



Tidbits from Sacramento

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HAPPY NEW YEAR AND BEST WISHES FOR A PROSPEROUS 2008

THE LEGISLATURE RETURNS TO COMPLETE THE 2007-2008 SESSION.

January of the second half of a two-year session is always a bit harried. This year, due to the timing of the holidays, the Legislature did not return until January 7th, leaving less time than usual to move legislation through its "house of origin." All bills must pass their "house of origin" by January 31st this year or they are "dead."

Bills are being amended daily in order to change the content to a more favorable topic and thus hopefully get the required votes. If a bill is not amended and is heard "as is," it will most likely not pass from its "house of origin." Some members elect to have the bill/issue heard to make a point, even knowing the bill will die. Had the bill been acceptable when first introduced in 2007, it most likely would already have passed.

HEALTHCARE REFORM – WILL IT HAPPEN WEDNESDAY?

While the on again, off again scheduling of AB1X 1(Nunez/Perata), gives me some pause, it does appear that the Senate Health Committee will hear the bill on Wednesday, January 23 beginning at 9:00 that morning. This bill is over 200 pages long and was most recently amended on January 17. If you are interested in reviewing a chart which compares AB1X 1 with other proposals, you will find it at the California HealthCare Foundation website. It is an 11 page document updated on January 7, 2008.

The official title of the bill is the California Health Care Security and Cost Reduction Act. This bill is part of the Health Care Special Session called by the Governor in September. Since then the bill was amended on November 8th, December 13, December 17, and January 16th. Each amendment attempts to address issues raised by key stakeholders. It is a challenge to try and keep all the pieces together with over 200 pages to review. The Republicans have introduced a number of bills on this subject as well. However, at this time, I do not expect to see many of them pass.

The information I have indicates that the bill will be divided into about 10 components. The public will be asked to testify on the specific component under discussion at that time. Given the magnitude of the issues to be discussed and the number of those wishing to testify, this committee may be going until late evening or held over to be completed on Thursday. A

number of entities will be testifying on many of the issues, not just one. I am looking at a long, long day.

Senator Kuehl is the Chair of the Senate Health Committee and has a lot of experience running challenging hearings. However, I expect this is not going to be the “run of the mill” hearing. Come early and be prepared to stay late.

FUNDING AB1X 1 – HEALTHCARE REFORM

As you may recall, the legislation to implement AB 1X 1 requires significant funding. The financial component of the bill will be addressed through the initiative process. In December a proposed ballot measure was submitted to begin the process through the Attorney General’s Office. This measure will be placed on the November ballot. The funding components are called “fees” since a “tax” would be a legal problem. There are those that insist that no matter what you call the funding, it will be legally challenged. Components of the funding will include an increase in the current tobacco tax, new employer “contributions” and a hospital “fee.” What happens if AB1X 1 passes and the initiative fails – without money, nothing will happen.

THE DEFICIT – HOW DO YOU ADDRESS A \$14 BILLION SHORTFALL???

The Senate Budget & Fiscal Review Committee held its first hearing January 17 to begin the discussions to address the shortfall. Many questions were asked of the Administration, but little substantive information was forthcoming at this time. It will take some time for the various departments to identify the required cuts as requested by the Committee.

During his State of the State Address, early this month, Governor Schwarzenegger discussed the shortfall and required all state departments to cut their budgets by 10 percent. While that sounds good, there are a number of state programs that have a federal match. Therefore, if you cut 10 percent of the state dollars, you will also lose 10 percent of the federal match. This will affect some programs significantly. One component put on the table recently is the Adult Dental Program. I expect that this will be a challenge for all concerned.

Mini-Tidbits

Commissioner Poizner in mid-December hit the State Compensation Insurance Fund pretty hard. Among the accusations were shoddy and possibly illegal financial practices. Since then there has been quite a shake-up at the Fund.

Senator Alan Lowenthal(D) from Long Beach, has been trying to get a redistricting reform bill through the legislature for several years. Republican Senator Roy Ashburn and Lowenthal have tried to do this together and separately. Lowenthal stated again in December that we don’t need an initiative to do redistricting, just pass a State Constitutional Amendment (SCA). Lowenthal has the fix. SCA 10. passed the Senate with bi-partisan support but can’t get through the Assembly – one wonders why??