2023 Report on State Legislation

California Hospital Association

Hospital Council Northern & Central California

HOSPITAL ASSOCIATION of Southern California

HOSPITAL ASSOCIATION of San Diego & Imperial Counties

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President & CEO Message

Carmela Coyle
President & CEO

As hospitals have spent the year caring for the needs of all Californians, often doing more with less, your association has been hard at work to advance policy outcomes that support hospitals' mission of care. CHA's 2023 *Report on State Legislation* summarizes the health care bills signed into law that will have the greatest impact on hospitals. It's a guide to help hospital leaders navigate new laws and implement requirements. High-impact laws are called out and others are categorized and indexed for easy reference.

In all, CHA engaged the Legislature on over 100 bills. While many bad bills were thwarted outright, several good bills passed, and many other bills were favorably amended to support hospital care.

This work could not have been done without your help. Hospitals are strongest when they speak with one voice, and the 2023 outcomes demonstrate what can be done when California's hospitals stand together.

If you have questions about any of the new laws noted in this report, please contact Lois Richardson at lrichardson@calhospital.org.

New Laws with High Impact

Among the many health care-related laws enacted this year are several that impact overall hospital operations or require hospitals to take steps to implement them. The following are summaries of those laws, which hospital leaders may want to share with key members of their teams.

Minimum wage: health care workers

SB 525 *(Durazo, D-Los Angeles)* Legal/Regulatory, Compliance, Finance, Hospital Operations

SB 525 establishes a $25 minimum wage for health care workers, specifically:

- Organizations with 10,000 full-time equivalent workers or more must pay a minimum wage of $23 in June 2024, $24 in June 2025, and $25 in June 2026. The minimum wage after 2026 will be indexed to the lower of inflation or 3.5%.
- Organizations that qualify for the longest ramp-up in minimum wages are:
  - The 31 hospitals in the state that are not part of a health system and are rural
  - The 39 hospitals in the state that are not part of a health system and have a government-payer mix of 75% or more, where government-payer mix is determined by the share of utilization attributed to Medi-Cal and Medicare
  - The seven hospitals in the state that are part of a health system where both the hospital and the health system have a government-payer mix of 90% or more, where government-payer mix is determined by the share of utilization attributed to Medi-Cal and Medicare. Starting in June 2024, these hospitals must pay workers $18 an hour. The minimum wage after 2024 will be increased by 3.5% annually until it reaches $25 in June 2033; it will be indexed thereafter to the lower of inflation or 3.5%.
- Hospitals that do not fall into one of the categories above must pay workers $21 in June 2024, $23 in June 2026, and $25 in June 2028. The minimum wage after 2028 will be indexed to the lower of inflation or 3.5%.

In addition, local governments are prohibited from enacting local laws related to wages or compensation for health care facility employees.

New Laws with High Impact

Ambulance patient offload delays

AB 40 *(Rodriguez, D-Pomona)* Legal/Regulatory Compliance, Hospital Operations

AB 40 requires each local emergency medical services (EMS) agency to establish — by July 1, 2024 — an ambulance offload standard of up to 30 minutes 90% of the time. It also requires the statewide Emergency Medical Services Authority (EMSA) to adopt — by Dec. 31, 2024 — emergency regulations that include:

- Implement an electronic signature for use between receiving hospitals and ambulance personnel to capture the time when an ambulance arrives at the emergency bay and when transfer of care is executed
- An audit tool to improve the accuracy of transfer of care data

The bill also requires hospitals with emergency departments (EDs) — by Sept. 1, 2024 — to develop an ambulance patient offload time (APOT) reduction protocol that addresses the following factors:

1. Notification of hospital administrators, nursing staff, medical staff, and ancillary services that the local EMS agency standard for APOT has been exceeded for one month
2. Mechanisms to improve hospital operations to reduce APOT, such as activating the hospital's surge plan, transferring patients to other hospitals, suspending elective admissions, discharging patients, using alternative care sites, increasing supplies, improving triage and transfer systems, and adding additional staffing
3. Systems to improve general hospital coordination with the ED, including consults for ED patients
4. Direct operational changes designed to facilitate a rapid reduction in APOT to meet the local EMS agency standard

Hospitals must file their APOT reduction protocol with EMSA and annually report any revisions.

