



Tidbits from Sacramento

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Legislative and Governmental Advocacy
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THE 2008 LEGISLATIVE PROCESS COMPLETED

The last of the legislative bills were acted upon shortly before the September 30th midnight deadline. In total for 2008 the Governor signed 772 bills and vetoed 415 bills. The vetoes broke the record of prior years with a 35 percent veto rate.

The immediate reaction at the number of vetoes elicited a strong response from one of the legislative leaders who wanted to over-ride the Governor's vetoes. However, since the official end of the 2007-2008 Legislative Session is November 30 and the Legislature is not currently in session, there is little expectation that there will be any veto over-rides. I expect that we may see many of those vetoed bills return in the 2009-2010 Session in some form.

The following are a few of the major bills that were vetoed:

AB 16 (Evans) – Would have required certain policies to include treatment for cervical cancer and HPV shots upon referral by a physician.

AB 501 (Swanson) – Would have set up specific processes for the disposition of prefilled syringe, pen or other injection devices.

AB 1945 (De La Torre) – Attempted to set standards for information and health questions for plans/insurers to use for applications and required certain medical underwriting practices.

AB 1962 (De La Torre) – Would have required health plans/insurers to include maternity benefits in their plans.

AB 2440 (Laird) – Would have required the Department of Health Care Services to update diagnostic codes by October 1 each year and include them in the Medi-Cal Provider Bulletins.

AB 2969 (Lieber) – Would have required that only California physicians would be able to determine workers compensation medical treatment authorization requests.

AB 2081 (Coto) – Would have required employers to meet certain requirements relative to workers compensation processes.

AB 2220 (Jones) – Attempted to address the “balance billing” of patients.

AB 2275 (Fuentes) – Related to several quality & labeling standards for bottled/vended water.

SB 840 (Kuehl) – For the 3rd time, Senator Kuehl's single-payer health care plan was vetoed.

SB 981 (Perata) – Would have set a rate of 250 percent of Medicare for services provided for ER hospital physicians when they do not have a contract with a patient's plan/medical group.

SB 1151 (Perata) – Would have required a general acute care hospital to establish a patient/staff back injury protection plan and conduct certain needs assessment requirements.

SB 1198 (Kuehl) – Would have mandated that plans include durable medical equipment in group insurance plans.

SB 1440 (Kuehl) – Would have required insurers to utilize 85 percent of their premium revenues to be used solely for medical care. 15 percent could be used for administration.

The following are some of the major bills that were signed into law:

AB 1203 (Salas) – Requires a non-contracting hospital to ensure that health care information provided by a patient covered by a plan is given to the patient’s plan or contracting medical group following an emergency visit, but prior to providing post-stabilization care.

AB 2111 (Smyth) – Revises licensure examination provisions for physical therapists and physical therapist assistants. Authorizes the State to disqualify an applicant or revoke the license of a person under certain conditions.

AB 2400 (Price) – Requires that any general or psychiatric hospital provide a specified number of days notice to certain entities prior to closure of the hospital or elimination or relocation of such services. Notices to be given to the public and specified entities.

AB 2522 (Arambula) – Authorizes the San Joaquin Valley Unified Air Pollution Control District to increase fees on motor vehicles for incentive-based programs to achieve surplus emissions reductions.

AB 2569 (De Leon) – Prohibits plans/insurers from cancelling a family’s coverage based on misinformation from a single family member. Places additional duties on insurer’s agents/brokers.

AB 2658 (Horton) – Revises the list of reportable diseases/conditions set forth by the State Department of Public Health. Requires within one year of the State’s implementation of an electronic laboratory reporting system to mandate electronic reporting for all labs.

AB 3000 (Wolk) – Addresses healthcare decisions relative to life sustaining treatments pursuant to a written document signed by a patient with capacity.

SB 697 (Yee) – Prohibits providers from seeking additional payments from Health Families and Access for Infants & Mothers subscribers by attempting to collect additional monies from these subscribers.

SB 891 (Correa) – Establishes the Elective Percutaneous Coronary Intervention Pilot Program in the Department of Public Health. Certain eligible acute care hospitals, with cardiac catheterization lab services would be authorized to perform such services for eligible patients.

SB 1058 (Alquist) – Requires general acute care hospitals to implement certain procedures for screening, prevention and reporting of certain healthcare associated infections. Requires the California Department of Health to implement these provisions.

SB 1307 (Ridley-Thomas) – Sets forth a timetable for manufacturers, pharmacies, wholesalers and others to establish “pedigrees” for each “dangerous” drug prior to any distribution through the marketplace.

SB 1406 (Correa) – Mitigates a long dispute between Optometrists and Ophthalmologists. Optometrists who meet certain educational criteria will be able to perform certain procedures including glaucoma under specified standards.

IS CALIFORNIA’S FISCAL CRISIS RETURNING?

The quick is yes! Frankly, it never really left; we just used fiscal gimmicks like we usually do to patch the holes. However, with the ink barely dry on the state budget documents California’s legislative leaders are already talking about holding a Special Session of the Legislature to focus on our financial picture. It does not take a rocket-scientist to figure out that the financial

problems we have in our state government structure will certainly be exacerbated by the financial crisis at the national level.

Last week, the California Chamber of Commerce released an analysis of the State Budget Plan with regard to the impact on our business communities. The following are several of "hits" to the businesses and investors communities. Payments of approximately \$5.8 billion more will be required in taxes for the 2008-09 fiscal year.

During the 2009-10 fiscal year the projected increase will be \$1.6 billion more. For the next two years, Net Operating Losses (NOL) incurred by the business community will not be allowed to be carried forward. Businesses with less than \$500,000 will be exempted from this provision. Personal income and corporate tax filers will be required to accelerate the percentage of their tax payments due in April and June, 2009. The next two payments will be decreased.

While the above changes were used to balance the budget the Governor signed a couple of weeks ago, it is very clear that recent fiscal events will put that budget in question. Rumors are that the Governor may call the Legislature into a Special Session to address our fiscal picture. More as this unfolds.

MINI-TDBITS

California's population is decreasing! This may have an impact on the 2010 census. California currently has 52 members of the House of Representatives. If the population numbers trend downward, California could lose one seat in the House!! The question would be which seat would be lost? Stay tuned!

Proposition 11 on California's November ballot is creating some interesting dynamics. If Prop. 11 passes, the redistricting of the California Assembly and Senate seats will be done by a commission, not by the legislature. A couple of months ago, only 27 percent of Californians believed our legislature was doing a good job. The current poll numbers show the Proposition winning. It seems to have broad support among a variety of organizations that usually are on opposite sides. This is an interesting ballot measure to watch.