Date of Hearing: July 16, 2025
Fiscal: Yes

ASSEMBLY COMMITTEE ON PRIVACY AND CONSUMER PROTECTION
Rebecca Bauer-Kahan, Chair
SB 660 (Menjivar) – As Amended July 7, 2025

SENATE VOTE: 28-2

PROPOSED AMENDMENTS

SUBJECT: California Health and Human Services Data Exchange Framework

SYNOPSIS

To address the problems of data fragmentation while building on California's existing infrastructure, AB 133 (Committee on Budget), Chapter 143, Statutes of 2021, established the Health and Human Services Data Exchange Framework (DxF) and required the California Health and Human Services Agency (CalHHS) to finalize a data-sharing agreement. This framework is not a new technology or centralized data repository. Instead, it is an agreement across health and human services systems and providers to share information safely. The DxF defines the parties that will be subject to these new data exchange rules and sets forth a common set of terms, conditions, and obligations to support secure, real-time access to and exchange of health and social services information, in compliance with applicable federal, state, and local laws, regulations, and policies.

This bill shifts responsibility for the DxF from CalHHS to the Department of Health Care Access and Information (HCAI); establishes the California Health and Human Services Data Exchange Board to govern the California DxF; and establishes a compliance and enforcement structure.

While there is privacy and security protection language through the existing DxF statute and additional measures included in the bill, there appears to be one weak spot. The newly created Board is tasked with reviewing, modifying, and approving data sharing agreements, policies, and principles. In order to ensure that the privacy considerations are not overlooked in the policy development process the Committee amendments require that one of the Board members be a data privacy expert. [See Comment #6.]

This bill is sponsored by Connecting for Better Health. It also enjoys the support of the County of Alameda and a number of advocacy organizations. The California Hospital Association and Pointclickcare both have an oppose unless amended position.

This bill was previously heard by the Health Committee, where it passed on a 14-0-2 vote.

THIS BILL:

1) Further defines the design goals of the DxF. Specifically, clarifies that technology platforms for exchanging information must include any requirements as specified by HCAI, and approved by the DxF Board, to send health and social services information that meets certain criteria, including, but not limited to, all of the following:

a) Reducing barriers and burdens for participants to have real-time access to this information as permitted or required under the data-sharing agreement and policies and procedures, regardless of the exchange methods they may use; and,

b) Not using, processing, or retaining this information longer than is necessary to facilitate this real-time access across different exchange methods.

2) Requires DxF to align with specified Welfare and Institutions Code (WIC) sections establishing privacy and confidentiality protections for foster care records, Medi-Cal data, and public benefit recipient data.

3) For health care organizations already required to participate in DxF, and for purposes of defining what specific type of information those organizations must share, adds skilled nursing facilities and clinical laboratories to the list of those required to share "health information," which is defined for these purposes as information included in specified federal regulations. Clarifies that the requirement applies to physician organizations and medical groups, which is defined to include clinics.

4) Removes state-run acute psychiatric hospitals from the list of entities required to comply with DxF by January 31, 2026, and instead requires state hospitals operated by the Department of State Hospitals and facilities operated by the Department of Developmental Services that utilize seclusion or behavioral restraints to comply with DxF by January 31, 2029.

5) Exempts health information related to gender-affirming care, immigration or citizenship status, and place of birth from data-sharing requirements.

6) Adds emergency medical services as health care organizations that are required to execute the DxF data-sharing agreement. Clarifies a medical foundation exempt from licensure is a subset of a "physician organization and medical group" and requires such medical foundations to execute the DxF data-sharing agreement. Requires emergency medical services and a medical foundation exempt from licensure to execute the agreement by July 1, 2026.

7) Further defines "physician organizations and medical group," including specifying this term includes various types of physician groups, corporations, associations, and foundations; clinics; ambulatory surgical centers; and accredited outpatient settings.

8) Specifies health and social service organizations may comply with the data exchange framework by participating in and sharing information with a qualified health information organization (QHIO), as designated pursuant to a process defined by HCAI, as specified.