If a hospital fails to meet the APOT standard after Dec. 31, 2024, EMSA will direct it to implement its APOT reduction protocol and host biweekly calls among the hospital, EMSA the local EMS agency, and others to assist in executing the reduction protocol. Due to CHA's advocacy, the bill does not authorize penalties for a hospital's inability to meet prescribed offload times.

New Laws with High Impact

Managed Care Organization Tax

AB 119 *(Committee on Budget)* Finance

The approved budget reauthorizes the state's managed care organization (MCO) tax and, for the first time, dedicates most of the revenues to addressing longstanding shortfalls in Medi-Cal provider payments. Pending federal approval (which appears likely), the tax will be in place through the end of 2026. Over its lifespan, it will generate $19.4 billion in revenues available for state purposes. While the MCO tax will be in place for nearly four years, the revenues will be spent over six years, with most of the provider payment increases beginning in 2025. Of the total resources generated, $11.1 billion will support provider payment increases and the remaining $8.3 billion will be used to address the state deficit. Hospitals are expected to receive around $1.7 billion annually beginning in 2025. This estimate reflects total funding, including the federal Medicaid match funds that will be sought for most of the provider payment increases. In addition, it is estimated that nearly $5 billion in total funds will support other provider payment increases, including for primary and specialty care, ground ambulance providers, family planning services, behavioral health services, and workforce initiatives.

Physician employment: critical access hospitals

AB 242 *(Wood, D-Healdsburg)* Medical Staff, Hospital Operations

AB 242 makes permanent the exemption to California's ban on the corporate practice of medicine for 37 critical access hospitals, allowing for the direct employment of physicians by these facilities.

Occupational safety and health standards: plume

AB 1007 *(Ortega, D-San Leandro)* Legal/Regulatory Compliance, Hospital Operations

AB 1007 requires Cal/OSHA to submit to the Occupational Safety and Health Standards Board a proposed regulation requiring hospitals to evacuate or use a plume scavenging system in any setting where techniques are used that create plume.

Hospitals: procurement contracts

AB 1392 *(Rodriguez, D-Pomona)* Legal/Regulatory Compliance, Hospital Operations

AB 1392 requires hospitals with operating expenses of $50 million or more and hospitals that are part of a system with operating expenses of $25 million or more to submit annual plans — beginning July 1, 2025 — to the Department of Health Care Access and Information (HCAI) detailing how the hospital plans to increase procurement from minority, women, LGBT, and disabled veteran businesses. Failure to submit the plans, which will be posted on HCAI's website, will result in a civil penalty of $100 per day.

Behavioral Health Infrastructure Bond Act of 2023

AB 531 *(Irwin, D-Thousand Oaks)* Finance

AB 531 is part of a two-bill package (which includes SB 326) on the March 2024 ballot that contains a $6.38 billion general obligation bond to fund an array of treatment, residential care settings, and supportive housing for individuals with behavioral health needs. CHA supported the bill package and worked with the Legislature and Newsom administration to ensure psychiatric inpatient hospital services are included.

New Laws with High Impact

Behavioral Health Services Act

SB 326 *(Eggman, D-Stockton)* Finance

SB 326 is part of a two-bill package (which includes AB 531) that substantially reforms the Mental Health Services Act of 2004, which generates over $3 billion every year to expand mental health services. CHA supported the updates this bill makes to the law, including to allow these funds to be used to treat people with substance use disorders. The bill also requires counties to expand spending on housing supports, as well as wrap-around treatment slots called full-service partnerships. In addition to providing $36 million for a behavioral health workforce initiative, the bill improves state oversight of county planning and spending of public behavioral health funds.

Expands 'gravely disabled' definition

SB 43 *(Eggman, D-Stockton)* Medical Staff

SB 43 expands the definition of "gravely disabled" for purposes of placing a person on an involuntary psychiatric hold or establishing a conservatorship. The new definition includes individuals with either a severe substance use disorder or a co-occurring mental health disorder and a severe substance use disorder, and individuals who, due to a mental health disorder or one of the two above conditions, are unable to provide for their personal safety or necessary medical care. CHA worked with the author to refine the definition from prior versions of the bill.

