LEGISLATIVE UPDATE

Alliance of Catholic Health Care

Week of March 5, 2018

State Issues	
Budget Update	Assembly Budget Sub 1, chaired by Assembly Member Dr. Joaquin Arambula (D-Fresno) held its overview hearing on Medi-Cal this week. Department of Health Care Services (DHCS) Director Jennifer Kent shared some details of the department's proposed budget for the upcoming year. The vast majority of DHCS's budget is for the Medi-Cal Program, for which the January budget proposes $101.5 billion ($21.6 billion General Fund). Their overall proposed budget reflects nearly a 1.2 percent ($1.3 billion) increase from the current year budget. After the Department's initial presentation, a fiery discussion occurred between the members of the Subcommittee and the Department of Finance regarding Proposition 55. Dr. Arambula, and Committee members Blanca Rubio (D-Baldwin Park) and Devon Mathis (R-Visalia) all took turns grilling Finance on the formula they used in their initial calculation regarding Prop 55. In times when revenues are high (like this year) up to $2 billion should be allocated to the Medi-Cal program. Finance's creative formula creation has resulted in zero dollars being provided to Medi-Cal this year. The committee members accused Finance of "double speak," "cooking the books," and violating the will of the voters during the course of the hearing. As is standard this time of year, no votes were taken on this or any other budget item being discussed, but it became clear during the hearing that the Legislature is going to scrutinize Finance's formula and work to determine what the proper allocation from Prop 55 should be.
Mental Health Funding	The California State Auditor finalized a report this week focusing on the funding and oversight of the Mental Health Services Act (MHSA). (The 1% tax on incomes over $1 million to fund county mental health programs.) They concluded that despite having significant responsibility for the MHSA program since 2012, Health Care Services has allowed local mental health agencies to amass hundreds of millions in unspent MHSA funds. This occurred because Health Care Services has not developed a process to recover unspent MHSA funds that under state law must be reallocated to other local mental health agencies. Further, absent Health Care Services' guidance, the local mental health agencies accumulated $81 million in unspent interest and set aside between $157 million and $274 million in excessive reserves that they could better use to provide additional mental health services. Finally, they determined that Health Care Services' oversight of local mental health agencies is minimal: it does not enforce annual revenue and expenditure reporting, nor has it performed fiscal or program audits to ensure local mental health agencies comply with fiscal and program requirements contained in state laws and regulations. Health Care Services' poor oversight of the MHSA program is troubling given the importance of providing mental health services to Californians. *(more)*

Mental Health Funding *(continued)*	Most notable in the findings is the total amount of funds counties are sitting on – instead of funding much needed community-based mental health treatment. The local mental health agencies had amassed $2.5 billion in unspent MHSA funds. While some reserves is prudent, particularly given the volatility of the funding stream – the audit found the typical amount of reserves to be excessive. For example, Alameda County is sitting on more than $100 million; Fresno has more than $95 million in reserves; Sacramento has $125 million being held, and Los Angeles has a whopping $737 million it is sitting on. • You can access the chart with all the county's figures here: https://stateofreform.com/wp-content/uploads/2018/03/LMHA-MHSA-fund-balance.pdf?utm_source=State+of+Reform&utm_campaign=57f9c7617c-5+Things+CA+March+1&utm_medium=email&utm_term=0_37897a186e-57f9c7617c-272810697 • A link to the full report can be found here: http://www.auditor.ca.gov/pdfs/reports/2017-117.pdf?utm_source=State+of+Reform&utm_campaign=57f9c7617c-5+Things+CA+March+1&utm_medium=email&utm_term=0_37897a186e-57f9c7617c-272810697 • And a link to the report summary is here: https://www.auditor.ca.gov/reports/2017-117/summary.html
Covered CA Reports Dramatic Increases in Premiums Expected	Covered California, our state's ACA health benefit exchange, issued a report on the expected increases in premiums in states across the country within the next three years. While the stats vary from state to state, they predict that ACA health plans are likely to jump by 35 to 94 percent, mostly due to recent federal decisions that they state will have a profound effect on prices. While they have California in the "significant" risk category (the lowest of the categories), they believe a large number of states in the South and the Midwest are in danger of what the report calls "catastrophic" average rate increases by 2021. For example, they say the in three years, California may experience a 35% increase in Exchange plan premiums, they have Louisiana, Texas, and Ohio, for example, with an expected 90% rate increase by the 2021 date. Highlights: • All states' individual markets risk higher than normal premium increases — ranging from 35 to 90 percent over three years — due to continued uncertainty at the federal level, but state variation informs understanding of local risks. Premium increases in the individual markets will likely range from 12 to 32 percent in 2019, and cumulative increases from 2019-2021 will range from 35 percent to more than 90 percent. • Increases are on average more than double the rate of medical inflation as a result of healthier consumers leaving the individual market. *(more)*

