



**CALIFORNIA
HOSPITAL
ASSOCIATION**

*Providing Leadership in
Health Policy and Advocacy*

May 24, 2019

TO: CHA Members
FROM: Carmela Coyle, President & CEO
SUBJECT: Weekly Advocacy Review

Member Advocacy Call

May 28, 8:30 a.m.

Dial-In: (800) 882-3610 Passcode: 5010912#

*Please **mute** your phone once you
have been connected to the call by entering 61#.
Enter 60# to un-mute your phone for comments/questions.*

FEDERAL

Federal Update (O'Rourke)

The issue of surprise medical billing continues to gather strong support and attention from lawmakers.

On May 21, the House Ways & Means Committee held a hearing on the issue. The American Hospital Association [testified](#) at the hearing and engaged questions from a number of the committee's California members — Reps. Devin Nunes (R-22), Judy Chu (D-27), Mike Thompson (D-5), and Jimmy Gomez (D-34).

Additional draft legislation on surprise billing has been released, including bipartisan bills in both the House and Senate. In the House, California Reps. Raul Ruiz (D-36) and Ami Bera (D-7), along with a group of legislators, released an outline of the [Protecting People from Surprise Medical Bills Act](#), which aims to prevent surprise medical bills. Senate Health, Education, Labor and Pensions Committee leaders also released a [discussion draft](#) of a bipartisan package that includes potential approaches to prevent surprise medical bills.

CHA continues to work with the delegation on the proposed changes to the area wage index outlined in the federal fiscal year 2020 inpatient prospective payment system proposed rule.

For additional information, contact Anne O'Rourke at (202) 488-4494 or aorourke@calhospital.org.

Regulatory Update (Keefe)

CHA issued a [draft comment letter and a member template letter](#) in response to two proposed rules — [one from the Centers for Medicare & Medicaid Services](#) and the [other from the Office of the National Coordinator for Health Information Technology](#) — intended to improve the interoperability of health

information. CHA urges members to use the letters in drafting their own comments, which are due by 2 p.m. (PT) on June 3.

[Online registration](#) is open for CHA's member forum on the federal fiscal year 2020 inpatient prospective payment system proposed rule, scheduled for June 11 at 10 a.m. (PT). During the call, CHA will provide an overview of key proposals and solicit member feedback to inform our comments, which are due on June 24.

For additional information, contact Alyssa Keefe at (202) 488-4688 or akeefe@calhospital.org.

STATE

Legislative Update (Scott)

Next week, bills that passed their respective appropriations committees will go to the floor for a vote by their whole house; legislative activity now consists of all-day floor sessions. May 31 is the last day to pass bills out of their house of origin.

We continue our efforts on CHA-opposed **Assembly Bill 1611** (Chiu, D-San Francisco), which addresses hospital "surprise" billing. AB 1611 would prohibit hospitals — as a condition of their licensure — from balance billing all patients, including those with federally regulated coverage. The bill would establish a default rate for non-contracted emergency and post-stabilization services at the average contracted rate paid by the specific health insurer for the same or similar services in the same geographic area or the reasonable and customary value of hospital services, including prevailing provider rates charged and paid by both commercial and governmental payers in the general geographic area in which the services were rendered. AB 1611 will be voted on by the full Assembly.

Legislative action for key bills:

- CHA-opposed, unless amended **AB 962** (Burke, D-Inglewood) would require hospitals with operating expenses of \$25 million or more to annually submit a report to the Office of Statewide Health Planning and Development on their minority; women; lesbian, gay, bisexual, transgender (LGBT); and veteran-owned business procurement efforts. Requires the report to include the hospital's supplier diversity policy statement, outreach and communications strategy, and information about which procurements are made to minority, women, LGBT, and veteran-owned businesses. Would impose civil penalties for a failure to submit the report. Passed Assembly Appropriations Committee May 16. Will be voted on by the full Assembly.
- CHA-opposed **AB 1014** (O'Donnell, D-Long Beach) would require a hospital to provide at least 180 days' notice before reducing or eliminating the level of emergency services, closing the facility, or closing or relocating a supplemental service. Passed the full Assembly May 13. Will be heard in Senate Health Committee June 5.
- CHA-sponsored **SB 382** (Nielsen, R-Red Bluff and Stern, D-Canoga Park) would clarify health plan responsibilities during times of disaster by asking the plan to help coordinate patient placement,

and to reimburse the hospital an extremely modest amount for caring for the patient until that placement happens. Passed the full Senate on May 20.

- **SB 464** (Mitchell, D-Los Angeles) would require hospitals — as well as alternative birthing centers and specified primary care clinics — that provide perinatal care to implement an implicit bias training program for all health care providers involved in perinatal care. Passed the full Senate May 22.
- CHA-supported **SB 714** (Umberg, D-Orange) would clarify the process to receive an exemption from the Department of Managed Health Care’s Knox-Keene licensure regulation and would presumptively exempt particularly low-risk payment arrangements. Passed the full Senate May 22.
- CHA-sponsored **SB 758** (Portantino, D-La Cañada Flintridge) would require hospitals to submit a report to the Office of Statewide Health Planning and Development (OSHPD) describing the services provided in each building of the acute care inpatient hospital, in order to help OSHPD implement existing seismic safety regulations and standards. Passed the full Senate May 23.

Information on additional priority health care-related bills is available at www.calhospital.org/legislative-update.