



# Tidbits from Sacramento

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## **HEALTH CARE REFORM IS NOT DEAD!!!**

The rejection by the Senate Health Committee of the Governor/Speaker's proposal AB 1X1 was clearly an unwanted outcome for the proponents. Once the dust settled a bit, it is obvious that the interest in health care reform is very much alive and well. There are a number of bills that are circulating in the new session with pieces of AB 1X1, several of which I will identify in the legislation section of Tidbits. In addition, various private sector entities are discussing the need for some type of restructure of our current health care system. Many believe California can not sustain our current health care system indefinitely.

A recent article by Dr. Robert Ross in the Capitol Weekly suggests that California's leaders should take the areas of agreement between business, labor, doctors, other health care providers and consumer advocates and move forward with legislation. While such action will not encompass all the components of AB 1X1, Dr. Ross believes it will begin the process and hopefully pass legislation that will provide some measure of reform to our health care system.

One of the consumer groups is considering a ballot measure to address a component of health care, the insurance industry. This may be a challenge as many Californians receive their health benefits through their employers which are governed by federal law.

Business organizations are beginning to take a look at a broad view of health care across the country. The National Federation of Independent Business (NFIB) recently released a press release stating that they were launching "an aggressive healthcare campaign to urge policymakers to deliver real and meaningful healthcare reform for small business. Their campaign called "Solutions Start Here" will be focused on the federal, state and local levels. They will attempt to educate policy-makers about the healthcare issues faced by small businesses across the country.

In addition, various California business organizations are forming coalitions to work through some of the health care issues. The National Association of Women Business Owners-CA developed four principles last year to help sort through the components of the Governor's Health Reform. Health care reform will be a topic at their annual Public Policy Days in the Capitol. Local Chambers of Commerce are also engaged in continuing discussions on this subject.

The Governor's original health care reform proposal had many aspects to it that were supported by various entities. Many of those stakeholders are continuing to work through the unresolved issues with the Governor's staff. Health care reform is still a major issue for all of us. The volume of health care legislation introduced since January is clearly an indication that the issue will not be forgotten!

## **LEGISLATION**

The volume of legislation introduced since the legislators returned on January 7 to begin the second half of the 2007-08 legislative session, far exceeded what I could have imagined. Over 1400 bills were introduced during the last two days before the February 22 deadline. Only about 600 bills had been introduced during the prior 6 weeks. With 2000 new bills and several hundred that are viable from last year, the legislature will have many long hearings to process this volume of legislation. Many of these bills are health care related including some that take "pieces" of AB 1X1. Given the fiscal deficit we face, I expect many of them will be left in the Appropriation Committees in both the Senate and Assembly.

The following reflect some of both the new legislation and those from last year that are still viable:

**AB 1 (Laird)** - Expands eligibility for SCHIP from 250 to 300 percent of the federal poverty level (fpl). Makes other changes in the program, including a "buy-in" for families with income above 300 percent.

**AB 1203 (Salas)** - Prohibits a hospital from balance billing enrollees for post-stabilization care.

**AB 1436 (Hernandez/Niello)** - Adds a requirement for a nurse practitioner to be certified by a nationally recognized certifying body approved by the Board.

**AB 1774 (DeLeon & Lieber)** Requires both DOI and DMHC plans to provide coverage for any test necessary for the screening and diagnosis of gynecological cancers ordered by the physician, nurse practitioner or certified nurse midwife under certain circumstances. (Most do already)

**AB 1772 (Price)** - Raises the amount of a contract requiring certain competitive bidding requirements to \$250,000. Requires the actual percentage of small businesses or disabled vets participating in the contract to be reported.

**AB 1962 (De La Torre)** Requires insurers under Department of Insurance to cover maternity benefits effective 1.1.09. Some exemptions for supplemental & limited insurance.

**AB 2127 (Benoit)** - Allows employers and employees to develop a flexible work schedule under certain circumstances. Consideration to be given to family obligations, commuting and other concerns affecting small business owners and employees.

**AB 2716 (Ma)** - Requires employers to provide an hour of paid sick time for every 30 hours worked, usable after 90 days of employment under certain circumstances. Does not apply to those covered by unions or those who work less than 7 days a year.

**AB 2839 (Huffman)** Dubbed The Health Care Provider Bill of Rights. Prohibits healthcare plans/insurers from engaging in unfair contract negotiations with providers. Authorizes DMHC/DOI to revoke the license under certain circumstances.

**AB 2969 (Lieber)** - Relates to workers comp medical treatment utilization reviews. Specifies that the physician must be licensed in California.

**SB 32 (Steinberg)** - Similar to AB 1 (Laird). Expands eligibility for Medi-Cal and Healthy Families programs by increasing the income standard to 300 percent of the federal poverty level

(fpl). Allows "buy-in" program for families with income above 300 percent of the federal poverty level (fpl) under certain circumstances.

**SB 349 (Perata)** - Prohibits a health plan from charging patients for choosing to receive paper rather than an electronic statements.

**SB 462 (Torlakson)** Allows hospice, residential care and health care facilities to apply for hospice beds within their facility. Allows freestanding hospices to be licensed as health care facilities.

**SB 981 (Perata)** -Another "balance billing" bill. Prohibits non-contracted physicians from balance-billing patients for ER care. Establishes an independent dispute resolution process for physicians to obtain appropriate payment from the plan.

**SB 1115 (Migden)** - Addresses workers compensation permanent disability reports and determinations.

**SB 1145 (Machado)** - Increases the number of members on the State Compensation Insurance Fund Board. Senate & Assembly leaders will have one appointment each to the Board

**SB 1179 (Aanestad)** - Will be amended to address immunizations for children. Includes legislative oversight in some instances

**SB 1270 (Cedillo)** Currently a "spot bill." Will address the drug industry pedigrees. Will support the pedigree process to be developed at the national level, not just in California.

**SB 1440 (Kuehl)** - Prohibits plans from spending more than 15% of premiums for administrative functions. 85% shall be used for providing health care services. Allows a 5 year phase-in period, allowing 25% for administration and 75% for healthcare services.

These are a sample of the nearly 3000 bills that are currently pending in the California Legislature. Budget hearings have been underway for the last three weeks. The "heavy lifting" will begin after the legislature returns from its Spring Break on March 24th.

### **Mini-Tidbits**

**Air Resources Board** Per the Cal Chamber of Commerce: This regulatory requirement is the costliest in Air Resources Board's history. Thus, there is no ability to use the legislature to address this issue. **This regulation will apply to all diesel trucks.** It will require all pre-1998 heavy-duty vehicles to either retrofit or replace their engines by end of 2010. Those with pre-2003 trucks must comply by 2011 and all with 2003-04 engines would be required to comply by 2012, 2005 trucks and newer will have to replace engines by 2013.

**"Split Roll" taxation** This issue has recently surfaced during budget hearings. This would divide the commercial from residential properties, both of which are currently governed under Prop. 13. Expect to hear more of this as the budget debate heats up in a couple of months. AB 2641 (Davis) could become a vehicle for such a bill. Currently the bill just requests that the Board of Equalization conduct a study to determine the amount of revenue that could be raised through a "split roll" tax.

**Budget Hearings** Budget hearings have been ongoing for the last couple of weeks. However, most of the controversial issues are "held open." This will be a long, hot Summer and do not look for a budget even close to its June 15 deadline (which is never met). July will be a difficult month. Bills will be due and there will be no way to pay them. Stay tuned.

**Speaker Karen Bass** The first African-American to become the Speaker of the Assembly. More on Karen in our next Tidbits. By training she has been a Nurse and then a Nurse Practitioner - a very capable leader.