Covered CA Reports Dramatic Increases in Premiums Expected *(continued)*	• The report identifies 17 states that are more likely — because of their historic risk mix and enrollment — to have cumulative premium increases of 90 percent or more and 19 additional states are at a higher risk of experiencing hikes of 50 percent. • Policy actions could both lower premiums and promote more plan competition by reducing uncertainty — with independent actuarial analysis finding that reinsurance or similar programs could cut premium increases in half, bringing them to single digits in many states. The report outlines some of the key state and federal policies that could be implemented to promote stability in the markets and mitigate risks and volatility. These include strategies to balance insurance risk pools, support for markets where there is disproportionate negative risk mix, and direct support to consumers to help make coverage more affordable, including: • **Institute a Reinsurance Program**: A reinsurance program with annual funding of $15 billion would result in premium reductions from 10 to 20 percent depending on certain key variables. Because reinsurance programs result in lower premiums and lower expenditures for premium subsidies, the net cost to the federal government would be only $5 billion after the offset. • **Directly Fund Cost-Sharing Reduction (CSR) Subsidies:** While funding CSRs would not directly reduce premiums, it would help provide certainty to participating insurers and reduce federal spending for Advanced Premium Tax Credits due to the workaround that was implemented during 2018. • **Provide Additional Subsidies to Consumers to Purchase Insurance:** Increasing the financial assistance that is available to consumers — by either raising the amount of Advanced Premium Tax Credit available to consumers or increasing the number of consumers who would be eligible to receive the credits — would help more Americans afford coverage and increase the overall health of the consumer pools. • **Increase Marketing and Outreach**: Consumers have biases that influence their perception about having insurance coverage and increasing spending on targeted marketing can help persuade consumers that health insurance coverage is important. By achieving enrollment among healthier individuals, the improved risk mix is likely to have a very positive return on investment. • **State-Based Penalties for Non-Coverage**: The elimination of the federal mandate penalty is expected to increase premiums in a range of 7 to 15 percent in 2019 and an additional 2.5 to 10 percent in 2020 and 2021. Institution of alternative policies, such as a state-based mandate, could mitigate some of these increases and the overall disruption the elimination of the penalty will cause for markets. • **State Regulations on Association Health Plans or Short-Term, Limited-Duration Plans**: States could adopt regulations that prohibit carriers from offering plans that do not provide comprehensive coverage or protect consumers with pre-existing conditions or provide oversight of these offerings. *(more)*

Covered CA Reports Dramatic Increases in Premiums Expected *(continued)*	• **Auto-Enrollment:** State or federal policies could promote automatic enrollment of eligible individuals, such as for those who lose employer-based coverage, earn too much for Medicaid or "age out" of coverage eligibility from parents' plans. You can find a link to their full report here: http://hbex.coveredca.com/data-research/library/CoveredCA_High_Premium_Increases_3-8-18.pdf And a link to their state-by-state chart here: http://hbex.coveredca.com/data-research/data-viz/individual-market-risks-by-state-2019/
Legislative Summary and Status	Attached please find the most recent Legislative Summary and Status Report on bills of interest to the Catholic health ministry.

