



Tidbits from Sacramento

Griffin & Associates
Legislative and Governmental Advocacy
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1121 L Street, Suite 210 • Sacramento, CA 95814
(916) 448-9275 • www.mjgriffin.com

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March On Washington DC

On April 21 a contingent of over 400 members of the Sacramento Metro Chamber descended on Washington for 5 days. This annual Capitol-to-Capitol trip, better known as “Cap-to Cap”, is the largest chamber group to gather in Washington to lobby our representatives, various government agencies and the Governor’s Washington’s staff. There were a number of major issues on the agenda, many of which affect the entire state, including: Flood Protection, Transportation, Economic Development, and the State Children’s Health Insurance Program (SCHIP). I spent my time between the Health Team, which focused on a variety of specific health care issues and the Small Business Team which focused on issues affecting businesses with less than 50 employees. I serve on both committees for the Metro Chamber.

Highlights of the Trip

- Our “kickoff” breakfast speaker, Michael Chertoff, Homeland Security Secretary gave a very informative and refreshing talk. Chertoff focused on managing terrorism risk – he stated that risk was a fact of everyday life and could not be totally extinguished, but it could be managed. Therefore, he saw his job as working with the business community and others to explore how various industries, as well as local and state governments could develop risk management plans.
- The Health Team included both hospital and medical group representatives from the major health systems (Kaiser, Sutter, CHW and UC Davis), as well as representatives from various health care insurers, advocates and other organizations. It was the largest of the 11 Metro Chamber teams. We began with a two-hour briefing on the current status of health care issues on Capitol Hill by a lobbyist for the American Hospital Association and also by the Washington-based CHA lobbyist.
- The remaining two and a half days were a blur of meetings with various House and Senate Legislators and Staff, including Representatives Lungren, Matsui, Heger and Thompson. Key issues were Medicare Financing, Medical Liability Reform, SCHIP, Medicaid Financing and Health Care Technology.
- CMS representative Julianne Howell gave us a presentation of the Medicare Hospital Value-Based Purchasing Design Options. Looks like it has a long way to go before it is ever implemented.
- The Small Business Team had some excellent meetings with both Senate and House Staff. Congressman Pete Stark, Senator Kerry and Senator Diane Feinstein’s staff met with us for some time and were well informed on the issues we brought forth. These included HR 800, better known as the “Card Check” issue which will eliminate free and

democratic elections relative to union organizing, Protection of Intellectual Property, which is becoming more and more of an issue as international trade increases and Small Business Administration issues, including small business loans. HR 800 passed the House, but based on concerns expressed by several Senate staff, that bill may find a tough going in the Senate.

Healthcare Reform

With the recent passage of legislation to address the prison overcrowding issue, it may be an indication that healthcare reform will now be able to move to center stage. A measure put together by the California Sheriffs Association and the Department of Corrections & Rehabilitation (DCR) was passed last week (AB 900 Solario & Agazarian). This measure is an attempt to address the federal judge's ultimatum which gave the DCR until June 1, 2007 to address the overcrowding of the prison system.

The Governor had indicated that once the prison issue was resolved (the bill is now in his hands for signature), then he would be able to focus on healthcare reform. Among the key healthcare reform bills are: AB 8 (Nunez), the Assembly Democrats' bill passed by the Assembly Health Committee this past Tuesday, SB 48 (Perata), the Senate Democrats' proposal passed by the Senate Health Committee on Wednesday of this week and Senator Kuehl's Universal Care SB 840 which passed the Senate Health Committee on April 18. The Senate Republican version of health care reform, SB236 (Runner) has not yet been set for hearing. Language for the Governor's health care reform proposal is being drafted. A number of additional bills addressing various components of health care are also moving through the process. As with all legislation of this magnitude, I expect negotiations to be intense and extremely challenging as legislators attempt to negotiate an agreement.

Discussions with some of the parties to the above bills indicate that while there is agreement that the system is broken, agreeing to a "fix" will be one of the more challenging issues in recent years. However, the same thing was said of workers compensation reform a few years ago. In addition, AARP is expected to begin an intense and expensive California media campaign relative to healthcare reform. However, they are not taking a position on any specific proposal. 2008 will be a highly political year; therefore, leaving healthcare reform until next year may be problematic for some.

