



# Tidbits from Sacramento

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## **FINALLY A BUDGET**

Over 50 days late, a budget was passed and signed. What was accomplished? The Governor used his veto power to eliminate approximately \$103 million from the budget. Funding was decreased or eliminated for various state programs including homeless mentally ill housing, children's health care, discount prescription drugs, and some Medi-Cal cuts. Vendors doing business with the State went without payment for their services/products during the stalemate, including health care providers. In some instances, various departments were told to continue or implement their programs without the additional resources that were included in the budget prior to the veto cuts.

There is a bit of “fall-out” from the lengthy budget negotiations, particularly within the Senate. They are still tired from long days and nights of negotiations!! The expected four week summer break was almost non-existent for most Senators and there appears to be willingness on both sides of the aisle to get this session over with and begin anew in January. Remember, the Assembly passed the budget and left town July 20, enjoying a break and family vacations while the Senate was still officially in session.

The legislature was scheduled to close the first half of the 2007-2008 legislative session on September 14. However, that date has been moved up to September 11 to accommodate various member schedules. There are a number of bills in both houses that most likely will not make it through the process before both houses close for the year.

## **HEALTH CARE REFORM – WILL IT HAPPEN??**

Perhaps, but judging by the time remaining before the legislature adjourns, it is unlikely that a comprehensive health care reform will occur. Notice I said “unlikely.” At this time, I do not see an agreement coming together. There may be time for a small piece of health care reform, but it will have to come together very quickly, perhaps for the children.

There are two bills that would extend the Healthy Families Program to the children of families whose incomes do not exceed 300 % of the federal poverty level, approximately \$61,000 for a family of four. This would be an increase from the current limit of 250% of the federal poverty level. Both AB 1 (Laird/Dymally/Senator Steinberg) and SB 32 (Steinberg/Laird) would provide families with the ability to enroll their children in the Healthy Families Program. There are some differences with the two bills, but both intend to increase the number of children eligible to obtain health care insurance. AB 1 also includes a ‘buy-in’ provision for those children of families whose income exceed the 300 % of the federal poverty level.

Senator Perata, Pro-Tem of the Senate, has indicated several times in the past week or so that he does not believe there is enough time left in this session to do a comprehensive health care reform. He has stated that the budget delay took too much time to allow health care reform to be accomplished this year. .

AB 8, (Nunez & Perata) passed from Senate Committees on partisan votes and is now on the floor of the Senate. The Governor has repeatedly stated he would veto the bill. Perata indicated AB 8 was a good negotiating bill. The Governor does not, as yet, have his bill in a legislative bill format. I understand that the Governor's staff is working 24/7 to craft health care reform language. However, we are now only 6 working days from the stated date to close down the legislature. While things can change rapidly in this environment, I do not expect that there will be an agreement on a comprehensive reform package before the close of this session.

There is concern among some, that any attempt to "cobble together" a health care reform package may be a problem. Think back to workers' comp reform. The workers comp language was provided to those of us involved during the many months of debate on that issue at 4:00 a.m. in the morning. A vote taken within minutes of the release of that document – hardly time to read it. Workers' comp reform was much less complicated than reforming California's health care system.

There is the possibility of a Special Session being called by the Governor, but as of this writing, nothing official has been forthcoming. Does this mean that health care reform is over? Not by a long shot. I expect more than one initiative is being drafted as I write this. The California Restaurant Association (CRA) has already begun to move forward with an initiative that will include funding health care reform with a one cent sales tax, which is expected to bring in between \$5-6 Billion. The CRA opposes the Governor's "pay or Play" proposal's 7.5 percent fee. I believe we will see a number of initiatives in the coming months. While all agree the system is broken – it is the "fixing" of the system that divides the various stakeholders.

#### **OTHER LEGISLATION OF INTEREST**

**SB 171 (Perata)** – Addresses hospital lift teams. Each hospital to establish a patient and health care worker protection and prevention plan. On the Assembly Floor for a vote.

**SB 210 (Kehoe)** – Air Resources Board to enforce low-carbon fuel standards for emissions – On the Assembly Floor for vote.

**SB 220 (Corbett)** – Raises fees on vended water to increase inspections. Imposes additional requirements on bottled water. In the Assembly Rules Committee – expected to return to Senate for final vote before going to the Governor

**SB 366 (Aanestad)** passed the legislature and is on its way to the Governor. This bill will remove a "sunset date" from current law. This will allow those providers utilizing state of the art cervical cancer technologies to continue to use them in California.

**SB 472 (Corbett)** – Board of Pharmacy to convene a panel to review drug labels and recommend a standard format. Set for Assembly Third Reading.

**SB 474 (Kuehl)** – Addresses Medi-Cal hospital funding, including DSH and non-DSH funds. Set for a vote on the Assembly Floor

**SB 533 (Yee/Ridley-Thomas)** - Compromise language addresses immunizations for children. Provides a provision for emergency regulations for 180 days, followed by the usual regulatory process. In Assembly Rules Committee – expected to return to the Senate for final vote.

**AB 16 Hernandez** – Addresses the Department of Education and the information it must provide to schools and parents relative to the required immunizations for children. Sent to the Senate Floor for a vote.

**AB 106 (Berg)** – Hospitals to offer flu and pneumonia shots to patients 65 years of age and older provided there are vaccines available. Sent to the Senate Floor for a vote.