

LEGISLATIVE UPDATE



Week of April 8, 2024

State Issues	
Early Budget Action	<p>The Legislature approved AB 106 (Gabriel) a Budget Bill Junior, which reflects the early action budget agreement. The agreement will reduce the budget shortfall by \$17.3 billion – and makes adjustments in both the current and budget year. However, the bill does not address the total budget deficit. The Legislature will still have between \$8 billion and \$23 billion to address before the fiscal year begins on July 1, and Assembly Budget Chair Jesse Gabriel warned members and stakeholders that we will still have to have tough conversations and difficult decisions. The bill was passed on a party-line vote and will make its way to the Governor for signature.</p>
Health financing Budget Informational Hearing	<p>Next Monday (April 15), the Assembly Budget Subcommittee on Health will have an informational hearing addressing the “Impact of Health Care Costs on Consumers.” The panelist for the upcoming hearing includes UC Berkeley Labor Center, SEIU, Health Access, Unite Here, California Labor Federation, California Nurses Association and California Pan-Ethnic Health Network.</p> <p>Assemblymember Dr. Weber has been asked by the Speaker to hold this hearing to allow for the “alternative point of view” from the hearing held on March 11th that focused on hospital financing. The previous hearing had experts in hospital financing, including several panels of hospital CEOs, who provided information on the intricacies of hospital financing, and provided insight into the rising costs and frozen reimbursement rates for safety net providers that are putting hospitals at risk of closure.</p> <p>The advocates were disappointed they were not asked to provide their perspective on hospital financing, and the Speaker is hoping to remedy that with this hearing. This hearing is expected to cover more than hospital issues and may cover some of the same issues addressed over the last few months at the Office of Health Care Affordability.</p>
SB 1290: Essential Health Benefit Benchmark Plan	<p>Changes to SB 1290 (Roth) was heard in Senate Health Committee this week. This could make substantive changes to health insurance sold in the state beginning in 2025. The bill would sunset the State’s current Essential Health Benefit benchmark plan – which sets the floor for what health plans must cover to be sold in California. This bill would begin the process of selecting a new benchmark plan, which could change the services that must be covered by health plans and could change the cost sharing structures plans must provide.</p> <p style="text-align: right;"><i>(more)</i></p>

<p>SB 1290: Essential Health Benefit Benchmark Plan <i>(continued)</i></p>	<p>In 2011, shortly after the passage of the Affordable Care Act, California set upon selecting a benchmark plan and settled on the Kaiser Foundation Health Plan Small Group HMO 30 plan and paired that with a pediatric dental plan and basic vision plan. After more than a decade, advocates think that it is time to revisit that selection. Advocates expressed an interest in exploring critical health care services that are not currently included in health coverage. Specifically mentioned for discussion included hearing aids for children, infertility treatment, chiropractic care, dietary nutrition, and adult dental care services.</p> <p>During the hearing, the Department of Managed Health Care clarified that the goal of selecting a new plan will be to find a health insurance plan that covers needed services and is robust, while being mindful to make it affordable. Health Plan associations were supportive in concept and looked forward to being part of the conversation. They requested that all insurance mandate bills be paused until this discussion is completed. The bill moved out of Committee on a unanimous vote and is now awaiting action in Senate Appropriation Committee.</p>
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