

# LEGISLATIVE UPDATE



Week of August 19, 2024

State Issues	
End of Session Looms	<p>A little over one week remains until the end of the Legislative session, which is upon adjournment of session on Saturday, August 31. The last day for bills to be amended on the Floor is today (Friday). The amendments will come into print over the weekend, so we will be on the lookout for those bills that are expected to be amended, as well as those gut and amend surprises that always surface this time of the legislative year.</p> <p>It also has been an interesting week at the Capitol this week. Monday and Tuesday included goodbye speeches for both Senators and Assembly Members who will not be returning – some have termed out, some vying for another office, and some decided not to return to finish their terms.</p> <p>We are expecting about 25 percent of the Legislature to be new next year. More than 60 percent of those members departing had some experience on a health committee (policy or budget). So, a large number we’ve been educating on health issues the last few years will be moving on, and we’ll need to educate a new cadre of members on all aspects of health policy.</p> <p>Also, the last few days of the week were centered around the Democratic National Convention and the large number of democratic Legislators and statewide elected officials who went to Chicago. With so many members gone, both the Senate and Assembly had very brief floor sessions on Wednesday and Thursday. The bulk of the work on finalizing bills will need to get done beginning next Monday. We understand that the session is set to go late into the night on Monday and Tuesday to avoid getting jammed later in the week with too many bills to vote on before the deadline.</p>
Governor’s Office of Health Care Affordability	<p>This week, the Governor put out a lengthy press release touting the major milestones and successes of the Office of Health Care Affordability (OHCA), including quotes from health care consumers and health care advocacy organizations. Established by Legislative action in 2022, OHCA is charged with minimizing health care cost growth, promoting high value care, and assessing market consolidation. The reason for its release at this time was not immediately clear.</p> <p>Per the Governor, the OHCA has accomplished:</p> <ol style="list-style-type: none"> <li>1. Creating a 3% statewide health care spending target for California starting at 3.5% for 2025 and 2026, lowering to 3.2% for 2027 and 2028, and reaching 3% for 2029. “Due to its enforcement provisions, California’s law is viewed as the strongest in the country of its type.”</li> <li>2. Approving standards to move the health care system away from traditional fee-for-service payments and toward “value-based models that incentivize equitable, high-quality, and cost-efficient care.”</li> <li>3. Adopting regulations that require reporting and the review of proposed mergers and acquisitions within the health care delivery system. “Such market consolidations/transactions could hurt competition, access, and affordability in California.”</li> </ol>

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<p>Governor's Office of Health Care Affordability <i>(continued)</i></p>	<p>4. Working to establish Workforce Stability Standards to monitor the effects of spending targets on the stability of the health care workforce.</p> <p>The memo outlines the upcoming work the OHCA Board will undertake.</p> <ul style="list-style-type: none"><li>▪ Examining regional variations in health care costs in California starting with a public hearing in Monterey County later this month in response to consumer concerns about high costs. "Highlighting these disparities allows for a better understanding of the root causes of these disparities, such as lack of competition in a regional market, insurer practices and differential provider practices that could drive up costs."</li><li>▪ Adopting a spending cap for primary care, which does not yet exist.</li></ul> <p>The release then offers positive quotes from individuals, Payers (Blue Shield), Advocates (Health Access), Unions (Unite Here), and Providers (CMA, physicians and hospitals). You can see the document <a href="#">via this link to the Governor's website</a>.</p>
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For more information, please contact Lori Dangberg at 1215 K Street, Suite 2040 ■ Sacramento, CA 95814  
916.591.3991 or e-mail: [ldangberg@thealliance.net](mailto:ldangberg@thealliance.net)