9) Changes the DxF stakeholder advisory group as follows:

a) Adds representatives of skilled nursing facilities, physician organizations and medical groups, management services organizations, Department of State Hospitals, Department of Developmental Services, Emergency Medical Services Authority, and Department of Corrections and Rehabilitation to the group.

b) Requires the group to advise on additional matters:

i) Social services information technology issues;

ii) Matters of meaningful and informed consent, privacy, confidentiality, identity management, liability and security; and,

iii) Ways to incorporate relevant data on developmental disabilities.

10) Requires HCAI to:

a) Administer, manage, oversee, and enforce the DxF and its data-sharing agreement, including its related policies and procedures, governance, and all other related materials or initiatives.

b) Provide at least 45 calendar days for the public to review updates to the framework and new policies and procedures.

c) Oversee the dispute resolution and grievance processes for the DxF, including tracking consumer complaints.

d) No later than July 1, 2026, establish a process to designate QHIOs as data-sharing intermediaries that have demonstrated their ability to meet requirements of the DxF.

11) Authorizes HCAI to:

a) Develop a framework for investigating and resolving disputes between DxF participants regarding the data-sharing agreement and its policies and procedures.

b) Subject to Board approval, require other categories of entities to sign the DxF data-sharing agreement and establish applicable compliance deadlines. Requires, prior to adding entities that provide social services information, HCAI develop and implement specified policies and procedures.

c) Enact recommendations advanced by the Board, in accordance with the law and its rulemaking authority.

12) Authorizes HCAI to develop enforcement actions, to be approved by the Board, and makes these actions subject to the Administrative Procedure Act. Requires any enforcement to include opportunity for corrective action.

13) Requires HCAI to:

a) Submit an annual report to the Legislature that includes required signatory execution of and compliance with the data-sharing agreement, assessment of consumer experiences with health and social services information exchange, and evaluation of technical assistance and other grant programs.

b) Commencing January 1, 2026, publish and keep current on its website the names of any entities not in compliance with requirements to execute the DxF data-sharing agreement. Requires HCAI to submit this information to relevant state licensing entities. Requires HCAI to consider extenuating circumstances which may impact an entity's ability to come into compliance.

c) Report violations of privacy and confidentiality requirements to other state entities authorized to ensure compliance with privacy and confidentiality requirements.

14) Requires, commencing July 1, 2026, subject health care organizations to comply with DxF as a condition of continuing, amending, or entering into a new or existing contract for the coverage of or provision of health care services with the Department of Health Care Services, the Public Employees' Retirement System, and the California Health Benefit Exchange.

15) Requires HCAI to establish and administer the CalHHS Data Exchange Board.

16) Requires the Board to:

a) Review, modify, and approve the following:

i) Updates to the DxF data-sharing agreement and its policies and procedures and any new policies and procedures developed by HCAI;

ii) New data-sharing requirements for signatories to the DxF data-sharing agreement developed by HCAI; and,

iii) Changes to the DxF priorities and principles as developed by HCAI. Specifies the Board shall advise HCAI on the advancement of those priorities and principles.

b) Subject to appropriation by the Legislature and in partnership with HCAI, develop a consumer outreach and education program that informs individuals of their rights, as well as the benefits of health and social services information exchange, and provides a forum for members of the public to provide ongoing input related to health and social services information exchange.

17) Authorizes the Board to:

a) Advance recommendations to the department on criteria and procedures on health and social services information exchange technical assistance, onboarding, and other grant programs established by HCAI.

b) Develop recommendations to the Legislature and the Governor on statutory amendments to align state law with federal law, the DxF, and other policies to advance health and social services information exchange, as identified by the Board, department, and stakeholder advisory group.

18) Requires the Board to be composed of five voting members and nine nonvoting members, as follows:

19) Voting members:

a) The Secretary of California Health and Human Services, or their designee, to serve as the chair and as an ex officio member of the Board.

b) Two individuals appointed by the Governor, and at least one of whom must be a consumer representative.

c) One individual appointed by the Speaker of the Assembly.

d) One individual appointed by the Senate Committee on Rules.

