

# LEGISLATIVE UPDATE



Week of May 20, 2024

## State Issues

House of Origin  
Deadline

Today (May 24) marks the deadline for bills to make it out of their house of origin. At the beginning of the week, the Legislature had more than 900 bills to manage. Some of these bills have gone on the Inactive File, but many have been approved and will move through the legislative process. A few bills of note:

**SB 1432 (Caballero)** addressing hospital seismic standards had a strong unanimous vote off the Senate floor, with several members standing up to speak. Most focused on the need to keep this bill moving and get this issue dealt with once and for all.

**SB 966 (Weiner)** creates requirements for licensure and state oversight for Pharmacy Benefit Managers. The bill moved off the Senate Floor with a unanimous vote.

**AB 1975 (Bonta)** maintains Medi-Cal coverage for medically supportive food and nutrition interventions by adding these interventions as covered Medi-Cal benefits. This is a priority of the Legislative Black Caucus, and it passed with a unanimous vote.

**AB 2250 (Weber)** requires health plans, health insurers, and Medi-Cal to provide coverage for, and provider reimbursement of, social determinants of health screenings. The bill got off the floor on a bipartisan, but split, vote (66-14, with most Republicans voting no.)

**AB 3275 (Soria, Rivas)** would require prompt payment for certain health facilities. It passed the floor with author amendments to change reimbursement timelines to 15 days for all providers. The bill continues to exclude most facilities, and amendments are being requested.

**AB 3129 (Wood)** increases the AG authority and oversight on health care transactions that include private equity firms. With opposition expressing concern about stifling investment in health care, the bill got out on a partisan split vote.

**SB 895 (Roth)** seeks to support the health care workforce pipeline by allowing Community Colleges to provide Baccalaureate Degree in Nursing Pilot Program. Unanimous support moved the bill on to the Assembly.

*(more)*

Budget Update	<p>This week, both the Assembly and Senate Budget Subcommittees held follow-up hearings focused on the Managed Care Organization Tax and the budget cuts proposed in the health arena. The hearings provided the members with another opportunity to share their frustrations with the Administration over many of the cuts – particularly the withdrawing of the MCO tax and the large cuts to health care workforce programs. Senator Roth in particular made a point to Governor Newsom that he would not vote for a budget that left physicians in residency programs without expected funding halfway through their program.</p> <p><b>New LAO Reports.</b> The Legislative Analyst’s Office recently published a few reports of interest:</p> <ul style="list-style-type: none"> <li>▪ A new report (link <a href="#">here</a>) specifically focused on the current status of the issues and allocations of the Managed Care Organization (MCO) Tax.</li> <li>▪ A brief (6 page) overview of the Governor’s May Revise proposal. You can access it <a href="#">here</a>. The very high-level report covers the status of the budget deficit, broadly discusses the Governor’s proposed solutions, and provides some key questions for the Legislature to ponder as they work through the challenges.</li> <li>▪ A new report that outlines the budget picture for next few years is <a href="#">here</a>. The LAO covers the state’s fiscal picture over the next few years and outstanding fiscal risks for the State.</li> </ul> <p><b>Process and Timing.</b> The Legislature must pass a budget by June 15, but members continue to indicate that Legislative Leadership is hoping to have a final vote by the end of next week – several weeks early. This would give them more time to negotiate. Also of note, in recent years we have seen the Legislature pass a placeholder budget “on time” to meet the Constitutional deadline – only to keep the real negotiations going over the summer. Given the complexities of the budget this year, this likely is the plan. We also are hearing that they may start back on budget negotiations early next year for mid-year activity.</p>
Assembly Member Fong Heading to Congress	<p>Vince Fong won the Congressional special election to represent the people of Bakersfield and complete the term of Representative, and former Speaker, Kevin McCarthy, who resigned at the end of 2023. Fong is well on his way to winning the upcoming election for the seat permanently. He has had the endorsement of many in the Republican party, including his former boss McCarthy. Fong will continue in his duties in the California Assembly until his official transition to Congress is worked out with House Speaker Mike Johnson.</p> <p>On Thursday, the Assembly welcomed Fong back to the floor and allowed him some time to speak and thank all his colleagues. Many Assembly Members – both Democrats and Republicans – rose to speak to praise him and appreciate his leadership and collegiality especially as Budget Vice Chair. Many encouraged him to bring some sanity and bipartisanship to the political environment in Washington, DC. All of the speeches were clearly heartfelt.</p>

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