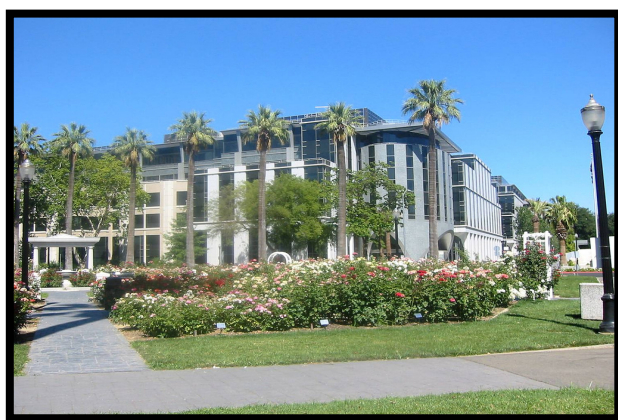


Department of Health Care Services



LEGISLATIVE SUMMARY 2020

WILL LIGHTBOURNE
DIRECTOR



DEPARTMENT OF HEALTH CARE SERVICES
LEGISLATIVE SUMMARY
2020

Compiled by the
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DEPARTMENT OF HEALTH CARE SERVICES
LEGISLATIVE SUMMARY 2020
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FISCAL YEAR 2020-21 BUDGET BILLS

<u>BILL#</u>	<u>AUTHOR</u>	<u>CHAPTER #</u>	<u>SUBJECT</u>
AB 0079	Committee on Budget	011	Human services: omnibus
AB 0080	Committee on Budget	012	Public health: omnibus
AB 0081	Committee on Budget	013	Public health funding: health facilities and services.
AB 0089	Committee on Budget	007	Budget Act of 2020
SB 0074	Committee on Budget And Fiscal Review	006	Budget Act of 2020

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SUMMARIES OF BILLS SIGNED BY THE GOVERNOR:

BUDGET OFFICE

AB 0089 Ting (Chapter 7)
BUDGET ACT OF 2020

AB 0089 enacted the provisions of the Budget Act for fiscal year (FY) 2021.

SB 0074 Mitchell (Chapter 6)
BUDGET ACT OF 2020

SB 0074 enacted the provisions of the Budget Act for FY 2020-21.

COMMUNITY SERVICES

AB 1304 Waldron (Chapter 325)
CALIFORNIA MAT RE-ENTRY INCENTIVE PROGRAM

AB 1304, sponsored by the author, 1) establishes the California Medically Assisted Treatment (MAT) Re-Entry Incentive Program to authorize a 30-day parole reduction for each six months of treatment successfully completed, up to a maximum 90-day reduction; 2) requires DHCS to allocate the sum of \$1,000,000 in unnamed grant funding from the federal Substance Abuse and Mental Health Services Administration to the California Department of Corrections and Rehabilitation (CDCR), to fund the newly established program; and 3) requires CDCR to complete annual reporting requirements, as specified.

AB 1976 Eggman (Chapter 140)
MENTAL HEALTH SERVICES: ASSISTED OUTPATIENT TREATMENT

AB 1976, sponsored by California Psychiatric Association, requires all California counties to offer Assisted Outpatient Treatment (AOT), commonly known as Laura's Law beginning July 1, 2021. Counties may offer AOT services either independently, or could choose to partner with neighboring counties. Counties who choose to partner with other counties are required to execute a memorandum of understanding, as specified. Counties are permitted to opt out of participation through the passage of a resolution adopted by their Board of Supervisors, which identifies the reasons for opting out, and any facts or circumstances used in making that decision. In addition, the bill repeals the sunset date of Laura's Law, thereby extending the program indefinitely, and prohibits a county from reducing existing voluntary mental health programs as a result of implementation of this bill. The bill also adds a superior court judge as a person who is eligible to request a petition for AOT services to be filed for a person who appears before that judge.

AB 2265 Quirk-Silva (Chapter 144)
**MENTAL HEALTH SERVICES ACT: USE OF FUNDS FOR SUBSTANCE
USE DISORDER TREATMENT**

AB 2265 allows Mental Health Service Act (MHSA) funds allocated for Community Service and Supports, Prevention and Early Intervention and Innovative programs to be used for substance use disorder treatment for children, adults and older adults with co-occurring mental health and substance use disorders. AB 2265 also requires DHCS to publish a report on its website summarizing the county data by January 1, 2022, and every year thereafter. The bill authorizes DHCS to interpret, implement or make specific the provisions of the bill via bulletins, letters or similar instructions without taking regulatory action and requires DHCS to adopt any necessary regulations by July 1, 2025.

