



# Tidbits from Sacramento

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## **Legislature Returns from its Spring Break**

Legislators returned from their break on April 15<sup>th</sup> to find they were facing committee hearings with very heavy agendas. In addition, the budget committees also began to hold more in-depth hearings on the state budget. Both policy and budget hearings were lengthy and legislators who serve on both a policy committee and a budget subcommittee were stretched pretty thin.

A number of bills were unable to pass on their first policy hearing. As a result we will see many amendments to those bills as authors attempt to address the more controversial aspects of their bills and garner enough votes to pass the policy committee.

The following bills are among the more controversial bills which will be heard in committee during the next couple of weeks:

### **Health Issues**

**AB 8 (Nunez)** – This is the speakers' bill and it was recently amended (March 27) to become a more expansive piece of legislation. Among other provisions, it requires the Health & Human Services Agency to encourage health & wellness programs, develop provider performance measures and benchmarks, creates the Cal-CHIPP program a purchasing pool insurance program under the Managed Risk Medical Insurance Board and includes several mandates upon employers. This bill contains a number of concepts that are included in various legislative proposals, as well as some of those in the Governor's proposal. Set for hearing in Assembly Health Committee on 4/17.

**AB 16 (Hernandez)** – This bill was heard a couple of weeks ago and did not pass. It mandated that all girls going into the 7<sup>th</sup> grade be vaccinated against HPV unless exempted. The bill was opposed by a bi-partisan vote. The author has significantly amended the bill and it will be heard again in the Assembly Health Committee on 4/17.

**AB 253 (Eng)** – This bill would restructure the Medical Board of California, merging two existing subdivisions (licensure and discipline) into one entity. It had its policy committee hearing and passed with amendments on March 28. While some concerns were raised that the bill did not go far enough, it is expected to move through the process.

**SB 48 (Perata)** – This is the pro-Tem's health care reform bill. It is scheduled to be heard in the Senate Health Committee on April 25<sup>th</sup>. I expect there may be amendments prior to the hearing date. At this point, it creates an insurance pool, mandates that employers provide insurance for their employees and dependents or pay an unspecified amount into a trust fund for health care.

**SB 236 (Runner)** – This is the Senate Republican version of health care reform, but thus far it has not been scheduled for a hearing.

**SB 840 (Kuehl & SB 1014)** – These are a renewed version of the Senator's earlier single payer universal health care bills. SB 1014 provides the taxation component for this concept. These two bills are set for hearing in the Senate Health Committee on April 18, and have been "special ordered" for 1:30 p.m. Expect a lengthy discussion with many opponents and proponents testifying.

### **Healthcare Reform Stakeholder Meetings**

The two groups of stakeholders continue to meet. However, the information coming out is sketchy at best. Many entities are using PR to make their points. However, if there is to be any meaningful reform, it will most likely be achieved through a legislative conference committee and probably lots of input from the Governor's office. The positive note in all this is that most people are very aware that the system is not sustainable in its current form. The Governor's office is beginning to draft legislative language for their proposal.

### **Workers Compensation**

The workers compensation reforms (SB 899 of 2004) have been in place for nearly 3 years. There are several bills attempting to change various provisions that were included in SB 899. In addition, an initiative was filed recently to address some of the provisions of SB 899. This will be another "war" between labor and employers. Employers are armed with data identifying the savings that have accrued as a result of the reform. According to the Workers' Compensation Insurance Rating Bureau of California, workers comp rates have been reduced on average by more than 50 percent. On the other side, labor will be addressing the treatment denials affecting injured workers. Legislation to make changes to the current system, include AB 644 (Dymally), AB 1073 (Nava) and SB 942 (Migden).

On another note, there are several entities, including legislators and some in the Governor's office discussing the idea of integrating injured workers into the health care system. Interestingly, one of the provisions of Senator Kuehl's bill, SB 840) is to investigate ways to coordinate these two health care systems. This idea was also raised in the small business committee of the Sacramento Metro Chamber. I am a member of this committee. We may see more interest in this as the legislative year continues.

### **Department of Health Services Will Be No More**

Effective July 1, 2007, pursuant to SB 162 (Chapter 241, State of 2006), specific programs and responsibilities currently vested with the Department of Health Services will transfer to the newly established Department of Public Health (DPH). The programs and responsibilities for those remaining entities will reside with the newly named Department of Health Care Services (DHCS). Among those responsibilities will be the entire Medi-Cal Program, and their Audits & Investigations Division.

Dr. Mark Horton was named Director of the new Department of Public Health. Dr. Horton is currently the State Public Health Officer and will retain that title as well as Director of the new department. The primary mission of the DPH will be to improve the health of all Californians. Its focus will be on investigation, prevention and control of infectious disease, environmental & occupational diseases, regulation of public drinking water, medical waste, food safety, medical devices, low level radioactive waste and coordination of family-centered preventive and primary care services. It will also be responsible for certain emergency preparedness activities.

### **Mini-Tidbits**

- A recent ruling by California's Supreme Court will allow the private sector to design and build public works projects. This ruling was a disappointment to labor and was welcomed by the business community. There are several "design-build" pieces of legislation attempting to work their way through the process. It is expected that labor will oppose them. The strength of the opposition may be dependent upon whether or not the "design-build" project will alleviate freeway congestion in a specific locality.
- The impact of changing California's Presidential Primary Election to February 5, 2008 has already begun to have an effect. More presidential candidates have been "visiting" California. The unanswered question is whether or not any of these presidential hopefuls

will make sure California gets more than the current 79 cents for every tax dollar we send to Washington. Of course, along with the early presidential primary, you may find yourself voting for a “relaxing of term limits.” Stay tuned.

- The Department of Health Services has adopted a regulation on an emergency basis to require health care providers, labs and local health officers to use a patient name when reporting cases of HIV infection. Such information would be maintained on a confidential basis.
- Congressman Pete Stark (D-CA) Chair of the House Way & Means Health Subcommittee introduced a bill that would seek to provide health insurance to all U.S. residents through Medicare and employer-sponsored coverage.