



**CALIFORNIA
HOSPITAL
ASSOCIATION**

*Providing Leadership in
Health Policy and Advocacy*

September 6, 2019

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

Member Advocacy Call
September 10, 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 is in recess until September 9. CHA members are urged to respond to the federal [Advocacy Alert](#) issued July 31 regarding surprise medical bills.

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

Regulatory Update (Keefe)

As previously shared with key staff at member hospitals and health systems, CHA is coordinating and paying for a legal effort in response to the Centers for Medicare & Medicaid Services' [changes to its area wage index policy](#). California's impacted hospitals will lose approximately \$100 million over the next four years as a result of this policy. Information about joining this effort was shared with hospitals via email earlier this month and is available on the [CHA website](#). To participate, interested hospitals **must submit their [engagement letters](#) by September 13.**

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

STATE

Legislative Update (Scott)

Legislative action for the next week will focus on passing bills and concurring in amendment. Both houses will meet in daily floor sessions to complete work on remaining legislation by the September 13 adjournment date.

Key bills for this week:

CHA-opposed **Senate Bill (SB) 227** would require the California Department of Public Health (CDPH) to impose administrative penalties of \$15,000 or \$30,000 for violations of nurse-to-patient staffing ratios. It would eliminate the department's ability to link the penalty amount to the actual risk of harm to patients, unless the hospital proved to the satisfaction of CDPH that: any fluctuation in required staffing levels was unpredictable and uncontrollable; prompt efforts were made to maintain required staffing levels; and that, in making those efforts, the hospital immediately utilized its on-call list of nurses and the charge nurse. SB 227 passed the Senate and is awaiting action on the Governor's desk.

CHA-opposed **Assembly Constitutional Amendment (ACA) 14** (Gonzalez, D-San Diego) would restrict the University of California's ability to contract for specified support services. This would directly impact the UC hospitals and their ability to meet patient needs because, without the ability to supplement staffing with contract labor, critical services would be delayed. ACA 14 will be voted on by the full Senate.

CHA-pending review **Assembly Bill (AB) AB 5** (Gonzalez, D-San Diego) would codify the *Dynamex* decision, which adopted an "ABC" test for determining independent contractor status. The bill would provide exceptions for specified health care professionals, including doctors, podiatrists, dentists, and psychologists, using the former *Borello* test instead. However, the bill would prohibit independent contractor status for virtually all other health care professionals – such as nurse practitioners, physical therapists, certified nurse anesthetists, and others. It would also adopt a limited business-to-business provision that could adversely affect health care staffing agreements and contracts. AB 5 will be voted on by the full Senate.

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