SB 803 Beall (Chapter 150)
**MENTAL HEALTH SERVICES: PEER SUPPORT SPECIALIST
CERTIFICATION**

SB 803, sponsored by County Behavioral Health Directors Association of California; California Association of Mental Health Peer Run Organizations; Los Angeles County Board of Supervisors; and the Steinberg Institute, requires DHCS to determine statewide certification standards for a peer support specialist program (program) to be implemented by counties, or an agency representing counties. Participation in the program by counties is optional. The State is required to support any county-level startup costs from the California State General Fund (GF) upon appropriation. The bill requires DHCS to seek necessary federal approvals related to the implementation of the statewide standards, and a waiver for the implementation of a demonstration project or pilot program in order to establish Medi-Cal billing codes related to peer support specialist services. SB 803 specifies that if federal approval is not given for a waiver, the statewide standards for certification shall not be implemented. It additionally requires DHCS, with stakeholder involvement, to determine various administrative processes and program components for adherence by counties implementing a program. The bill permits counties, or an agency representing counties, to develop a fee schedule for the ongoing support of their program.

FEE-FOR-SERVICE RATES DEVELOPMENT

AB 2450 Grayson (Chapter 052)
AIR AMBULANCE SERVICES

AB 2450, sponsored by California Association of Air Medical Services, extends the assessment of penalties and supplemental payments under the Emergency Medical Air Transportation Act (EMATA) for one year. The EMATA funds supplemental payments for emergency medical air

transportation services through the use of increased penalties for vehicle code violations. AB 2450 continues, through June 30, 2021, the \$4 penalty for vehicle code violations that is collected by local courts and deposited into the Emergency Medical Air Transportation and Children's Coverage Fund. The penalties collected will be used to continue supplemental payments to emergency medical air transport providers until December 31, 2022 or until the funds are exhausted. This bill contained an urgency provision.

SB 275

Pan (Chapter 301)

HEALTH CARE AND ESSENTIAL WORKERS: PERSONAL PROTECTIVE EQUIPMENT

SB 275, sponsored by SEIU California, 1) requires the California Department of Public Health (CDPH) and the Office of Emergency Services (Cal OES) to establish a personal protective equipment (PPE) stockpile, contingent upon budget appropriation; 2) requires CDPH to establish guidelines for the procurement, management and distribution of the PPE in the stockpile which takes into account specified considerations; 3) establishes the Personal Protective Equipment Advisory Committee, with specified members, to make recommendations to Cal OES and CDPH for developing the required guidelines; 4) requires health care employers, as defined, to maintain an inventory of PPE sufficient for 45 days of surge consumption, as determined by the Department of Industrial Relations (DIR), by either January 1, 2023, or 365 days after regulations are adopted, whichever is later; and 5) specifies financial penalties for health care employers who fail to comply with the provisions of SB 275, to be enforced by the Division of Occupational Safety and Health within DIR.

INTEGRATED SYSTEMS OF CARE

SB 0214

Dodd (Chapter 300)

MEDI-CAL: CALIFORNIA COMMUNITY TRANSITIONS PROGRAM

SB 214, sponsored by East Bay Innovations and Disability Rights of California, establishes a temporary program to facilitate the transition of individuals from an inpatient facility who have resided in that setting for fewer than 90 days. The bill requires DHCS to provide services consistent with the Money Follows the Person Rebalancing Demonstration Program, also known as the California Community Transitions Program, but specifically expand it to authorize individuals residing in an inpatient setting for fewer than 90 consecutive days. DHCS is authorized to implement, interpret or make specific the bill's provisions by means of letters, bulletins or similar instructions without taking regulatory action. DHCS is required, commencing January 1, 2023, to cease enrollment of beneficiaries, and subsequently cease providing services on January 1, 2024. The bill's provisions sunset on January 1, 2025. This bill contained an urgency clause.