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Alliance of Catholic Health Care
Legislative Summary and Status 3/9/2018

Access

SB 974 **(Lara D) Medi-Cal: immigration status: adults.**
Location: 2/14/2018-S. HEALTH
Summary: Current law requires individuals under 19 years of age enrolled in restricted-scope Medi-Cal at the time the Director of Health Care Services makes a determination that systems have been programmed for implementation of these provisions, be enrolled in the full scope of Medi-Cal benefits, if otherwise eligible, pursuant to an eligibility and enrollment plan, as specified. Current law makes the effective date of enrollment for those individuals the same day that systems are operational to begin processing new applications pursuant to the director's determination. This bill would extend eligibility for full-scope Medi-Cal benefits to individuals of all ages who are otherwise eligible for those benefits but for their immigration status. The bill would also delete provisions delaying implementation until the director makes the determination described above.

Position
Pending Review

Behavorial and Mental Health

AB 451 **(Arambula D) Health facilities: emergency services and care.**
Location: 9/1/2017-S. 2 YEAR
Summary: Would specify that a psychiatric unit within a general acute care hospital, a psychiatric health facility, or an acute psychiatric hospital, excluding certain state hospitals, regardless of whether it operates an emergency department, is required to provide emergency services and care to treat a person with a psychiatric emergency medical condition who has been accepted by the facility, as specified, if the facility has appropriate facilities and qualified personnel. The bill would make conforming changes to related provisions.

Position
Watch

AB 1136 **(Eggman D) Health facilities: residential mental or substance use disorder treatment.**
Location: 2/5/2018-S. HEALTH
Summary: Would require the State Department of Public Health to develop and submit a proposal to solicit a grant under the federal 21st Century Cures Act to develop a real-time, Internet-based database to collect, aggregate, and display information about beds in inpatient psychiatric facilities, crisis stabilization units, residential community mental health facilities, and licensed residential substance use disorder treatment facilities.

Position
Watch

AB 1372 **(Levine D) Crisis stabilization units: psychiatric patients.**
Location: 9/6/2017-S. INACTIVE FILE
Summary: Would authorize a certified crisis stabilization unit designated by a mental health managed care plan, at the discretion of the mental health managed care plan, to provide medically necessary crisis stabilization services to individuals beyond the service time of 24 hours in those cases in which the individual needs inpatient psychiatric care or outpatient care and inpatient psychiatric beds or outpatient services are not reasonably available. The bill would require a person who is placed under, or who is already under, a 72-hour involuntary hold because, based on probable cause, the person, as a result of a mental disorder, is a danger to others, or to himself or herself, or is gravely disabled, to be credited for the time detained at a certified crisis stabilization unit.

Position
Watch

AB 2112 **(Santiago D) Federal 21st Century Cures Act: community-based crisis response plan: grant.**
Location: 2/22/2018-A. HEALTH
Summary: Current federal law, the 21st Century Cures Act, authorizes the United States Secretary of Health and Human Services to award competitive grants to state and local governments and Indian tribes and tribal organizations to enhance community-based crisis response systems that, among other things, promote integration and coordination between local public and private entities engaged in crisis response, such as first responders, health care providers, and behavioral health providers,

and addresses gaps in community resources for crisis intervention and prevention. This bill would require the State Department of Health Care Services to develop and submit an application to solicit a grant under the federal authority described above to develop a community-based crisis response plan and would require the grant application to include, at a minimum, a plan for specified objectives.

Position
Support

AB 2193 **(Maienschein R) Maternal mental health.**
Location: 2/26/2018-A. HEALTH
Summary: Would make it the duty of licensed health care practitioners who treat or attend the mother or child, or both, to screen the mother for maternal mental health conditions, as defined, at least once during pregnancy and once during the postpartum period and to report the findings of the screening to the mother's primary care physician if the health care practitioner is not the mother's primary care physician. The bill would also make it the duty of any facility where those practitioners treat or attend the mother or child, or both, in the first postdelivery appointment to ensure that those practitioners perform the required screening and report the findings.

