

LEGISLATIVE UPDATE



Week of March 20, 2023

State Issues

<p>Office of Health Care Affordability</p>	<p>The Office of Health Care Affordability held its first public meeting this week. The Board is tasked with setting statewide and sector-specific spending targets, appointing a Health Care Affordability Advisory Committee, and approving key benchmarks, including alternative payment model adoption and the share of spending dedicated to primary care and behavioral health, among other responsibilities. Board members may not receive compensation from health care entities – the list of Board members with links to their bios can be found here.</p> <p>The presentation to Board Members included a harrowing view of California’s health care system: the U.S. spends substantially more on health care with worse outcomes; California had the second highest annual growth in private insurance from 2001-2020; and California workers bear the burden of increasing health care costs – signaling the strong role California unions play in shaping modern health care policy in California.</p> <p>The presentation also covered the basic terminology and national landscape for regulatory bodies like the Office of Health Care Affordability. Board members received in some detail their three key goals: 1) Slow Spending Growth; 2) Promote High Value; and 3) Assess Market Consolidation. They also outlined the Board’s responsibilities and timeline to achieve certain outcomes over the next several years, including developing regulations and an advisory committee this year and developing and setting the 2025 spending target in 2024.</p> <p>The following links provide access to the agenda, meeting presentation, and Board Manual.</p>
<p>Governor Newsom’s State of the State Road Show <i>(continued)</i></p>	<p>Traditionally this time of year, California Governors – and Governors all around the country – give the State of the State address. However, this year, Governor Newsom decided to do a tour around the State, announcing new programs and policies – more akin to a multi-week press tour. He has announced two major health care-related announcements.</p> <p>Housing and Behavioral Health Crisis. In San Diego, he proposed a 2024 ballot initiative designed to improve care provided to Californians with mental illness, substance abuse and homelessness. The initiative would propose a bond to build mental health treatment community housing and modernize the Mental Health Services Act to require their spending at least \$1 billion each year for behavioral health housing and care. He noted that they will be working with Senator Susan Eggman and Assembly Member Jacqui Irwin on implementing legislation, and with stakeholders, including California State Association of Counties, community-based nonprofits, and advocates.</p> <p style="text-align: right;"><i>(more)</i></p>

<p>Governor Newsom's State of the State Road Show</p>	<p>Cost of Medicines. At a Kaiser warehouse facility In Downey, Governor Newsom, along with California Health and Human Services Agency Secretary Dr. Mark Ghaly, announced that the State is in the process of securing a contract with Civica to manufacture insulin and expect it to sell to all those who need it for \$30. In his press materials, the Governor links to the new CalRX website, which you can access here. In the event, he harkened back to the Executive Order he signed on his first day in office, aimed at reducing the cost of prescription drugs and increase accountability and transparency in health care. The Governor stated that the goal is to bring down the price of insulin "by about 90%, saving cash-paying patients between \$2,000 and \$4,000 annually." You can access the Governor's Fact Sheet here. Civica is working with the state to find an appropriate California-based manufacturing facility.</p> <p>Some technical details of the plan, per the Governor: A 10mL vial will be made available for no more than \$30 (normally \$300). A box of 5 pre-filled 3mL pens will be made available for no more than \$55 (normally more than \$500). CalRx plans to make biosimilar insulins available for: Glargine, Aspart, and Lispro (expected to be interchangeable with Lantus, Humalog, and Novolog respectively). He also states that no new prescription will be needed, as Californians will be able to ask for the CalRx generic at their local pharmacy or via mail order pharmacies; but also notes that pharmacies must agree to order/stock the product.</p>
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