SB 1255 Committee on Insurance (Chapter 184)
INSURANCE

SB 1255, sponsored by Equality California, makes various changes to insurance law. As it relates to DHCS, Section 42 of SB 1255, which updated Section 10234.75 of the Insurance Code, extends the deadline from July 1, 2021 to January 1, 2023 for the Long Term Care Insurance Task Force (Task Force), on which the DHCS Director, or Director's designee is required to serve, to produce its recommendations for establishing a statewide long term care services and supports insurance program. Section 42 also extends the deadline for the California Department of Insurance to submit an actuarial report to the Legislature regarding the recommendations made by the Task Force from July 1, 2022 to January 1, 2024.

LEGAL SERVICES, OFFICE OF

AB 0713 Mullin (Chapter 172)
CALIFORNIA CONSUMER PRIVACY ACT OF 2018

AB 713, sponsored by the California Consumer Privacy Act of 2018, amends the California Consumer Privacy Act of 2018 to expand exemptions for certain types of medical information, including exemptions for patient information that has been de-identified under specified federal requirements, and medical information used in medical research. This bill also requires businesses to disclose how patient information was de-identified, prohibits re-identification of de-identified patient information except in certain circumstances, and places limitations on the sale and licensing of de-identified patient information.

LEGISLATIVE AND GOVERNMENTAL AFFAIRS, OFFICE OF

AB 0079 Committee on Budget (Chapter 11)
HUMAN SERVICES OMNIBUS

AB 79 enacted the provisions of the Budget Act for FY 2020-21, as it pertains to human services issues for DHCS.

SEC. 13. This section, as proposed by the Legislature, amends section 246 of the Labor Code to require Waiver Personal Care Services (WPCS) providers who also provide In-Home Supportive Services (IHSS) to be paid sick days, as specified, commencing July 1, 2019. The section requires eligibility for WPCS providers to be determined based on the aggregate number of monthly hours worked between IHSS and WPCS, subject to use and accrual limitations.

SEC. 77. This section, as proposed by the Legislature, amends section 16521.8 of the Welfare and Institutions (W&I) Code to extend the Los Angeles County Public Health Nurse Pilot from January 1, 2021, to January 1 during

the FY when funding has been provided to the Los Angeles County Department of Public Health by the California Department of Social Services. The section requires, before January 1, 2021, and to the extent enabled by existing resources or appropriated funds, DHCS in consultation with Los Angeles, to determine next steps required to seek any federal approvals necessary to claim federal financial participation for those identified Medicaid activities related to the Los Angeles County Public Health Nurse Pilot. Los Angeles County is required to submit to DHCS any information deemed relevant to determine next steps. DHCS may implement, interpret or make specific the section by means of provider bulletin or other similar instructions without taking further regulatory action.

SEC. 78-79. These sections, as proposed by the Legislature, amend sections 16527 and 16529 of the W&I Code to allow the statewide hotline for the Family Urgent Response System to operate sooner than January 1, 2021, or as specified. The section authorizes the county-based mobile response systems to be temporarily adapted to address circumstances associated with COVID-19, consistent with the Governor's Proclamation of a State of Emergency, issued March 4, 2020.

AB 0080 Committee on Budget (Chapter 12)
PUBLIC HEALTH OMNIBUS

AB 80 enacted the provisions of the Budget Act for FY 2020-21, as it pertains to health issues for DHCS.

SEC. 48. This section, as proposed by the Legislature, amends section 14007.8 of the W&I Code to require the expansion of Medi-Cal full-scope coverage of individuals who are 65 years of age or older, and who do not have satisfactory immigration status to be prioritized for inclusion in the budget for the upcoming FY if in determining the projected budget condition for the upcoming FY, the Department of Finance (DOF) projects a positive ending balance in the Special Fund for Economic Uncertainties for the upcoming FY and each of the ensuing three FYs that exceeds the cost of providing such services.

SEC. 49. This section, as proposed by Administration, amends section 14011.10 of the W&I Code, to conform the suspension of benefits for incarcerated juveniles, as defined, under state law with those federal provisions.

SEC. 50 & 61. These sections, as proposed by the Administration, amend sections 14021.51 and 14124.24 of the W&I Code to require MAT services as a reimbursable Drug Medi-Cal (DMC) Treatment Program benefit for all DMC provider types, which includes all medications approved by the Food and Drug Administration to treat opioid use disorders, counseling services and behavioral therapy in accordance with the Substance Use—Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities Act.