Position
Pending Review

AB 2861 **(Salas D) Medi-Cal: telehealth: substance use disorder services.**
Location: 3/8/2018-A. HEALTH
Summary: Would require the State Department of Health Care Services to allow a licensed practitioner of the healing arts or a certified substance use disorder counselor to receive Medi-Cal reimbursement for substance use disorder services provided through telehealth in accordance with the Medicaid state plan. This bill contains other existing laws.

Position
Pending Review

End of Life/Palliative Care

AB 282 **(Jones-Sawyer D) Aiding, advising, or encouraging suicide: exemption from prosecution.**
Location: 1/18/2018-S. DESK
Summary: Current law makes a person who deliberately aids, advises, or encourages another to commit suicide guilty of a felony. This bill would prohibit a person whose actions are authorized pursuant to the End of Life Option Act from being prosecuted for deliberately aiding, advising, or encouraging suicide.

Position
Pending Review

AB 937 **(Eggman D) Health care decisions: order of priority.**
Location: 7/21/2017-S. 2 YEAR
Summary: The Health Care Decisions Law, among other things, provides for an individual's use of a request regarding resuscitative measures, which is a written document, signed by an individual with capacity or a legally recognized health care decisionmaker for the individual, and the individual's physician, that directs a health care provider regarding resuscitative measures for the individual. This would provide that, to the extent of that conflict, the most recent order signed by the individual or instruction made by the individual is effective. The bill would deem a request regarding resuscitative measures signed by specified persons on behalf of the individual to be signed by the individual. The bill would also make technical conforming changes.

Position
Watch

SB 481 **(Pan D) Long-term health facilities: informed consent.**
Location: 7/14/2017-A. 2 YEAR
Summary: Current law requires the attending physician of a resident in a skilled nursing facility or intermediate care facility who prescribes or orders a medical intervention of a resident that requires the informed consent of a patient who lacks the capacity to provide that consent, as specified, to inform the skilled nursing facility or intermediate care facility. Current law requires the facility to conduct an interdisciplinary team review of the prescribed medical intervention prior to the administration of the medical intervention. This bill would, before implementing a medical intervention that requires informed consent for a resident who lacks capacity to make health care decisions and there is no person with legal authority able and willing to make those decisions, require the physician, skilled nursing facility, or intermediate care facility, to promptly notify the resident, orally and in writing, that it has been determined that the resident lacks capacity, and other information, as specified.

Position
Support

SB 1336 **(Morrell R) Public health: End of Life Option Act.**
Location: 3/1/2018-S. HEALTH
Summary: Would, prior to prescribing an aid-in-dying drug, require an attending physician to request that a qualified individual inform the physician orally or in writing as to the motivating reason or reasons for receiving an aid-in-dying drug, as specified. The bill would require that information to be included in the report of the Department of Public Health as specified. The bill would further require that report to include additional information about each attending physician and the length of time that he or she provided care to a patient, and the number of patients who received a mental health specialist assessment.

Position
Pending Review

Health Care Reform

SB 562 **(Lara D) The Healthy California Act.**
Location: 7/14/2017-A. 2 YEAR
Summary: Current law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services, under which qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions. This bill, the Healthy California Act, would create the Healthy California program to provide comprehensive universal single-payer health care coverage and a health care cost control system for the benefit of all residents of the state.

Position
Watch

Hospital Operations

AB 1250 **(Jones-Sawyer D) Counties: contracts for personal services.**
Location: 9/5/2017-S. RLS.
Summary: Would establish specific standards for the use of personal services contracts by counties. The bill would allow a county or county agency to contract for personal services currently or customarily performed by employees, as applicable, when specified conditions are met. The bill would exempt certain types of contracts from its provisions, and would exempt a city and county from its provisions. By placing new duties on local government agencies, the bill would impose a state-mandated local program. The bill also would provide that its provisions are severable.

