernatorial candidate Xavier Becerra won the primary, he joined Newsom in opposition. They warn the tax could drive wealthy residents out of state and weaken the tax base; Newsom also objects to directing most revenue to health care. Last week, opposition grew as the California State Council of Laborers, United Domestic Workers, and California Police Chiefs Association joined unions for teachers, police officers, and firefighters. They argue the measure would steer too much funding to health care, destabilize the state budget, and reduce support for education and public safety. SEIU California, SEIU-UHW's parent organization, voted to remain neutral. This reflects a rare public split within labor. Health groups including Planned Parenthood, the California Primary Care Association, the California Medical Association, and the California Hospital Association also oppose the measure. Despite growing opposition, the California Democratic Party voted to support Proposition 40, breaking with Newsom, Becerra, most unions, and nearly every major health care organization. Its executive board narrowly backed the measure after attempts to endorse it or stay neutral failed; Rep. Maxine Waters attended the San Diego meeting to urge key yes votes. Several Democratic board members said the vote exposed serious party divisions likely to intensify before Election Day.
New Assembly Republican Leader	On Monday, their first day back from summer break, Assembly Republicans voted to remove Assembly Member Heath Flora (R-Ripon) as their leader and selected freshman Assembly Member Alexandra Macedo (R-Tulare) to replace him. In a statement, Macedo said she was "deeply honored" by her colleagues' trust and described the caucus as unified around "real, common-sense solutions." She said Assembly Republicans will focus on lowering the cost of living, improving public safety, and holding state bureaucrats accountable. California Republican Party Chairwoman Corrin Rankin praised Flora for his service and said Macedo represents a "new generation of Republican leadership in California." The leadership change raises questions about how it could affect Republican priorities during the final month of session, as well as broader efforts to support Republican candidates on the November ballot. In recent months, Macedo has joined other California Republicans in urging President Trump and the federal administration to initiate investigations into the California Department of Health Care Services over potential waste and abuse in Medi-Cal. She was also part of a group that asked Trump to launch a federal probe into the state's High-Speed Rail program, calling it a disgrace to the Central Valley. Macedo attended California State University, Northridge, where she earned a degree in business law, and later received a Juris Doctorate from the San Joaquin College of Law. She is CEO of Macedo Environmental Consulting and has regularly appeared before state agencies and commissions to lobby on behalf of agriculture. She also represented the Central Valley at the 2018 Miss California Pageant, where her platform was agriculture and her talent was auctioneering.

For more information, please contact Lori Dangberg at 1215 K Street, Suite 2040 ■ Sacramento, CA 95814
916.591.3991 or e-mail: ldangberg@thealliance.net