



Tidbits from Sacramento

Griffin & Associates
Legislative and Governmental Advocacy
"We Open Doors - We Get Results"

1121 L Street, Suite 210 • Sacramento, CA 95814
(916) 448-9275 • www.mjgriffin.com

April 6, 2008 - Issue #24

THE LEGISLATURE -- WHERE IS IT GOING??

With over 2500 pieces of legislation still viable this session, and a severe fiscal crisis looming over the State, it is interesting to watch the daily machinations of our elected officials. Policy committees continue to pass bill after bill with a few exceptions. I have begun to wonder if there is a disconnect between some of the elected and those who have attempted to provide a fiscal reality check.

There appears to be a glimmer of hope. This past week, Senator Don Perata, Pro-Tem of the Senate, issued a statement that all legislative bills with a cost of \$50,000 or more will automatically be sent to the Senate Appropriation's "Suspense File." Perhaps this will begin the process of weeding out numerous pieces of legislation with costs we cannot afford at this time. Usually bills that pass their policy committee and are sent to the Appropriation's Committee will go to the "Suspense File" only if their cost is meets a certain threshold which is usually between \$125,000 and \$150,000, depending on the year. I expect that many bills will not make it through this more rigorous process.

Sixty-six bills are scheduled for the first major Senate Appropriations Committee hearing on April 14. Many of these will most likely hit the lowered threshold given their subject matter. While the Assembly does not have an Appropriations Committee calendared as I write this, I would assume that the Assembly may invoke similar requirements.

THE STATE BUDGET CRISIS CONTINUES

The budget sub-committees of the Senate & Assembly have been working for weeks to put together a viable budget. However, they are facing major obstacles. Given the housing slump in California and our increasing gas prices and food costs, it is not a surprise that revenues are below projected estimates. There does not seem to be an easy answer on the horizon.

Optimists continue to believe that there will be a surge from personal income taxes that will help bail us out of our fiscal dilemma. At this point, that seems like wishful thinking. With declining state revenues and the borrowing we have been doing to cover our cash flow, it appears that closing the deficit will require some extraordinary compromises on both sides of the aisle.

The Governor will release his mid-year budget (better known as the May Revise) on May 15. Until that occurs, I doubt that anything substantial will occur. Democrats want to raise taxes and Republicans want to cut programs, mostly this a "war of words." The real action will begin after the May Revise and according to one legislative leader; we can expect a long, hot summer!!

BALANCE BILLING BACK ON THE FRONT PAGE

Balance billing patients when the billing provider believes that the payment from the health plan was not sufficient is back -- not sure it ever really left the health care world. For a number of years, various pieces of legislation, stakeholder meetings to develop a "dispute resolution" process and other methods to resolve this issue, have been tried, but found wanting by some.

SB 981 (Perata) - Senator Perata gutted an existing bill and substituted language prohibiting non-contracting physicians from "balance-billing" patients for emergency care. The bill also includes a dispute resolution process (directed by DMHC) and sets forth a percentage of Medicare (190%) as an interim payment. Bill is currently in the Assembly Health Committee, but not yet set for hearing.

Department of Managed Health Care issued new draft regulations regarding the "balance-billing" issue. This topic has been the subject of many attempts by the Department to resolve this issue. They have held numerous stakeholder meetings during the past couple of years, but were unable to reach a compromise among the various parties. The public comment period on the draft regulations will end on May 12. SB 981 certainly could be used as an incentive to ensure that the stakeholders come to an agreement on the regulations. This has been an issue for many years and the legislature wants it resolved!! It is their constituents that get caught in the middle between providers and ask their legislators for assistance in resolving this issue.

MINI-TIDBITS

As punishment for not voting for the budget last year, Democrats waged a recall campaign against Senator Jeff Denham(R). Denham represents Senate District 12 which includes parts of Merced, Modesto, San Benito, Monterey and Stanislaus Counties. Denham's district has a heavily democratic registration. The election will be held on June 3 the same as the Primary for California.

SB 1300 (Corbett) - The Senate Health Committee is scheduled to hear this bill in the next couple of weeks. The intent is to ensure that pricing information is not included in non-disclosure clauses in contracts. Supported by consumer groups and opposed by the California Hospital Association.