

LEGISLATIVE UPDATE



Week of January 29, 2024

State Issues	
New Bill Introduction Deadline	February 16 marks the deadline for new bills to be introduced; and, as in previous years, many Legislators are taking their time in finalizing their bill packages. While a few bills have already been introduced, we expect the vast majority to be published closer to the deadline. While few bills are in print, the informal notification of bills pending is alive and well. We are hearing that the Attorney General and Dr. Jim Wood are planning to introduce a bill that would provide greater AG oversight on health care transactions of \$10 million or more when a private equity firm is part of the transaction. No other details of the bill are known at this point, but we are watching for its introduction.
Budget Update: Trailer Bills	By February 1, the Newsom Administration is supposed to release trailer bills that are related to their January Budget proposal. In the health arena, we were expecting trailer bills on the Managed Care Organization (MCO) Tax and the Governor’s proposed revisions to SB 525 – the recently-passed health care minimum wage. While the Department of Finance did publish some trailer bills, these two most noteworthy ones were not among them. The two health care TBLs that were released were on licensing fees and syndromic surveillance, which you can access on the DOF website here .
SB 525 Implementation	<p>While we continue to wait for Governor Newsom to release his proposed changes to the implementation of SB 525 and the health care minimum wage, the Administration has missed another deadline on the path to implementation. According to the statute, the California Department of Health Care Access and Innovation (HCAI) was supposed to publish on their website the list of hospitals in each category of implementation – denoting the timeline for certain hospitals to achieve the \$25 minimum wage requirement.</p> <p>As of this morning, nothing has been published. It is, of course, likely wrapped up in whatever changes the Governor wants to make to the overall implementation timeline, but time is ticking for covered employers to properly plan and budget for the changes. If no changes are made to the implementation timeline for community hospitals, then their first pay bump is statutorily set to begin on June 1, 2024 – four months away.</p>
Assembly Budget Hearings Scheduled	Attached is the hearing schedule for Assembly Budget Sub 1 on health issues. The hearings will be officially noticed in the daily file shortly. It is important to note that the list of hearings attached here is not official and subject to change, so it is best to use this as a guide, but confirm with the daily file each week. The committee staff also noted that there are fewer hearings than in the past, resulting in the hearings expected to be longer than in the past. In addition, the hearings will be in-person hearings; however, there will be phone lines available for public comment. Starting February 26, hearings are scheduled every Monday at 2:30pm.

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