Other Legislation of Interest

The first 3 bills are all related to vaccine issues. Each is somewhat different, but depending upon the final versions of these bills, they could make substantial changes to who becomes the decision-maker relative to mandating specific vaccinations and whether or not input via the regulatory process would be allowed.

AB 16 Hernandez – originally an HPV mandate, the bill has been significantly amended and no longer is a mandate for HPV vaccination at a certain age. Removes current law relating to vaccines. Appears to give the State Health Office total responsibility.

SB 533 (Yee) – Requires that after July 1, 2008, pneumococcus will be added to the list of diseases for which immunizations must be given prior to entering school, day care, etc. The State Health Officer would be totally in charge of immunization decisions. Exempts the new Department of Public Health from regulatory requirements relative to this section.

SB 676 (Ridley-Thomas) Repeals existing law and shifts responsibility to the new Department of Public Health (DPH) to maintain a list of diseases and conditions for which immunization is required prior to school entry. Exempts DPH from current regulatory rules.

SB 389 (Yee) – This is a reintroduction of a similar bill that Senator Yee carried when he was in the Assembly. Prohibits “balance billing” and requires DMHC and the Department of Insurance to implement an independent provider dispute resolution process.

SB 622 (Padilla) Discourages the use of independent contractors by setting forth additional employer liabilities.

INITIATIVES

SCA 9 (Runner) – This Senate Constitutional Amendment would significantly change term limits, restricting (how legislative districts are drawn) and tighten political fundraising. It must pass the legislative process and be submitted to the Secretary of State for authorization to collect the necessary signatures for putting it on the 2008 ballot. While it has a great deal of appeal to many, the chances of passage are challenging, particularly given that Speaker Nunez has a competing measure.

The Speakers measure (SCA 1) passed the legislature and recently received authorization from the Secretary of State to begin collecting the required signatures to place the measure on the ballot for the February 5, 2008 election.

Workers Compensation- Statutory Amendment. This is an attempt to undo many of the provisions of SB 899, the workers compensation bill signed into law in 2004. It is in the signature gathering process in an attempt to put it on the ballot in 2008.

37th Congressional District Race

Due to the sudden death of US Representative Juanita Millender-McDonald who passed away on April 22, the 37th CD is now vacant. The Governor is expected to call for a special election soon to fill this seat. Congressional seats are not subject to term limits. Rumors are that there numerous persons interested in this seat, some of whom are sitting legislators.

39th Assembly District

Assembly Member Richard Alarcon’s gave up his Assembly Seat to for a seat on the LA City Council. A special primary is scheduled for May 15th for the vacant Assembly seat. This is considered a Dem seat and there are four candidates, including Felipe Fuentes, who is considered the front runner and met with some of us in Sacramento a couple of weeks ago. The lone Republican is Jose Bonilla, Sr.

PROFILE – INSURANCE COMMISSIONER, STEVE POIZNER

Steve Poizner was elected California’s Insurance Commissioner in the November, 2006 elections and assumed the office on January 8, 2007. His first attempt at running for a political office was in 2004 when he ran for the State Assembly against a Democrat in the heavily Democratic 21st District seat and lost by 5, 884 votes out of 190,120 votes cast.

Poizner was born in Texas, educated at Stanford and earned an MBA from the Stanford Business School in 1980. He is a 50 year old successful Republican businessman who founded both SnapTrak, Inc. and Strategic Mapping, Inc., both high-tech companies. He sold SnapTrak to Qualcomm for \$1 billion. He co-founded EdVoice, an education non-

profit organization in 2001. The organization focus is to improve public schools K through 12. In 2003 he co-founded the California Charter Schools Association.

As Insurance Commissioner, some of Poizner's main priorities include targeting insurance fraud, workers comp, quake insurance and disaster preparedness. He has a concern that the workers comp system should be "tweaked" to make sure an injured workers receives appropriate treatment as quickly as possible. Poizner believes that insurance fraud has cost California insurers and residents at least \$6.5 million. He has also indicated that he will be analyzing and costing the various health care reform proposals on the table.

The new Insurance Commissioner has hired both Republicans and Democrats on his team – one of which I know well from the Bay Area. He has also stated he would like to see the Insurance Commissioner's office be nonpartisan! A recent article in the Sacramento Business Journal indicated that some folks have suggested him as a candidate for Governor in 2010. Stay tuned – Poizner is certainly turning heads, both Republican and Democrat.