

LEGISLATIVE UPDATE



Week of June 19, 2023

State Issues

State Budget Update

Governor Newsom hopes to wrap up budget negotiations in the next few days, and prior to the new Speaker of the Assembly, Robert Rivas, swearing in next Friday. All indications are that more than 30 budget and budget trailer bills will be amended and in print this weekend. Budget Committees in both houses will hold hearings on the bills on Monday, June 26, and the Legislature will vote on the entire package on Tuesday. Notices were sent to legislative offices noting that Floor sessions will be held on Tuesday for budget action; and, while the timing is still to be determined, they indicated there was the possibility of voting extending through the evening on Tuesday.

The bills addressing the Managed Care Organization (MCO) tax will be part of that process, but there are not yet assigned bill numbers. In an interesting move, the budget trailer bills will include the various bucket/category of funding – primary care, emergency departments, outpatient services, etc., as previously reported – but the total dollar figures will not be stated. There is some expectation that the figures agreed to for each bucket are still under negotiation and may change. We expect additional bills, after the fact, to outline the entire deal, but no timeline for follow-up legislation has been noticed.

There will be a separate bill voted on Tuesday that outlines the immediate budget action items, including \$150 million more for the distressed hospital loan program; \$50 million for small, rural hospital seismic upgrades; and rate increases for primary care services, obstetric care services, and outpatient mental health services that not the responsibility of counties.

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