20) Non-voting members, to include one representative from each of the following state entities, who must be ex officio members of the Board:

a) Public Employees' Retirement System.

b) California Health Benefit Exchange.

c) Department of Health Care Services.

d) Department of Developmental Services.

e) Emergency Medical Services Authority.

f) Department of State Hospitals.

g) Department of Corrections and Rehabilitation.

h) Department of Public Health.

i) Department of Social Services.

21) Requires Board appointees to have specified types of relevant expertise. Requires appointing authorities to attempt to make appointments so that the Board's composition reflects a diversity of expertise and perspectives, and accounts for cultural, ethnic, and geographical diversity of the state so that the Board is representative.

22) Requires Board members to serve without compensation, but specifies they are reimbursed for any actual and necessary expenses.

23) Requires the Board to meet at least quarterly or at the call of the chair.

24) Prohibits more than one member of the Board from being representative of signatories of the DxF data-sharing agreement.

25) Requires a Board member who is representative of signatories to have expertise in data exchange. Prohibits a Board member from holding an executive leadership position in an organization that is a signatory of the DxF.

26) Subjects the Board to existing laws establishing requirements that agencies adopt a Conflict of Interest Code. Prohibits a Board member from being employed by, a member of the Board of directors of, affiliated with, or a vendor to, the DxF data-sharing agreement while serving as a Board member. Requires conflict-of-interest disclosures, as specified.

27) Subjects the Board to the Bagley-Keene Open Meeting Act, except for allowing the Board to hold closed sessions when considering matters related to enforcement actions.

28) Authorizes HCAI to:

a) Adopt reasonable rules and regulations to implement, administer, and oversee its duties related to DxF, in accordance with the Administrative Procedures Act.

b) Adopt emergency regulations to consolidate, clarify, or make consistent regulations, including emergency regulations.

c) Readopt any emergency regulation related to DxF that is the same as, or substantially equivalent to, an emergency regulation previously adopted. Limits such a readoption to one time for each regulation.

EXISTING LAW:

1) Establishes the CMIA to protect an individual's medical information from unauthorized disclosure by providers of health care. Provides an individual right of action for a patient whose information was disclosed in violation of CMIA's provisions. (Civ. Code § 56 et seq.)

2) Defines "medical information," for the purposes of the CMIA, as any individually identifiable information, in electronic or physical form, that is in possession of or derived from a provider of health care, health care service plan, pharmaceutical company, or contractor regarding a patient's medical history, mental health application information, reproductive or sexual health application information, mental or physical condition, or treatment. Specifies that "individually identifiable" information means medical information that includes any element of personal identifying information sufficient to allow the individual to be identified. (Civ. Code 56.05(j).)

3) Defines "sensitive services" to mean all health care services related to mental health, behavioral health, sexual and reproductive health, sexually transmitted infections, substance use disorder, gender affirming care, and intimate partner violence. (Civ. Code §56.05(s).)

4) Requires a business that electronically stores medical information related to the provision of sensitive services to do all of the following for gender affirming care, abortion-related services, and contraception:

   a) Limit user access privileges only to those persons who are authorized to access the medical information.

   b) Prevent the disclosure, access, transfer, transmission or processing of information to persons or entities outside of the state.

   c) Segregate the medical information from the rest of the patient's record.

   d) Provide the ability to automatically disable access to segregated information by individuals and entities in another state. (Civ. Code §56.101(c).)

5) Prohibits providers of health care, health care service plans, or contractors from disclosing medical information regarding a patient of the provider of health care or an enrollee or subscriber without first obtaining authorization, except for as provided. Specifies that a provider of health care, health care service plan, or a contractor must disclose medical information if the disclosure is compelled by:

   a) A court order.

b) A board, commission, or administrative agency for purposes of adjudication.

c) A party to a proceeding before a court or administrative agency pursuant to a subpoena, subpoena duces tecum, notice to appear, or any provision authorizing discovery in a proceeding before a court or administrative agency.

d) A board, commission, or administrative agency pursuant to an investigative subpoena.

e) An arbitrator or arbitration panel, when arbitration is lawfully requested by either party.

f) A search warrant lawfully issued to a governmental law enforcement agency.

g) A patient or patient's representative.

h) A medical examiner, forensic pathologist, or coroner when requested in the course of an investigation, as specified.

i) When otherwise specifically required by law. (Civ. Code § 56.10(b).)