Sick days: paid sick days accrual and use

SB 616 *(Gonzalez, D-Long Beach)* Legal/Regulatory Compliance, Finance

SB 616 requires employers to increase the accrual threshold for paid sick days to 40 hours or five days of accrued sick leave or paid time off and that time to be allowed to be carried over into the following year, except as provided under the law. The bill also increases the amount of paid sick leave or paid time off an employee can accrue from 48 hours or six days to 80 hours or 10 days for employers with existing paid sick leave policies, as specified.

Climate Corporate Data Accountability Act

SB 253 *(Wiener, D-San Francisco)* Legal/Regulatory Compliance, Hospital Operations

SB 253 requires businesses, including hospitals and health care providers, with annual revenue in excess of $1 billion to publicly disclose their direct greenhouse gas emissions and indirect emissions related to electricity, heating, and cooling annually to the California Air Resources Board starting in 2026. Other upstream and downstream indirect emissions must be reported starting in 2027.

Budget Summary

2023-24 State Budget

BUDGET DETAILS

In June, the Legislature and governor approved a $310 billion budget for the 2023-24 state fiscal year. Here's a look at some of the major health care-related provisions:

MANAGED CARE ORGANIZATION (MCO) TAX (AB 119)

The approved budget reauthorizes the state's MCO tax and, for the first time, dedicates most of the revenues to addressing longstanding shortfalls in Medi-Cal provider payments. Pending federal approval (which appears likely), the tax will be in place through the end of 2026. Over its lifespan, it will generate $19.4 billion in revenues available for state purposes. While the MCO tax will be in place for nearly four years, the revenues will be spent over six years, with most of the provider payment increases beginning in 2025. Of the total resources generated, $11.1 billion will support provider payment increases and the remaining $8.3 billion will be used to address the state deficit.

We expect hospitals to receive around $1.7 billion annually beginning in 2025. This estimate reflects total funding, including the federal Medicaid match funds that will be sought for most of the provider payment increases. In addition, we estimate that nearly $5 billion in total funds will support other provider payment increases, including for primary and specialty care, ground ambulance providers, family planning services, behavioral health services, and workforce initiatives.

For more information, see CHA's FAQs on the MCO tax.

DISTRESSED HOSPITAL LOAN PROGRAM (AB 112)

The Legislature established the Distressed Hospital Loan Program to provide no-interest, potentially forgivable loans to qualifying hospitals in financial distress and governmental entities seeking to reopen a recently closed hospital. The Department of Health Care Access and Information and the California Health Facilities Financing Authority are jointly administering the program. Appropriations totaling $300 million were made to the program, and 17 hospitals will receive funding.

Budget Summary

WHOLE CHILD MODEL (WCM) EXPANSION

The budget expands WCM to 12 additional counties with county-operated health plans: Butte, Colusa, Glenn, Mariposa, Nevada, Placer, Plumas, San Benito, Sierra, Sutter, Tehama, and Yuba.

NEW BIRTH REPORTING TIMELINES

Statutory changes require providers who participate in Medi-Cal presumptive eligibility programs to report on the birth of a Medi-Cal eligible newborn within 72 hours after birth, or one business day after discharge, whichever is sooner. This change applies regardless of birth setting and is intended to prevent coverage gaps and delays in care.

PROTECTING AND BOLSTERING HEALTH CARE PROGRAMS

The budget protects health care commitments made in the last several years.

- **Comprehensive Medi-Cal Coverage Expansion.** The expansion of comprehensive Medi-Cal coverage to undocumented adults ages 26 through 49 — the last age group of undocumented immigrants without such coverage — will take effect as scheduled in January 2024.
- **CalAIM Implementation.** The budget maintains California Advancing and Innovating Medi-Cal (CalAIM) implementation as scheduled and provides new funding to implement the Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT) demonstration, assist county behavioral health plans convert to a new payment methodology, and — starting next year — add transitional rent services as a Community Supports benefit.
- **Behavioral Health Modernization Planning.** Gov. Newsom and legislative leaders announced a $6.38 billion bond and transformation of the Mental Health Services Act (MHSA) for the March 2024 ballot. The bills, SB 326 and AB 531, focus on five solutions to transform California's behavioral health system:
    1. Reforming the MHSA, which brings in over $3 billion per year, to allow funding for substance use disorder treatment
    2. Building a workforce that reflects the state's diversity
    3. Focusing on outcomes, accountability, and equity
    4. Supporting housing and treatment in community-based settings
    5. Assisting with housing for veterans experiencing behavioral health challenges

See governor's fact sheet for more details.