SEC. 51 & 70. These sections, as proposed by the Legislature, amend section 14042.1 of the W&I Code and add uncodified language to extend the length of the Medically Tailored Meals pilot program from three to four years. The section delays the due date of the program evaluation from January 1, 2021 to within 12 months after the end of the four-year pilot. The section also extends the statutory sunset from “January 1, 2021 or six months following the end of the program,” to “the date the department submits its report containing its evaluation of the program to the Legislature or 12 months after the end of the program.”

SEC. 52-55. These sections, as proposed by the Administration, amend sections 14046 and 14046.1, repeal section 14046.8 and add section 14046.8 of the W&I Code to rename the Electronic Health Record Incentive Program to the Medi-Cal Promoting Interoperability Program, in compliance with new Centers for Medicare and Medicaid Service requirements and extend the sunset date for the program from July 1, 2021 to January 1, 2024.

SEC. 56. This section, as proposed by the Administration, amends section 14079 of the W&I Code, to eliminate obsolete requirements when DHCS performs rate reviews for physician and dental reimbursable services to more closely align with federal access-to-care requirements.

SEC. 57-58 & 62-63. These sections, as proposed by the Administration, amend sections 14105.31, 14133.22, and 14134 and add section 14105.334 of the W&I Code to: 1) expand the definition of “Best Price” to include foreign, in addition to domestic, prices, effective January 1, 2021; 2) require DHCS, upon approval of DOF, to seek federal approvals to establish and administer a drug rebate program to collect rebate payments from drug manufacturers with respect to drugs furnished to selected populations of California residents that are ineligible for full-scope Medi-Cal benefits; 3) eliminate the monthly limit of six prescription drugs for Medi-Cal patients on January 1, 2021; and 4) eliminate copayments on prescription drugs on January 1, 2021.

SEC. 59. This section, as proposed by the Legislature, adds section 14105.467 of the W&I Code to require DHCS to establish, implement, and maintain a supplemental payment pool for nonhospital 340B community clinics, subject to an appropriation by the Legislature.

SEC. 60. This section, as proposed by the Administration, adds section 14124.12 of the W&I Code to allow DHCS to be responsive to the COVID-19 public health emergency by codifying any related, federally-approved waivers or flexibilities into state law.

SEC. 64-67. These sections, as proposed by the Legislature, amend sections 14188, and 14188.1, repeal section 14188.4 and add section 14188.4 of the W&I Code to suspend the Proposition 56-funded Value Based Payment program on July 1, 2021, unless specified conditions are met.

SEC. 68. This section, as proposed by the Administration, adds section 14301.11 of the W&I Code to require DHCS, in consultation with affected Medi-Cal managed care plans, to develop and implement a risk corridor that is symmetrical to risk and profit to limit the financial risk of either significant capitation rate overpayments or underpayments.

SEC. 69. This section, as proposed by the Administration, adds uncodified language to suspend Proposition 56-funded Medi-Cal provider supplemental payments on July 1, 2021, unless either of the following conditions are met: 1) if the estimates (contained in the 2021 May Revision) of GF revenues and expenditures for the 2021-22 and 2022-23 fiscal years contain estimated annual GF revenues that exceed estimated annual GF expenditures for 2021-22 and 2022-23 fiscal years by an amount equal to or greater than the sum total of all GF appropriations for all programs subject to suspension; or 2) if the suspension takes effect, but the Legislature finds alternative solutions to restore this program, consistent with Legislative intent established by this bill. Applies this section to all Medi-Cal provider types that currently receive Proposition 56-funded supplemental payments, with the exception of women's health services.

AB 0081

Committee on Budget (Chapter 13)

PUBLIC HEALTH FUNDING: HEALTH FACILITIES AND SERVICES

AB 81 enacted the provisions of the Budget Act for FY 2020-21, as it pertains to the Skilled Nursing Facilities (SNF) Quality Assurance Fee (QAF) and the MHSA for DHCS.

SEC. 1-7 & 10-15. These sections, as proposed by the Administration, amend sections 1324.20, 1324.22, 1323.23, 1324.24, 1324.27, 1324.29, 1327.30 of the Health and Safety Code, sections 14126.022, 14126.023, 14126.027, 14126.033, 14126.036 of the W&I Code and add section 14126.032 to the W&I Code to extend the SNF QAF, originally authorized by AB 1629 (Frommer, Chapter 875, Statutes of 2004), from July 1, 2020, to December 31, 2022, and continue the Quality and Accountability Supplemental Payment System to provide supplemental payments to facilities for meeting certain quality measures. The section also authorizes DHCS to incorporate an additional performance measure based on a facility's compliance plans related to COVID-19.