6) Enacts the Information Practices Act (IPA), which limits government collection and disclosure of individuals' personal information. (Civil Code § 1798, *et seq.*)

7) Establishes privacy protections for records of foster children. (Wlf. and Inst. Code § 827.)

8) Prohibits Medi-Cal data from being open to examination other than for purposes directly connected with the administration of the Medi-Cal program. (Wlf. and Inst. Code § 14100.2.)

9) Prohibits a person from publishing or disclosing a list of persons receiving public social services, except for furnishing information directly connected with the administration of public social services and similar program requirements, as specified. (Wlf. and Inst. Code § 10850.)

10) Specifies the DxF is not intended to be an information technology system or single repository of data, but is technology-agnostic and is a collection of organizations that are required to share health information using national standards, and a common set of policies in order to improve the health outcomes of the individuals they serve. (Hlth. and Saf. Code § 130290.)

11) Requires, on or before July 1, 2022, and subject to an appropriation, California Health and Human Services Agency to develop a Data Exchange Framework (DxF), which includes single data-sharing agreement and common set of policies and procedures based on national standards for information exchange, and that will govern and require the exchange of health information among health care entities and government agencies in California. (*Ibid*.)

12) Requires the DxF to be designed to enable and require real-time access to, or exchange of, health information among health care providers and payers through any health information exchange (HIE) network, health information organization, or technology that adheres to specified standards and policies. (*Ibid*.)

13) Requires the DxF to align with state and federal data requirements, including the federal Health Insurance Portability and Accountability Act of 1996, the California Confidentiality of Medical Information Act, and other applicable state and federal privacy laws related to the

sharing of data among and between providers, payers, and the government, while also streamlining and reducing reporting burden. (*Ibid*.)

COMMENTS:

1) **Author's statement**. According to the author:

> SB 660 establishes the California Health and Human Services (CalHHS) Data Exchange Board to review and approve changes to California's health care and social services Data Exchange Framework and data sharing agreement which will be regulated by the Department of Health Care Access and Information (HCAI). A statewide Data Exchange Framework was created to securely standardize and clarify data sharing policies and procedures, and a standard data sharing agreement ensures participants agree to follow the policies and procedures. With the passage of SB 660, a structure for governance of the Data Exchange Framework and its policies and procedures will be enacted that will ensure participation, accountability, and confidence for data exchange stakeholders and ultimately, better care for Californians. Access to comprehensive, real-time information is essential for making care more affordable while improving quality, safety, and outcomes.

2) **Background.** California has long had a decentralized approach to health information sharing. This includes two main models: enterprise data exchange, where a single health system or integrated delivery network exchanges data within its system; and various community-based data exchanges, where unaffiliated health care organizations exchange data, often within a geographic medical service area. According to the CalHHS Center for Data Insights and Innovation (CDII):

> While parts of California's health care system rely on coordinated, interoperable electronic systems, other parts rely on decentralized, manual, and siloed systems of clinical and administrative data exchange that is voluntary in many situations. This voluntary patchwork imposes burdens on providers and patients, limits the health care ecosystem from making material advances in equity and quality, and functionally inhibits patient access to personalized, longitudinal health records. Further, a lack of clear policies and requirements to share data between payers, providers, hospitals, and public health systems is a significant hindrance to addressing public health crises, as demonstrated by challenges inherent to the COVID-19 pandemic.[1]

3) **The Data Exchange Framework (DxF)**. According to the detailed Health Committee analysis:

> To address the problems of data fragmentation while building on California's existing infrastructure, AB 133 (Committee on Budget), Chapter 143, Statutes of 2021, established the DxF and required by July 1, 2022, in consultation with members of a Stakeholder Advisory Group, CalHHS to finalize a data-sharing agreement. The DxF is not a new technology or centralized data repository; instead, it is an agreement across health and human services systems and providers to share information safely. The DxF defines the parties that will be subject to these new data exchange rules and sets forth a common set of terms, conditions, and obligations to support secure, real-time access to and exchange of health and social services information, in compliance with applicable federal, state, and local laws,

[1] https://www.cdii.ca.gov/committees-and-advisory-groups/data-exchange-framework/.

regulations, and policies. These functions are currently overseen by CDII; this bill moves the functions to [the Department of Health Care Access and Information (HCAI)], consistent with a strategic reorganization announced by CDII in their June 24, 2025, "DxF Bi-Weekly Update."

The DxF "Single Data Sharing Agreement" requires each participant to engage in the exchange of health and social services information as set forth in the policies and procedures established by CDII (or, under the bill, HCAI). It specifies this can be done either through execution of an agreement with a qualified health information organization (QHIO), through execution of an agreement with another entity that provides data exchange, or through use of the participant's own technology. A QHIO is a state-designated data exchange intermediary that facilitates the exchange of health and social services information between DxF participants. According to "*Data Exchange Framework Roadmap*," published by CDII, of ambulatory providers that reported information, approximately 80% reported using a QHIO to meet DxF requirements.

4) **What this bill would do.** The primary purpose of this bill is to shift responsibility for DxF from the Center for Data Insights and Innovation (CDII) to the Department of Health Care Access and Information (HCAI) and codify existing DxF practices. In addition, the following are among the significant provisions:

1. Establishes a policymaking and oversight board with five voting members and nine non-voting members.

2. Requires appointees have demonstrated and acknowledged expertise, as needed and relevant to data sharing, including but not limited to, health and social services information exchange, health and social services data privacy, health and social services data security, health information informatics, and the administration, financing, and delivery of public health, health care, and social services, and reflect a diversity of expertise and perspectives, taking into account cultural, ethnic and geographical diversity.

3. Requires the board to review, modify, and approve modifications to data sharing framework and agreement and its policies and procedures. Requires the board to review new data sharing requirements, advance recommendations, and develop recommendation for the Legislature.

4. Codifies current practice and make the Department of Health Care Access and Innovation responsible for functions of the CHHS Data Exchange Framework, including the data sharing agreement and policies and procedures.

5. Adds social services information to data exchange efforts.

6. Adds gender affirming care, immigration, citizenship, and place of birth information to the existing protections for abortion care.

7. Adds executing data sharing agreements as a condition of continuing, amending, or entering into a new contract with the Department of Health Care Services, the Public Employees Retirement System, and Covered California commencing July 1, 2026.

8. Requires HCAI to administer, manage, oversee, and enforce the data exchange framework and agreement, including its related policies and procedures, governance, and all other materials or initiatives.

9. Gives HCAI authority to develop a framework for investigating and resolving disputes between participants regarding policies and procedures.

5) **Analysis.** Under the purview of this Committee is determining whether or not the provisions in this bill appropriately protect Californians' right to privacy. Toward that end, the Committee jurisdiction covers a relatively narrow slice of the bill. In assessing the adequacy of the privacy protections, the following provisions either in current law or in the bill should be considered:

1. The current DxF statutes require compliance with all state and federal privacy laws. Nothing in this bill changes that protection.

2. The bill requires that HCAI and the Board develop policies ensuring that architecture used for exchange of health and social services information meets certain criteria, including not using, processing, or retaining the information being shared longer than is necessary to facilitate real-time access across different exchange methods.

3. The existing stakeholder advisory groups, which remain in place, require that privacy and security professionals, as well as information technology professionals be represented.

4. The stakeholder group is required to address the privacy and security concerns related to health information exchange "in a dynamic technological, and entrepreneurial environment, where data and network security are under constant threat of attack."

5. The stakeholder group is required to assist with the development of policies and procedures consistent with national standards related to the exchange of health and social services information, including ensuring meaningful and informed consent, privacy, confidentiality, and security.

