



**CALIFORNIA
HOSPITAL
ASSOCIATION**

*Providing Leadership in
Health Policy and Advocacy*

May 17, 2019

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

Member Advocacy Call

May 21, 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)

It was a busy week for health care issues in the nation's capital. On Thursday, the House of Representatives passed a bill that would both lower prescription drug prices and strengthen the individual health insurance exchanges. The measure would make it easier to bring generic drugs to market and would reverse Trump administration efforts to promote "skinny plans" and reduce funding for health insurance exchanges and navigators.

The issue of surprise medical bills was also a key focus for congressional activity, including the release of two important bipartisan measures.

From the House Energy and Commerce Committee, Chairman Pallone (D-NJ) and Ranking Member Walden (R-OR) shared [draft legislative language](#) and a [summary](#), inviting stakeholders to submit comments and suggestions by May 28.

On the Senate side, a bipartisan group of senators also introduced their [long-awaited plan](#) to address the issue. While the Pallone-Walden draft would set reimbursement for out-of-network emergency care at the median contract rate, the Senate measure would set the same rate but also offer providers and insurers the opportunity to use "baseball-style" arbitration for review. CHA is reviewing the proposals and will submit comments as requested.

The House Ways and Means Committee announced a hearing on surprise billing for May 21. Witnesses will include representatives from the American Hospital Association, the American Medical Association, and the American Association of Health Plans, as well as patients who received surprise bills for out-of-

network care. On Friday, CHA sent [a letter](#) to the California congressional delegation outlining our priorities.

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

STATE

Legislative Update (Scott)

This week, fiscal appropriations committees completed their work on first-house bills that were held on suspense. The outcome of fiscal committee actions will determine whether legislation continues through the process this year. The last day to pass bills out of their house of origin is May 31.

On May 14, members received a [video request](#) about Assembly Bill **(AB) 1611** (Chiu, D-San Francisco), which addresses hospital "surprise" billing. We continue to urge hospital leaders to write and call their assemblymember by **Monday, May 20** about critical changes needed to the bill. CHA has developed a [template letter](#) for members to use.

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 lower of 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, inclusive of 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 passed the Assembly Appropriations Committee May 16 and will now be voted on by the full Assembly.

Legislative action for other key bills:

- 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.
- 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 Senate Appropriations Committee on May 13. Will be voted on by the full Senate.
- 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. Will be voted on by the full Senate.
- 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. Will be voted on by the full Senate.

The May 16 actions by the appropriations committees include:

- CHA-supported **AB 890** (Wood, D-Santa Rosa) would authorize a nurse practitioner who meets specified requirements to practice without the supervision of a physician in specified environments. AB 890 is now a two-year bill.
- 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.
- **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 Senate Appropriations Committee May 16. Will be voted on by the full Senate.

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