



August 26, 2022

The Honorable Gavin Newsom
Governor, State of California
1021 O St., Suite 9000
Sacramento, CA 95814

SUBJECT: SB 979 (Dodd) – REQUEST FOR SIGNATURE

Dear Governor Newsom:

Hospitals and health systems have been at the forefront of caring for patients during the COVID-19 pandemic. Among the lessons learned from the pandemic is that California’s health care delivery system functions best with clear and consistent statewide flexibilities and direction. However, during a declared emergency, California’s health plan and insurer regulators don’t have the authority they need to act swiftly to ensure patients in California hospitals can get the care they need when they need it most.

Senate Bill (SB) 979 (Dodd, D-Napa) would streamline the process for these state regulatory agencies to respond to and support the health care delivery system when the governor declares a state of emergency, or the state public health officer declares a public health emergency.

The Department of Managed Health Care (DMHC) and the Department of Insurance have automatic authority during a state of emergency to take specified actions, such as requiring health plans to approve patients to see out-of-network providers if in-network providers are unavailable, or relaxing time limits for prior authorization or filing claims. However, DMHC and the Department of Insurance have this authority only when enrollees or the insured are physically “displaced” due to the emergency. During a pandemic like COVID-19, when individuals are not physically displaced, this DMHC and Department of Insurance authority doesn’t apply. As a result, during COVID-19, hospital beds became filled with patients who no longer needed acute care but could not be discharged because they needed post-acute services that health plans and insurers were too slow to authorize under timelines not suited to an emergency.

SB 979 would give DMHC and the Department of Insurance the authority to require health plans and insurers to take additional steps to assist their members whose health is affected by a disaster — by speeding up prior authorization timelines, for example — even if the members are not physically displaced. COVID-19 has shown the necessity of a health care system that responds to changing health care needs in states of emergency.

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Without SB 979, there will be no guarantee that the state's health care providers will have the flexibility to ensure their patients can receive critical care in future disasters.

For these reasons, the California Hospital Association and its more than 400 hospital and health system members respectfully ask for your signature on SB 979.

Sincerely,

A handwritten signature in black ink that reads "Vanessa Gonzalez". The signature is written in a cursive style with a long, sweeping flourish at the end of the name.

Vanessa Gonzalez
Legislative Advocate

cc: The Honorable Bill Dodd
Tam Ma, Deputy Legislative Secretary, Office of the Governor