SEC. 8-9 & 17. These sections, as proposed by the Legislature, amend sections 5847 and 5892 of the W&I Code and add uncodified language to allow specified temporary flexibilities for counties with respect to MHSA requirements due to the COVID-19 public health emergency.

LICENSING AND CERTIFICATION

AB 1544 Gipson (Chapter 138)
**COMMUNITY PARAMEDICINE OR TRIAGE TO ALTERNATE
DESTINATION ACT**

AB 1544, sponsored by California Professional Firefighters and California Chapter of the American College of Emergency Physicians, establishes, until January 1, 2024, the Community Paramedicine (CP) or Triage to Alternate Destination Act of 2020. The bill authorizes a local emergency medical services agency to develop a community paramedicine program or triage to alternate destination program, as defined, to provide specified CP.

AB 3242 Irwin (Chapter 149)
MENTAL HEALTH: INVOLUNTARY COMMITMENT

AB 3242, sponsored by the California Hospital Association and the National Alliance on Mental Illness, California, authorizes examinations, assessments, or evaluations that are specified, required, or authorized by existing law, as it pertains to the involuntary commitment and treatment of individuals under the Lanterman-Petris-Short Act, to be conducted through a mode of telehealth that utilizes both audio and visual components. AB 3242 requires an examination or assessment to be consistent with the county's authority to designate facilities for evaluation and treatment.

SB 0406 Pan (Chapter 302)
HEALTH CARE: OMNIBUS BILL

SB 406, sponsored by the author, in part, requires DHCS to take action against an unlicensed facility; specifically a recovery home that has been disclosed to be owned or controlled by a DHCS licensed or certified facility, or for which the licensed or certified facility has a financial interest. This bill authorizes DHCS to refer a substantiated complaint against a recovery residence to other enforcement entities as deemed appropriate under state and federal law. In addition, this bill makes clarifying changes to existing law, which are necessary to allow DHCS to implement requirements to process criminal record clearances for specified administrative personnel of an adult day health care center or home health agency before approving the center to exclusively serve participants of the California Program of All-Inclusive Care for the Elderly. The bill requires the prospective personnel to submit electronic fingerprint images to the Department of Justice for the furnishing of the person's criminal record to DHCS.

MANAGED CARE

AB 2276 Reyes (Chapter 216)

CHILDHOOD LEAD POISONING: SCREENING AND PREVENTION.

AB 2276, sponsored by the Environmental Working Group, the California Coalition of Welfare Rights Organizations, and Western Center on Law and Poverty, requires DHCS to amend its contracts with Medi-Cal managed care health plans (MCPs) to require each MCP, on a quarterly basis, to: 1) identify every child member who is six years of age or younger without record of completing blood lead screening tests according to the ages and intervals specified in state regulations; and 2) remind the contracting network provider who is responsible for performing the periodic health assessments for an identified child member, of the regulatory requirements to perform blood lead screening tests for that child, and provide oral or written anticipatory guidance to the parent or guardian of that child that includes at a minimum information that children may be harmed by exposure to lead. This bill also requires DHCS to develop and implement procedures to ensure MCPs are compliant with the requirements in the bill and specifies that DHCS may impose sanctions for non-compliance, pursuant to its existing authority. AB 2276 also proposes several amendments impacting the Childhood Lead Poisoning Prevention program administered by CDPH.

2020 ENROLLED BILLS

BILL NUMBER	AUTHOR	FINAL STATUS	CHAPTER	PROGRAM*	PAGE NUMBER
AB 0079	Committee on Budget	S	011	LA	04
AB 0080	Committee on Budget	S	012	LA	05
AB 0081	Committee on Budget	S	013	LA	07
AB 0089	Ting	S	007	BO	01
AB 0515	Mathis	V		TR	
AB 0713	Mullin	S	172	LG	04
AB 1304	Waldron	S	325	CS	01
AB 1327	Petrie-Norris	V		FR	
AB 1544	Gipson	S	138	LC	08
AB 1845	Rivas, L.	V		HP	
AB 1976	Eggman	S	140	CS	01
AB 1993	Kamlager	V		IS	
AB 2100	Wood	V		PB	
AB 2164	Rivas, R.	V		RH	
AB 2265	Quirk-Silva	S	144	CS	02
AB 2276	Reyes	S	216	MC	09
AB 2360	Maienschein	V			
AB 2405	Burke	V		HP	
AB 2450	Grayson	S	052	FR	02
AB 3242	Irwin	S	149	LC	08
SB 0074	Committee on Budget And Fiscal Review	S	006	BO	01
SB 0214	Dodd	S	300	IS	03
SB 0275	Pan	S	301	FR	03
SB 0369	Hertzberg	V		ME	
SB 0406	Pan	S	302	LC	08
SB 803	Beall	S	150	CS	02
SB 1207	Jackson	V		FR	
SB 1255	Committee on Insurance	S	184	IS	04

