

LEGISLATIVE UPDATE



Week February 7, 2022

State Issues	
<p>Bill Introduction Deadline</p>	<p>The legislative deadline for bills to be introduced this session is next Friday, February 18. Bills are beginning to be introduced, but many more will come into print closer to the deadline. One bill of note that was introduced this week is AB 1882 (Rivas, D-Hollister). Sponsored by SEIU, the bill would require hospitals to provide annual updates on the status of each building towards meeting the 2030 hospital seismic standards. It also requires all buildings not yet compliant with the 2030 standards to post a notice in the lobby that includes “...the hospital owner is aware that the hospital is at risk of not being functional to provide care to its patients or the community after an earthquake.”</p> <p>More new bill information will be forthcoming in the next few weeks.</p>
<p>Budget Subcommittee Hearings Continue</p>	<p>Budget subcommittees are in full swing and that means that new analyses and summaries of proposals are being released. Of note, the Assembly published their summary of the new proposal from the Administration related to the Office of Health Care Affordability. You can find that at this link: http://budgettrack.blob.core.windows.net/btdocs2021/478.pdf</p> <p>The Assembly heard this item but left most of the discussion for another time. We did hear from Dr. Wood that he is hoping to have his bill, AB 1131, and Governor Newsom’s proposal mirror each other; however, it appears that there remains some negotiation and work to accomplish that. While the Assembly summary may be helpful, the very lengthy and detailed policy proposal is still being absorbed.</p>
<p>Proposed State-Kaiser Deal on Medi-Cal</p>	<p>Last week, it was leaked that the Administration and Kaiser Permanente were planning to sign a contract that would allow Kaiser to bypass the traditional Medi-Cal Managed Care contracting protocol and secure a statewide, sole source contract for Medi-Cal services. It will also allow Kaiser to serve a select group of beneficiaries, including those who they currently serve.</p> <p>This week, the Administration responded to the article with a brief memo, outlining the benefits of such an arrangement. See link here: https://www.dhcs.ca.gov/Documents/Medi-Cal-Direct-Contract-with-Kaiser-Permanente.pdf. Here are a few things we have learned from the memo:</p> <ul style="list-style-type: none"> ▪ The proposed contract would begin January 1, 2024, for a five -year contract term, with potential contract extensions. ▪ Kaiser will no longer be granted specific exceptions or receive alternative standards. The only exception will be that Kaiser will not be open through the traditional Medi-Cal plan choice methods. <p style="text-align: right;"><i>(more)</i></p>

<p>Proposed State-Kaiser Deal on Medi-Cal (continued)</p>	<ul style="list-style-type: none"> ▪ There is an expectation that Kaiser will be partnering with FQHCs and using eConsulting services to provide coverage. ▪ DHCS does need both Legislative approval and approval from the federal government. ▪ There is an expectation that Kaiser will be partnering with FQHCs and using eConsulting services to provide coverage. ▪ DHCS does need both Legislative approval and approval from the federal government. <p>Much more to come as we reach out to the Administration and key legislators to understand more about this issue. The Legislature appreciates how unique this is and is interested in learning more about its potential impact on the system of care.</p>
<p>New Health Plan Fact Sheet</p>	<p>The California Association of Health Plans has released a new Fact Sheet, which cites a Department of Managed Health Care study that highlights certain findings, including that plans spent “\$189 billion or 87 cents out of every health care dollar on medical care.” But they also seem to indicate that included in the definition of “medical costs” are taxes, fraud prevention, regulatory costs, care/provider management and technology and innovation. You can find their fact sheet via this link: https://www.calhealthplans.org/wp-content/uploads/2022/02/fact-sheet-CA-Health-Care-Dollar-02-07-22.pdf.</p>
<p>Republicans in Action</p>	<p>It was announced this week that the Assembly Republicans have voted in a new leader, Assembly Member Gallagher (R-Yuba City). Of particular note to the health community, he currently sits on the Assembly Budget Committee, the Committee on Emergency Management and Privacy and Consumer Protection; and is also Vice Chair of Judiciary. He is replacing Assembly Member Marie Waldron (R-Escondido), who continues to sit on Assembly Health Committee. The Republican Caucus has 19 members, representing around 25% of the Assembly.</p> <p>Also announced this week was the gubernatorial campaign of Senator Brian Dahle (R-Beiber). He will be challenging Gavin Newsom for re-election this November 2022. Dahle may face an uphill battle against Newsom, who has nearly \$25 million in his campaign account and raised tens of millions more during last year’s recall.</p>

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