

LEGISLATIVE UPDATE



Week of January 15, 2024

State Issues	
Legislative Update	<p>The Legislature has until January 31st to move bills out of their house of origin that were introduced in 2023. To that end, today (January 19) is the deadline for those bills pass out of both policy and fiscal committees.</p> <p>The Alliance is continuing to support AB 977 (Rodriguez) that would extend the penalties for violence committed against first responders to include all health care workers who provide services within emergency departments. After passing out of the policy committee last week, this week it passed out of the Appropriations Committee. It will now be heard on the Assembly floor in the next 10 days. If it passes there, it will move on to the Senate.</p> <p>Another bill moving is SB 339 (Weiner), also supported by the Alliance. The bill improves access to PrEP and PEP medications that treat HIV by ensuring pharmacists can provide the medication and get adequately reimbursed. This bill stalled at the end of session last year, but proponents worked over the break and addressed the concerns that hindered the bill. It has now passed out of the Assembly and will make its way to the Senate for concurrence and then to the Governor’s desk for signature.</p> <p>The deadline to introduce new bills for 2024 is Friday, February 16. While bills are already being introduced, we should see the majority of bills in print closer to this deadline.</p>
Office of Health Care Affordability	<p>In 2022, the Legislature established the Office of Health Care Affordability (OHCA). Citing an interest in reducing the cost of healthcare in the state, OHCA’s Board is tasked with developing a spending target growth percentage for health care providers in the State. Prior to the upcoming Board Meeting on January 24, OCHA staff just released their final recommendation for the spending target.</p> <p>They are recommending the Board adopt a 3% recommended target for 2025-2029, with penalties starting in 2026 for noncompliance.</p> <p>There are serious concerns that this proposed cap does not account for the actual cost of providing care, does not consider the impact on access to care, and does not allow for treatment innovations or breakthroughs, despite their impact on overall health care cost savings long term.</p> <p>You can find the agenda and/or watch the Board meeting set for January 24 at 10:00 am via this link. And access the Advisory Committee Meeting held the day before the Board meeting on January 23 via this link.</p>

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<p>Budget Update: LAO Analysis</p>	<p>This week, the Legislative Analyst’s Office released its assessment of the Governor’s January Budget proposal. You can find their report here. According to the LAO, the Governor’s plan has some “strengths and weaknesses” while his revenue projections are “plausible, but optimistic.”</p> <p>One of the big differences between the LAO’s fiscal forecasts and that of the Governor is it centers on the size of the expected budget deficit. The LAO said it was \$58 million for the budget year – while the Governor’s much rosier picture sets it around \$38 billion (if you can consider a \$38 billion budget shortfall “rosy.”)</p> <p>The main difference between the two estimates is the projection of revenue collections.</p> <p>The Governor has vehemently rejected calls from some Legislators to raise taxes and has instead proposed to balance the budget in large part by tapping into the State’s reserves – which includes accessing special reserve accounts like one for health and human services, as well as accessing the much larger rainy day fund for the overall budget. Accessing the state’s rainy day funds will require the Governor to declare the state in a fiscal emergency, which is likely to have political ramifications.</p> <p>The first budget hearings in both the Senate and Assembly are set for next Tuesday, where the Legislative Analyst summarizes and takes Legislator questions regarding this report.</p>
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For more information, please contact Lori Dangberg at 1215 K Street, Suite 2000 ■ Sacramento, CA 95814
916.591.3991 or e-mail: ldangberg@thealliance.net