PROGRAM ASSIGNMENTS AND ACRONYMS

PROGRAM	CODE
Budget Office	BO
Community Services	CS
Fee-For-Service Rates Development	FR
Integrated Systems of Care	IS
Legal Services, Office of	LG
Legislative and Governmental Affairs, Office of	LA
Licensing and Certification	LC
Managed Care	MC

VETO MESSAGES

<u>BILL#</u>	<u>AUTHOR</u>	<u>SUBJECT</u>	<u>DIV</u>
AB 0515	Mathis	Medi-Cal: unrecovered payments: interest rate.	TR
AB 1327	Petrie-Norris	Medi-Cal: reimbursement rates.	FR
AB 1845	Rivas, L.	Homelessness: Office to End Homelessness.	HP
AB 1993	Kamlager	Unemployment and disability insurance: benefits: in-home supportive services and waiver personal care services.	IS
AB 2100	Wood	Medi-Cal: pharmacy benefits.	PB
AB 2164	Rivas, R.	Telehealth.	RH
AB 2360	Maienschein	Telehealth: mental health.	MC
AB 2405	Burke	Right to safe, decent, and affordable housing.	HP
SB 369	Hertzberg	Prisoners: California Reentry Commission.	ME
SB 1207	Jackson	Skilled nursing facilities: backup power system.	FR

(Veto messages are also available on the California Legislative Information website:

<http://leginfo.legislature.ca.gov/>)



OFFICE OF THE GOVERNOR

SEP 28 2020

To the Members of the California State Assembly:

I am returning Assembly Bill 515 without my signature.

Assembly Bill 515 would authorize the Department of Health Care Services (DHCS) to reduce the interest rate assessed against any unrecovered overpayment to less than seven percent when a provider enters into a repayment agreement.

However, AB 515 fails to distinguish between overpayments due to provider fraud and abuse and those caused by Medi-Cal policy changes or DHCS error that are not the fault of a billing provider. In addition, it does not make the option for DHCS to waive interest subject to the availability of federal funding. As written, AB 515 would make it difficult for DHCS to protect California taxpayers from fraud, abuse, or improper billing.

I encourage the author to work with DHCS on future legislation that will specify the circumstances under which interest may be waived, and make those conditions subject to the availability of federal funding, in order to protect the State General Fund.

Sincerely,

Gavin Newsom





OFFICE OF THE GOVERNOR

SEP 29 2020

To the Members of the California State Assembly:

I am returning Assembly Bill 1327 without my signature.

This bill would remove the requirement that reimbursement rates for clinical lab or laboratory services in Medi-Cal shall not exceed 80 percent of the lowest maximum allowance established by the federal Medicare program for similar services.

This bill would result in costs more appropriately addressed through the annual budget process. For this reason, I am unable to sign this bill.

Sincerely,

Gavin Newsom



OFFICE OF THE GOVERNOR

SEP 28 2020

To the Members of the California State Assembly:

I am returning Assembly Bill 1845 without my signature.

This bill would establish the Office to End Homelessness within the Office of the Governor and realign several of the state's ongoing efforts related to homelessness.

I sincerely appreciate the author's leadership on this issue and the intent of this bill, but I do not support this particular vision of organizational restructuring at this time.

Homelessness has been and remains one of my top priorities, commanding the dedicated attention of a Senior Counselor on Homelessness and Housing in the Governor's office and the dedication of senior members of my Administration including multiple Agency Secretaries. Since taking office in January 2019, we have invested over \$2 billion in new, direct aid for homelessness. I am also proud of our work to implement Project Roomkey and Homekey, which help to protect homeless Californians from COVID-19 during this pandemic.

These initiatives and investments demonstrate our commitment to prioritizing this vulnerable population, no matter what other challenges we confront. And they serve as a proof point of the interagency coordination we have led to develop and implement them successfully.

