



Tidbits from Sacramento

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September 1, 2008 - Issue #30

BUDGET STALEMATE CONTINUES

The California Legislature closed the 2007-2008 legislative session yesterday as scheduled, without passing a budget! This is a new page in California's history. It appears that this year's budget will have the dubious distinction of being the longest delayed state budget. The 2002-2003 budget held that title until now.

State law allows the Legislature to work past the constitutional deadline, which was yesterday, but only on urgency legislation which requires a 2/3 vote. The budget meets that requirement so they may continue the budget debate. The deadline for such actions is November 15. I don't believe that we will go that long, but legally we could

Yesterday, Speaker Bass sent her members home, but ordered them to return to Sacramento on Wednesday, September 3rd. The Senate Pro-tem closed his floor session yesterday and requested that his members return for a floor session late today, Labor Day.

The Senate Pro-tem said the ball is now in the Republicans' court. The Senate Democrats put a budget bill up last week that was defeated, as it needed a 2/3 vote. Elements of the budget included, some but not all of the Governor's suggestions. A major issue in the Governor's budget plan was one-cent temporary sales tax that would hold for 3 years and then be eliminated, along with another one-quarter sales tax reduction. He also included several elements of interest to Republicans, a future spending cap and an economic stimulus plan.

Interestingly, when the Governor released his budget plan, several major business associations seemed to embrace the plan, albeit, with several caveats. The Republicans, particularly their staff, will most likely spend the rest of this week putting their budget plan into legal verbiage. The pressure on all sides of this issue will eventually move this issue forward. The State can not move forward without a budget much longer and the November 15th deadline will force the issue.

LEGISLATION

A significant number of bills died during the final days of the session. Many were amended to remove the opposition, rendering them of little concern. The following are some of the bills that will be going to the Governor for either a signature or a veto:

AB 16 (Evans) Requires individual and group health plans or health insurance policies that include coverage for treatment or surgery of cervical cancer, to also provide coverage for an annual cervical cancer screening test and an HPV vaccination upon referral by the patient's licensed healthcare provider.

AB 501 (Swanson) Addresses the issue of the disposition of prefilled syringe, pen or other injection device. Requires a pharmaceutical manufacturer to arrange to provide upon a request from a consumer, a postage prepaid, mail-back sharps container that meets appropriate standards. May also provide a sharps container for the safe storage and transport of sharps to a specified location accepting such waste.

AB 1203 (Salas) If a patient with an emergency condition is covered by a plan requiring prior authorization for post-stabilization care, a non-contracting hospital shall provide information about the patient to the provider. Provides for transfer of medical records and amends billing.

AB 1945 (De La Torre) This bill was significantly amended. Establishes standard information and health questions for health plans and insurers to use in their individual health plan applications. Requires health plans and insurers to use certain medical underwriting practices prior to issuing a policy or contract.

AB 2081 (Coto) Addresses workers' compensation issues relative to private corporations with excluded employees who are not substantial shareholders. Requires an annual report and a third-party administrator.

AB 2220 (Jones) This bill addresses contracting negotiations between emergency room physicians and plans or medical groups. Either party may invoke a mandatory mediation process to resolve contracting issues. Sets forth certain requirements and authorizes further negotiations after mediation.

AB 2275 (Fuentes) This bill originally addressed several issues related to bottled water, vended water and water facilities. As amended the bill made minor changes to existing law.

AB 2702 (Nunez) Requires a specified percentage of the balance in the Maddy Emergency Medical Services Fund to be distributed for emergency medical services provided by physicians, except those employed in county hospitals, in general acute care hospitals in certain Los Angeles Hospitals providing certain services.

AB 2969 (Lieber) This workers' compensation bill set forth some provisions relative to the medical utilization reviews conducted for injured workers. The bill specifies that California physicians are to conduct such reviews. Strong labor support and strong opposition from business, counties, cities and insurance entities on this issue.

AB 3000 (Wolk) This bill set up the process for spelling out the End-of-Life Care wishes. Under this bill the Physicians Order for Life Sustaining Treating are treated as physician order, compelling health care providers and emergency responders to comply with patient wishes.

SB 981 (Perata) This bill was one of the last bills heard yesterday. The bill addresses only ER physicians regarding balance billing/patient issues. The bill provides that ER physicians will be paid at the rate of 250 percent of the Medicare rates for providing any services to patients when the ER physician does not have a contact with the patient's health plan/medical group. This bill was opposed by numerous entities within the medical community, but received sufficient votes to move to the Governor.

SB 1198 (Kuehl) Requires health plans and insurers to offer coverage for durable medical equipment as part of their group insurance plan contracts.

SB 1300 (Corbett) Addresses contract issues between providers and health plans/insurers relative to furnishing information on the cost of procedures or healthcare quality information. Requires plans and insurers to involve providers in the development of quality information and requires certain care data to include clinical guidelines.

SB 1307 (Ridley-Thomas) Sets forth the timeline for pharmaceutical companies, pharmacies and other entities involved in the manufacturing, distribution or repackaging of pharmaceuticals to meet certain dates for compliance with the pedigree requirements set forth in this bill.

SB 1406 (Correa) Addresses a long-standing issue between Optometrists and Ophthalmologists. Allows Optometrists, who meets certain criteria, to use therapeutic pharmaceutical agents to treat glaucoma and perform others tasks. Creates a Glaucoma Diagnosis & Treatment Advisory Committee.

SB 1415 (Kuehl) Addresses the issue of patient records and providing patients a statement relative to their rights to review the records, Will also let the patient know how long the patient record will be retained and to notify the patient if the records are to be destroyed.

SB 1553 (Lowenthal) Prohibits a health plan from basing denial decisions regarding authorizations or reimbursement on whether an admission was voluntary or involuntary with regard to mental health services. Addresses several mental health coverage decisions.

AB 583 (Hancock) This is a bill of special interest to me and the other lobbyists in California. This bill was significantly amended in the latter days of this session to place a fee (tax) on lobbyists, lobbyist firms and lobbyists' clients. These fees (taxes) would be used for public financing of campaigns. This bill is to be a "pilot" to provide public financing for the Secretary of State's office. As expected the lobbyist community came out in strong opposition as did numerous other entities. Lobbyists are prevented from giving legislators or other politicians any money under California Laws. This is certainly an interesting way to raise money for publicly financing campaigns. The bill passed with just enough votes. I will be surprised if the Governor signs such a bill.

MINI-TIDBITS

As a result of the budget delay a few weeks ago, the Governor stated he would veto any legislation that reached his desk. However, he requested that AB 3034 be sent to him quickly to meet a deadline to add some taxpayer protections and financial guidelines to the High Speed Train Bond Act. Proposition 1 will now become Proposition 1A on the November ballot.

Clark Kelso, the new Receiver for the prison system's healthcare, has presented the state with a bill for \$8 million. Given our current fiscal status, this is clearly a major fiscal concern. A September 22 court date is set for a hearing on this issue.

Effective January 1, 2009, health plans in California will be required to provide language assistance to any patient who says they need it. This will make California the first state in the country to require health plans to provide comprehensive language assistance. The original law was signed in 2003. It took numerous meetings over the last few years between the Department of Managed Health Care and the various stakeholders before the regulations were approved. Estimated costs to implement this requirement are estimated between \$12 and \$25 million.

It will take the Governor's signature on AB 2537 (Furutani) to allow non-profit organizations to continue to use volunteer help on projects that receive any state funds. Otherwise, volunteers would have to be paid "prevailing wages."