Position
Oppose

AB 1795 **(Gipson D) Emergency medical services: community care facilities.**
Location: 1/22/2018-A. HEALTH
Summary: Would authorize a local emergency medical services agency to submit, as part of its emergency services plan, a plan to transport specified patients to a community care facility, as defined, in lieu of transportation to a general acute care hospital. The bill would make conforming changes to the definition of advanced life support to include prehospital emergency care provided before and during, transport to a community care facility, as specified.

Position
Support

SB 538 **(Monning D) Hospital contracts.**
Location: 7/14/2017-A. 2 YEAR
Summary: This bill, the Health Care Market Fairness Act of 2017, would prohibit contracts between hospitals and contracting agents, health care service plans, or health insurers from containing certain provisions, including, but not limited to, setting payment rates or other terms for nonparticipating affiliates of the hospital, requiring the contracting agent, plan, or insurer to keep the contract's payment rates confidential from any payor, as defined, that is or may become financially responsible for the payment, and requiring the contracting agent, plan, or insurer to submit to arbitration, or any other alternative dispute resolution program, any claims or causes of action that arise under state or federal antitrust laws after those claims or causes of action arise, except as provided.

Position

Oppose

SB 1152 **(Hernandez D) Hospital patient discharge process: homeless patients.**
Location: 2/22/2018-S. HEALTH
Summary: Current law prohibits specified health facilities from causing the transfer of homeless patients from one county to another county for the purpose of receiving supportive services from a social service agency, health care service provider, or nonprofit social service agency within the other county, without prior notice and authorization. This bill would require those health facilities to include within the hospital discharge policy, a written homeless patient discharge planning policy and process, as specified. The bill would require the health facilities to develop a written plan for coordinating services and referrals for homeless patients including procedures for homeless patient discharge referrals, designated liaisons at each participating entity, and coordination protocols.

Position
Pending Review

Not for Profit Health Care

AB 2589 **(Bigelow R) Hospitals: community benefits.**
Location: 2/15/2018-A. PRINT
Summary: Current law declares that significant public benefit would be derived if private, not-for-profit hospitals periodically reviewed and reaffirmed their commitment to assist in meeting their communities' health care needs by identifying and documenting benefits provided to the communities that they serve, and requires each hospital to annually adopt and update a community benefits plan for providing community benefits either alone, in conjunction with other health care providers, or through other organizational arrangements. Each hospital is also required to annually submit its community benefits plan to the Office of Statewide Health Planning and Development. This bill would make technical, nonsubstantive changes to those provisions.

Position
Pending Review

Social Determinants of Health

SB 100 **(De León D) California Renewables Portfolio Standard Program: emissions of greenhouse gases.**
Location: 9/8/2017-A. U. & E.
Summary: The Legislature has found and declared that its intent in implementing the California Renewables Portfolio Standard Program requires the PUC is to attain, among other targets for sale of eligible renewable resources, the target of 50% of total retail sales of electricity by December 31, 2030. This bill would revise the above-described legislative findings and declarations to state that the goal of the program is to achieve that 50% renewable resources target by December 31, 2026, and to achieve a 60% target by December 31, 2030.

Position
Support

Workforce/Labor Issues

AB 2759 **(Santiago D) Clinics and health facilities: nurses.**
Location: 2/16/2018-A. PRINT
Summary: Would prohibit clinics and health facilities that receive public funds from excluding students enrolled in a public community college associate degree prelicensure nursing program from clinical placement slots if the program has been approved by the Board of Registered Nursing, as specified. The bill would also prohibit clinics and health facilities from discriminating against a person because he or she has completed an associate degree nursing program instead of a baccalaureate degree nursing program. The bill would specify that a violation of these provisions is not a crime.

Position
Pending Review

SB 1288 **(Leyva D) Health and care facilities: inspections.**
Location: 3/1/2018-S. HEALTH
Summary: Would require state periodic inspections of health facilities to include reviews of compliance with the nurse-to-patient ratios and staff assignment regulations as specified. The bill would require

the State Department of Public Health to ensure that these inspections are not announced in advance of the date of inspection.

Position
Pending Review

Total Measures: 20
Total Tracking Forms: 20