



**CALIFORNIA
HOSPITAL
ASSOCIATION**

*Providing Leadership in
Health Policy and Advocacy*

June 21, 2019

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

Member Advocacy Call

June 25, 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 be a focal point for Congress, especially in the Senate. The American Hospital Association testified before the Senate Health, Education, Labor and Pensions (HELP) Committee, which is moving toward a default rate for out-of-network providers. CHA continues to work to educate members of the California delegation about the challenges a default rate would pose for providers.

The overwhelming majority of the California delegation signed on to a CHA-supported [bipartisan letter](#) opposing the proposal by the Centers for Medicare & Medicaid Services (CMS) to [make changes to the area wage index](#).

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

Regulatory Update (Keefe)

CHA prepared a [letter template](#) that members can use to share with CMS their opposition to its proposed changes to the Medicare area wage index, outlined in the federal fiscal year (FFY) 2020 inpatient prospective payment system (IPPS) [proposed rule](#). CHA's extensive [draft IPPS comments](#) are available in the June 21 edition of *CHA News*. Members are urged to use these letters in drafting their own comments, which are due to CMS by 2 p.m. (PT) on June 24.

CHA submitted comment letters to CMS on the FFY 2020 [inpatient psychiatric facility prospective payment system](#) (PPS), [inpatient rehabilitation facility PPS](#), [skilled-nursing facility PPS](#) and [long-term care hospital PPS](#) proposed rules, and on the [draft revised guidance on ligature risk policies](#) for psychiatric

hospitals and psychiatric units. CHA also submitted [comments](#) to the Office of Management and Budget on its proposal to change how inflation is calculated in the Census Bureau's Official Poverty Measure.

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

STATE

Legislative Update (Scott)

Lawmakers continued their work in policy committees, with hearings held throughout the week on bills in their second house.

Surprise Billing

On June 17, CHA issued an [Advocacy Alert](#) for **Assembly Bill (AB) 1611** (Chiu, D-San Francisco), urging hospital leaders to write to Senator Pan (D-Sacramento) urging him to oppose this bill unless it is amended. Letters must be submitted by 5 p.m. on July 2. Please email your letter to Dawn Vicari, CHA legislative assistant, at dvicari@calhospital.org.

AB 1611 offers important protections for patients — preventing those who need emergency care from receiving unexpected bills for out-of-network care is something we can all agree on. However, the bill would also set an out-of-network reimbursement rate for emergency services. With a guaranteed rate, insurers would have no reason to contract with hospitals for emergency care. And rate setting only reduces what insurance companies pay, not the actual cost of providing care. Nothing in the bill would require insurance companies to pass their savings on to consumers. If AB 1611 is truly intended to help patients, its goal would be better accomplished without the rate-setting mechanism. AB 1611 will be heard in Senate Health Committee on July 10.

CHA will host a call on **June 25 at 7:30 a.m. (PT)** to update members on AB 1611. During the call, we'll provide a brief overview of the bill, its current status in the state Legislature, and our strategy and messaging to oppose it. Please [register online](#) (member log-in required).

Nurse Staffing Ratios

We continue our efforts to stop **Senate Bill (SB) 227** (Leyva, D-Chino). This 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. Hospital voices are critical to our collective effort to stop SB 227, which will be heard in the Assembly Health Committee June 25.

New Follow, Hot Legislation

AB 1404 (Santiago, D-Los Angeles), as amended June 17, would require a nonprofit health facility or health plan that provides over \$250,000 in annual deferred compensation — not subject to ERISA — to a current or former director, officer or employee of a for-profit entity to publicly report that compensation. AB 1404 will be heard in the Senate Judiciary Committee.

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

State Budget (Glaser)

This week the Legislature continued work on finalizing budget trailer bills. The health omnibus trailer bills **AB 78** (Committee on Budget) and **SB 78** (Budget Committee) were released, containing many provisions we support, such as the individual health insurance mandate, premium assistance, and the requirement that the Department of Health Care Services meet with stakeholders about implementing the transition of the Medi-Cal pharmacy benefit from Medi-Cal managed care to fee-for-service. The budget committees are expected to meet early next week to finalize outstanding budget trailer bills so that the houses can pass and send them to the Governor by June 27. The Governor has said he will not sign the actual budget bill until he has all of the accompanying trailer bills.