

The Attorney General of California has prepared the following title and summary of the chief purpose and points of the proposed measure:

PROVIDES PERMANENT FUNDING FOR MEDI-CAL HEALTH CARE SERVICES.

INITIATIVE STATUTE. Makes permanent the existing tax on managed health care insurance plans, currently set to expire in 2026, which the state uses to pay for health care services for low-income families with children, seniors, people with disabilities, and other groups covered by the Medi-Cal program. Requires revenues to be used only for specified Medi-Cal services, including primary and specialty care, emergency care, family planning, mental health, and prescription drugs. Prohibits revenues from being used to replace other existing Medi-Cal funding. Caps administrative expenses and requires independent audits of programs receiving funding.

Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: **Uncertain overall impact on state revenues and spending, including reduced legislative flexibility over the use of MCO tax funds. The extent of this impact depends on whether the measure would result in different state decisions around imposing, structuring, and spending proceeds from the managed care organization tax than in the absence of the measure.** (23-0024A1.)