- **Reproductive Health Grant Opportunity.** The budget includes $200 million in 2024-25 to fund capacity and access-supporting grants to qualified safety-net providers of reproductive health services. The state is seeking federal approval for the grant program, California's Reproductive Health Demonstration, as a Section 1115 Medicaid demonstration project.
- **Covered California.** The budget provides $165 million in annual ongoing funding to create a new state cost-sharing subsidy program for Covered California consumers. Starting in 2024, deductibles will be eliminated, and copays will be reduced for enrollees in the affected Covered California plans.

Budget Summary

- **Health Care Workforce Funding.** Last year's budget included $1.5 billion in new health care workforce funding, around $1 billion of which was scheduled for expenditure across 2022-23 and 2023-24. In January, the governor proposed to delay nearly $400 million of the funding from the first two years to subsequent years. The final budget restores most of this funding. As a result, the only delay beyond 2023-24 that remains is a deferral of $115 million for the community health worker workforce to 2024-25 and 2025-26. This leaves only $15 million to be spent in 2023-24 for this purpose.

BUDGET DEFICIT SOLUTIONS

Several health care-related budget deficit solutions are included:

- Using the $8.3 billion from the MCO tax discussed earlier will be used to address the budget deficit (of this amount, $3.6 billion will be used in 2023-24)
- Delaying the elimination of the two-week checkwrite hold until 2024-25, saving the state $378 million in the General Fund
- Delays of $481 million for the Behavioral Health Continuum Infrastructure Program and $235 million for the Behavioral Health Bridge Housing Program beyond 2023-24
- Shifting $196 million from the state General Fund to the Mental Health Services Fund, allowing the state to avoid the health care workforce funding delays described above
- Loans totaling $230 million to the General Fund from the Hospital Building Fund (which supports the state's seismic compliance efforts) and the California Health Data and Planning Fund (which supports the Department of Health Care Access and Information's health care data collection, analysis, and reporting efforts)

Legislative Summary

Following are brief descriptions of bills enacted during the first year of the 2023-24 legislative session that directly impact hospitals. This report categorizes each issue by subject alphabetically and lists which hospital team members should take steps to come into compliance. In addition, the laws are indexed by author, bill number, and staff role. All measures take effect on Jan. 1, 2024, unless otherwise noted.

CIVIL ACTIONS/LEGAL

Health professionals and facilities: adverse actions based on another state's law

AB 1707 *(Pacheco, D-Downey)* Legal/Regulatory Compliance

AB 1707 protects licensed health care professionals, clinics, and health facilities from being denied a license or subjected to discipline (including any adverse actions against medical staff privileges) on the basis of a civil judgment, criminal conviction, or disciplinary action imposed by another state based solely on the application of another state's law that interferes with a person's right to receive sensitive services that are lawful in California. Sensitive services include services related to mental or behavioral health, sexual and reproductive health, substance use disorder, gender-affirming care, and intimate partner violence.

Legally protected health care services

SB 345 *(Skinner, D-Oakland)* Legal/Regulatory Compliance

SB 345 enacts various safeguards against the enforcement of other states' laws that prohibit, criminalize, sanction, authorize civil liability against, or otherwise interfere with a California provider or other entity that provides reproductive health care services or gender-affirming health care services.

Protections for providers of abortion services

SB 487 *(Atkins, D-San Diego)* Legal/Regulatory Compliance, Medical Staff

SB 487 provides protections to abortion providers for activities subject to disciplinary action in another state, for violations of that state's laws prohibiting or limiting abortion services.

Evidence: expert testimony

SB 652 *(Umberg, D-Santa Ana)* Legal/Regulatory Compliance

SB 652 creates additional requirements for expert opinions regarding medical causation in litigation.

Legislative Summary

CLIMATE CHANGE

Climate Corporate Data Accountability Act

SB 253 *(Wiener, D-San Francisco)* Legal/Regulatory Compliance, Hospital Operations

SB 253 requires businesses, including hospitals and health care providers, with annual revenue in excess of $1 billion to publicly disclose their direct greenhouse gas emissions and indirect emissions related to electricity, heating, and cooling annually to the California Air Resources Board starting in 2026. Other upstream and downstream indirect emissions must be reported starting in 2027.

