

# LEGISLATIVE UPDATE

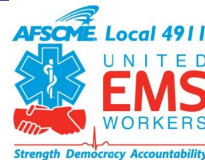


Week of May 22, 2023

## State Issues

<p>Health Care Minimum Wage</p>	<p>This week, <b>SB 525 (Durazo)</b> has been amended. You can access the new text of the bill <a href="#">here</a>. The measure, as amended, will mandate that health care entities provide for a \$21 minimum wage on June 1, 2024, and raises it to \$25 on June 1, 2025. The bill also provides for an automatic annual increase in the minimum wage each year, of the Consumer Price Index or 3.5% whichever is lesser (the previous version had it at whichever is higher.) The bill also mandates that salaried employees receive a wage of no less than 150% of the minimum wage worker, instead of doubled in the previous version. The bill does not amend out any of the facility types the policy applies to. Coalition members, including the Alliance, have made it clear that these amendments do not address our concerns or remove our opposition. The bill is struggling to get the votes it needs to move off the Senate Floor, which is what compelled the author to amend it. However, it is worth noting that the California Democratic Convention is this weekend, and we know the sponsors of the bill will be in attendance along with nearly every member of the Senate.</p> <p>The bill has one more week to pass off the Senate Floor, with a Friday, June 2 deadline for each house to pass bills introduced in that house.</p>
<p>Budget Update: Managed Care Organization Tax</p>	<p>The Coalition of health care stakeholders are rallying in support of a renewal of the Managed Care Organization Tax, which has the potential to bring in billions of new funding in the health care delivery system. The Coalition includes the California Hospital Association, California Medical Association, California Primary Care Association representing community clinics, and California Association of Health Plans. This formidable group is continuing their work to renew a long-standing program that will bring untapped federal funds to California.</p> <p>The Coalition is hoping to direct the funding into three areas: Access to health care services; improve access to mental health services and enhance the healthcare workforce. While many details of the spending plan are still being worked out, negotiations with the Legislature and Governor, who must approve the plan, are beginning. While nothing is finalized, hospitals have the potential to receive \$600 million a year for the next 3-5 years, if the plan moves forward.</p> <p>The issue will be heard in a special Joint Committee of the Assembly Budget Subcommittee on Health and the Assembly Health Committee next Tuesday.</p>

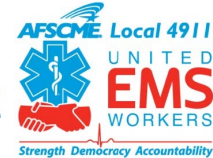
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### Coalition Spending Priorities

#### INCREASE ACCESS TO PHYSICAL AND MENTAL HEALTH CARE SERVICES:

- **Primary Care** – This funding would be directed to primary care providers in the Medi-Cal program to support the comprehensive services that protect and promote overall health of beneficiaries. **\$1 billion**
- **Specialty Care** – This funding would be directed to specialty care providers contracting with Medi-Cal. **\$1 billion**
- **Increase Use of Community Health Workers** – This funding would increase the use of CHWs which will expand the pool of Medi-Cal enrollees who can benefit from these services and is critical. **\$50 million**
- **Protect Family Planning and Sexual and Reproductive Health** – This funding would be directed to family planning, related services, and sexual and reproductive health care services for those enrolled in both Medi-Cal and FPACT. **\$250 million**
- **Access to Abortion** – The Coalition believes that there should be additional funding to continue supporting California’s abortion providers, especially as capacity in other states continues to be limited. **\$50 million**
- **Clinic Quality Improvement & Access** – This funding will be directed toward FQHCs, RHCs and other community clinics to advance the goals of improved quality and access for their patients. **\$250 million**
- **Ground Emergency Transport** – Funding is being directed to support the 911 emergency ground providers and increase staffing capacity due to increased workforce challenges. **\$100 million**
- **Emergency Department Access** – This funding would be used to support inpatient facilities and their provision of care to patients, most notably through their emergency departments. **\$600 million**



IMPROVE MENTAL HEALTH ACCESS:

- **Stabilize and Increase Inpatient Psychiatric Bed Capacity** – This funding would be used to provide increases for inpatient psychiatric beds. **\$200 million**
- **Same Day Encounter for Mental Health** – This funding would allow Federally Qualified Health Centers to bill for two encounters in a single day. **\$50 million**

ENHANCE WORKFORCE:

- **Increase Graduate Medical Education** –\$200 million
- **Allied Loan Repayment** – \$50 million
- **Medi-Cal Workforce Pool**- \$200 million
- **CalHealthCares Loan Repayment** - \$50 million