While these are robust privacy protections, requiring one of the Board members to be a privacy expert would help ensure that privacy considerations are not overlooked when the Board is reviewing, modifying, and approving data sharing agreements, policies, and principles.

6) **Amendments.** The author has agreed to amend the bill to ensure that at least one of the voting board members has a background in data privacy. The amendments are as follows:

130290 (m) (2) (A) The board shall be composed of ~~**five**~~ ***seven*** voting members and nine nonvoting members.

(B) The voting members shall be as follows:

(i) The Secretary of California Health and Human Services, or their designee, shall serve as the chair and as an ex officio member of the board.

(ii) ~~**Two**~~ ***Four*** individuals appointed by the Governor, and at least one of whom shall be a consumer representative ***and one of whom shall have a background in data privacy***.

ARGUMENTS IN SUPPORT: The California Academy of Family Physicians writes in support:

> Family physicians are often the first point of contact for patients navigating a complex web of medical, behavioral health, and social service needs. Yet the ability to provide truly coordinated, whole-person care is hampered by siloed systems, fragmented records, and limited access to timely and actionable information. SB 660 builds on the foundational Data Exchange Framework (DxF) by formally establishing a permanent governance structure, creating accountability, and expanding participation in data sharing, all of which are essential for improving patient outcomes, reducing costs, and advancing equity.
>
> We are especially supportive of the bill's clear focus on implementation and oversight. By transitioning responsibility for the DxF to the Department of Health Care Access and Information (HCAI) and establishing the CalHHS Data Exchange Board, SB 660 ensures transparency, inclusive stakeholder input, and consistent monitoring of compliance. This level of infrastructure is critical to ensuring that family physicians, especially those practicing in small clinics or underserved communities, can confidently participate in data exchange while protecting patient privacy and meeting state and federal requirements.

ARGUMENTS IN OPPOSITION: Taking an oppose unless amended position, the California Hospital Association writes:

> While CHA appreciates the ongoing dialogue with Senator Menjivar, sponsors, and committee staff, it is crucial that a balanced approach to HIE governance be taken so that Data Exchange Framework (DxF) participants work collaboratively toward data exchange in California. CHA continues to believe that SB 660 should include two important amendments, detailed below.
>
> 1. **The Data Exchange Framework (DxF) Governing Board should be composed of data exchange experts and Data Sharing Agreement (DSA) signatories.** California is home to many of the nation's leading data exchange experts, including two members of the federal Health Information Technology Advisory Committee who have been working on data exchange for more than two decades. Due to the provisions in SB 660, however, they would be disqualified from the DxF Governing Board — as would many others with real world experience in health information exchange. Not only is this expertise essential on this board but so is balancing them with practitioners responsible for implementing the DxF — especially those who work in underresourced safety-net organizations. Practitioners bring on-the-ground perspective about how a change in state policy will affect health care delivery and maintain patient confidentiality.
>
> 2. **Enforcement mechanisms should be deferred until additional policies, procedures, and technical specifications are developed.** Hospital and other provider leaders have been working to inform DxF policy and procedure development for nearly four years — but these legally binding documents still need a significant amount of work. For example, a procedure does not exist for resolving conflict among DxF participants, nor do technical specifications for exchange. Until these are developed, hospitals and other entities lack a clear understanding of what is required to comply with DxF. Before requiring that any enforcement mechanisms and new activities are completed, the California Health and Human Services Agency's Center for Data Insights and Innovation should focus on completing the work set forth in Assembly Bill 133.

REGISTERED SUPPORT / OPPOSITION:

Support

Alameda; County of
Blue Shield of California
California Academy of Family Physicians
California Pan - Ethnic Health Network
California State Council of Service Employees International Union (seiu California)
California Wic Association
Citizen Health INC.
County Welfare Directors Association of California
Groundgame Health
Inland Empire Health Information Organization
Riverside County Medical Association
Sonoma Connect|sonoma Unidos
Unite US
Western Center on Law & Poverty, INC.

Oppose Unless Amended

California Hospital Association
Pointclickcare

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