



**CALIFORNIA
HOSPITAL
ASSOCIATION**

*Providing Leadership in
Health Policy and Advocacy*

June 14, 2019

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

Member Advocacy Call

June 18, 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)

Congress continues to focus attention on the issue of surprise medical bills. The House Energy and Commerce Health Subcommittee held a hearing on the issue on Wednesday. The American Hospital Association [offered testimony](#).

CHA issued a federal [Advocacy Alert](#) urging support for a [bipartisan letter](#) opposing the changes to the Medicare area wage index proposed by the Centers for Medicare & Medicaid Services (CMS). We encourage all hospitals to call their representatives in support of the letter.

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

Regulatory Update (Keefe)

CHA prepared draft comment letters on the [federal fiscal year \(FFY\) 2020 inpatient psychiatric facility prospective payment system \(PPS\) proposed rule](#), [FFY 2020 inpatient rehabilitation facility PPS proposed rule](#), [FFY 2020 skilled-nursing facility PPS proposed rule](#) and [draft guidance on ligature risk policies](#) for psychiatric hospitals and psychiatric hospital units issued by CMS. Please note the draft comment letters remain subject to change as we continue to refine our comments on the area wage index proposals.

CHA will host a member forum on June 21 at 1 p.m. (PT) to solicit member feedback on CMS' draft guidance on co-location policies for hospitals that share space, staff, or services with another hospital or health care entity. Please [register online](#) by June 20 at noon (PT).

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

STATE

Legislative Update (Scott)

On Thursday, both the Senate and the Assembly passed a \$214 billion budget bill, which the Governor needs to approve by July 1. A budget update is provided below. Over the next several weeks, lawmakers will continue their work in policy committees.

Nurse Staffing Ratios

On June 12, nearly 200 hospital CEOs, government relations executives, and nurse leaders joined CHA to discuss a highly controversial bill on nurse staffing penalties, Senate Bill 227 (Leyva, D-Chino). The bill would create an unreasonable and duplicative penalty system for hospitals that do not meet nurse staffing ratios, imposing mandatory fines of \$30,000/\$60,000 per infraction. Wednesday's call included a status update and our strategy and next steps to beat back this ill-conceived and potentially harmful legislation; call materials are [available here](#). Hospital voices are critical to our collective effort to stop SB 227. In the coming days, we expect to reconvene the call's attendees to discuss messages that are resonating with legislators and key points to continue to press at the Capitol. SB 227 will be heard in the Assembly Health Committee June 25.

Surprise Billing

CHA will host a call on **June 25 at 7:30 a.m. (PT)** to update members on proposed legislation that would protect patients from balance billing but includes a rate-setting provision that harms hospitals and helps insurance companies. During the call, we'll provide a brief overview of [Assembly Bill \(AB\) 1611](#) (Chiu, D-San Francisco), its current status in the state Legislature, and our strategy and messaging to oppose the bill. Please [register online](#) (member log-in required).

CHA-opposed, unless amended **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 heard in the Senate Health Committee.

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. AB 962 passed the full Assembly May 29.

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- 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. AB 1014 passed Senate Health Committee June 12. This bill will now be heard in the Senate Appropriations Committee.
 - 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. SB 758 will be heard in the Assembly Health Committee.

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

State Budget (Glaser)

On Thursday, both the Senate and the Assembly passed a \$214 billion budget bill, which the Governor needs to approve by July 1. Although most of the budget details have been worked out, some details are still being negotiated, and not all of the trailer bills have been finalized, including the health trailer bill. It is expected that both houses will approve the accompanying trailer bills next week. For more information on key health care budget issues, see the [June 11 issue of *CHA News*](#).