Homelessness must not be considered in a vacuum.

Our Administration has taken a demonstrably integrated approach to preventing and ending homelessness by empowering leaders in the health care and housing space to work together on coordinated solutions.



Separating policy development on homelessness from that on health care or housing will lead to more fragmentation, not less. Looking at homeless spending through a separate lens, divorced from our health care and housing budgets, will lead to more duplication and inefficiency.

There are certainly ways in which we can improve upon state government's collective work in this area. However, I am not convinced that the approach outlined in this bill is the best path forward.

I am committed to partnering with the author and the Legislature next year to continue making progress on this critical issue.

Sincerely,



Gavin Newsom



OFFICE OF THE GOVERNOR

SEP 30 2020

To the Members of the California State Assembly:

I am returning Assembly Bill 1993 without my signature.

AB 1993 would amend the definition of "employment" for the purposes of unemployment insurance coverage to include services performed by an individual in the employ of their parent, child, or spouse if that individual is a provider of In-Home Supportive Services (IHSS) or Waiver Personal Care Services (WPCS). As a result, it will result in significant new borrowing of federal funds to the Unemployment Insurance fund, increasing interest costs borne by the state General Fund that were not included in the 2020 Budget and cannot be considered in conjunction with the full home health care budget.

Expanding benefits and protections for home health care workers is critical, especially in light of the COVID-19 pandemic but these expansions must be developed through the budget process when new investments can be viewed through the lens of the state's full home health care budget.

Sincerely,

Gavin Newsom





OFFICE OF THE GOVERNOR

SEP 29 2020

To the Members of the California State Assembly:

I am returning Assembly Bill AB 2100 without my signature.

This bill would allow the Department of Health Care Services (DHCS) to provide a disease management or similar payment to pharmacies for the costs and activities that are associated with dispensing specialty drugs; require DHCS, commencing January 1, 2021, to establish an Independent Prescription Drug Medical Review (IPDMR) process for the Medi-Cal outpatient pharmacy fee-for-service benefit; require DHCS to allow a Medi-Cal beneficiary to continue use of a prescription drug for a minimum of 180 days if that drug is no longer covered when DHCS implements its Medi-Cal Rx proposal; and, require DHCS to include detailed and specific Medi-Cal Rx information when submitting the semi-annual budget assumptions and estimates for the Medi-Cal program.

First, it is premature to consider a disease management payment for Medi-Cal specialty drugs. DHCS is processing the results of a recent survey of specialty drug acquisition costs to determine what types of services are provided in association with the dispensing of specialty drugs. Until the results of the survey have been analyzed, DHCS will not know whether reimbursement for disease management services, or other supplemental services, are medically necessary for certain beneficiaries, and under what circumstances.

Second, while I am supportive of additional transparency efforts regarding the implementation of the Medi-Cal Rx program, the requirements of this bill are too prescriptive. I am instead directing DHCS to post additional information on its website regarding implementation of Medi-Cal Rx to enable the public and stakeholders to assess the transition of the Medi-Cal prescription drug benefit from managed care to fee for service.

Third, while I am supportive of efforts to enhance Medi-Cal beneficiary protections, issues regarding consumer protections under Medi-Cal Rx can be addressed administratively with input from the Legislature and stakeholders, to ensure that appropriate protections and reporting requirements are in place



when Medi-Cal Rx is implemented. I am directing DHCS to convene stakeholders no later than July 1, 2021, to explore options and approaches for additional public reporting of administrative hearing decisions pertaining to outpatient prescription drug benefits, which will help assess whether additional changes to the grievance and appeals process are warranted.

Finally, DHCS has developed a Pharmacy Transition Policy for Medi-Cal Rx to allow Medi-Cal beneficiaries to continue receiving their existing prescription medications without having to get additional prior authorizations for 180 days after the transition begins. As we work toward a health care delivery system that provides coverage and access through a unified financing system, we must also align policies and processes across our public and private delivery systems to provide California's health care consumers with a consistent experience and minimal side effects. Such efforts should be considered as part of those conversations.

Sincerely,



Gavin Newsom



OFFICE OF THE GOVERNOR

SEP 25 2020

To the Members of the California State Assembly:

I am returning Assembly Bill 2164 without my signature.

This bill would authorize a Federally Qualified Health Center (FQHC) and Rural Health Center (RHC) to establish a relationship with a patient who is located within their service area by synchronous or asynchronous (store-and-forward) telehealth. AB 2164 would sunset 180 days after the COVID-19 Public Health Emergency has been terminated by the state of California.

While I am supportive of utilizing telehealth to increase access to primary and specialty care services, the Department of Health Care Services is currently in the process of evaluating its global telehealth policy to determine what temporary flexibilities should be extended beyond the COVID-19 pandemic. Changes to FQHC and RHC telehealth is better considered within the context of a global assessment around telehealth in the state of California. Further, the cost of these changes is also more appropriately considered alongside other policy changes in the budget process next year.

Sincerely,



Gavin Newsom





OFFICE OF THE GOVERNOR

SEP 25 2020

To the Members of the California State Assembly:

I am returning Assembly Bill 2360 without my signature.

This bill would require health care service plans, including Knox-Keene licensed Medi-Cal managed care health plans, to provide access to a provider-to-provider telehealth consultation program for providers who treat children and pregnant and postpartum persons.

While I appreciate the author's intent to expand mental health services for children and pregnant and postpartum persons, the bill would create costs that would be more appropriately addressed through the annual budget process.

Sincerely,

Gavin Newsom





OFFICE OF THE GOVERNOR

SEP 28 2020

To the Members of the California State Assembly:

I am returning Assembly Bill 2405 without my signature.

This bill would declare a state policy that every individual in California has the right to safe, decent, and affordable housing. The bill also requires state departments and agencies to consider this policy when revising or adopting policies, regulations, and grant criteria.

This is a laudable goal that I share, and undoubtedly, California must continue to do more to address homelessness. Regrettably, however, I cannot support this bill considering the cost implications of such a policy, estimated at over \$10 billion annually.

Moreover, I have always maintained that our efforts must come with greater accountability and better results. Although well-intentioned, this bill is duplicative of existing efforts and may ultimately force us to expend resources without commensurately creating new housing or services for people experiencing homelessness.

I am committed to working with the Legislature and local government partners on a detailed strategy to improve behavioral health outcomes and increase housing opportunities for people experiencing homelessness. To make progress, we need more than policy goals. We need tangible funding strategies and legal requirements – this means challenging accepted norms and rejecting the status quo and identifying necessary revenues.

Sincerely,

Gavin Newsom





OFFICE OF THE GOVERNOR

SEP 30 2020

To the Members of the California State Senate:

I am returning Senate Bill 369 without my signature.

This bill would establish the California Reentry Commission and task it with developing a new health and safety agenda for those returning home from custody, reviewing the barriers to reentry and coordinating with other entities to establish a grant program for reentry service providers.

I share the author's commitment in supporting successful re-entry for persons returning to the community from prison. That is why I launched Returning Home Well, a public-private partnership that will provide critical supports including housing, healthcare, treatment, transportation, direct assistance, and employment support for Californians returning home from prison early due to COVID-19. I also agree that there is more to do to ensure that all persons returning home are given the support that they need.

I do not, however, think that creating a new commission with over 20 members and appointees is necessary to achieve this goal. I am, instead, directing the California Department of Corrections and Rehabilitation and the Council on Criminal Justice and Behavioral Health to engage with stakeholders, evaluate the barriers of reentry and determine what steps need to be taken to overcome those barriers.

Sincerely,

Gavin Newsom



OFFICE OF THE GOVERNOR

SEP 25 2020

To the Members of the California State Senate:

I am returning Senate Bill 1207 without my signature.

SB 1207 would require Skilled Nursing Facilities to have an alternative source of power for no less than 96 hours during any type of power outage.

Skilled Nursing Facilities are a central part of our system of care for vulnerable individuals. As such, it is important that they have sufficient emergency backup power in the event of a power interruption. However, this bill relies on an unclear federal standard as justification. Moreover, the timeline for implementing this bill is unfeasible given the need for significant renovations that facilities would need to complete to comply with this bill.

I am directing the California Department of Public Health and the Office of Statewide Health Planning and Development to convene a stakeholder group to ensure that relevant experts can fully assess alternatives and develop recommendations to appropriately address resident and staff safety in the event of a power shut-off by April 1, 2021. This approach will identify recommendations regarding an emergency power standard that protects patients and allows facilities to make necessary upgrades in a timely manner.

Sincerely,

Gavin Newsom