Greenhouse gases: climate-related financial risk

SB 261 *(Stern, D-Calabasas)* Legal/Regulatory Compliance, Hospital Operations

SB 261 requires companies that do business in California and have annual revenue in excess of $500 million to prepare a report on their climate-related financial risk and their plans to reduce and adapt to that risk on a biennial basis by January 2026. Businesses must post the report on their websites.

CLINICAL

Compassionate Access to Medical Cannabis Act

SB 302 *(Stern, D-Calabasas)* Legal/Regulatory Compliance, Hospital Operations

SB 302 expands Ryan's Law (which requires certain facilities to allow terminally ill patients to use medical cannabis) to apply to patients who are over 65 years of age and have a chronic disease, except that general acute care hospitals may not permit a patient with a chronic disease to use medicinal cannabis. The bill adds home health agencies to the list of health facilities subject to this law. It also prohibits a facility from denying admission to a patient because of the patient's use of medicinal cannabis. Finally, it expands the types of actions by a federal agency, the U.S. Department of Justice, or the Centers for Medicare & Medicaid Services that allow a health care facility to suspend compliance with Ryan's Law. The actions include:

- Making an inquiry about the facility's activities under this law
- Issuing a notice to suspend funding
- Issuing certain types of guidance on the use of medical marijuana in health care facilities

EMERGENCY SERVICES

Ambulance patient offload delays

AB 40 *(Rodriguez, D-Pomona)* Legal/Regulatory Compliance, Hospital Operations

AB 40 requires each local emergency medical services (EMS) agency to establish — by July 1, 2024 — an ambulance offload standard of up to 30 minutes 90% of the time. It also requires the statewide Emergency Medical Services Authority (EMSA) to adopt — by Dec. 31, 2024 — emergency regulations that include:

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Hospitals must file their APOT reduction protocol with EMSA and annually report any revisions.

If a hospital fails to meet the APOT standard after Dec. 31, 2024, EMSA will direct it to implement its APOT reduction protocol and host biweekly calls among the hospital, EMSA, the local EMS agency, and others to assist in implementing the reduction protocol. Due to CHA's advocacy, the bill authorizes penalties for a hospital's inability to meet prescribed offload times.

CURES database: buprenorphine

AB 1731 *(Santiago, D-Los Angeles)* Clinical/Pharmacy/Laboratory, Legal/Regulatory Compliance

AB 1731 exempts a health care practitioner from the duty to consult the CURES database when the health care practitioner prescribes, orders, administers, or furnishes buprenorphine (or other controlled substance containing buprenorphine) in the emergency department of a general acute care hospital.

EMPLOYMENT

Occupational safety and health standards: plume

AB 1007 *(Ortega, D-San Leandro)* Legal/Regulatory Compliance, Hospital Operations

AB 1007 requires Cal/OSHA to submit to the Occupational Safety and Health Standards Board a proposed regulation requiring hospitals to evacuate or use a plume scavenging system in any setting where techniques are used that create plume.

Temporary restraining orders: employee harassment

SB 428 *(Blakespear, D-Encinitas)* Legal/Regulatory Compliance

SB 428 authorizes any employer whose employee has suffered harassment to seek a temporary restraining order and an injunction on behalf of the employee and other employees upon a showing of clear and convincing evidence that an employee has suffered harassment, that great or irreparable harm would be done to an employee, and that the respondent's course of conduct served no legitimate purpose.

Legislative Summary

Protected employee conduct

SB 497 *(Smallwood-Cuevas, D-Los Angeles)* Legal/Regulatory Compliance

SB 497 creates a rebuttable presumption in favor of an employee's claim of unlawful discrimination, retaliation, or adverse action if an employer engages in any action against an employee within 90 days for invoking or assisting in the enforcement of specified labor law provisions. The bill provides that in addition to other remedies available, an employer is liable for a civil penalty of up to $10,000 per employee for each violation of, among other things, specified whistleblower protections. The civil penalties recovered will be awarded to the employee who was retaliated against.

Minimum wage: health care workers

SB 525 *(Durazo, D-Los Angeles)* Legal/Regulatory Compliance, Finance, Hospital Operations

SB 525 establishes a $25 minimum wage for health care workers, specifically:

- Organizations with 10,000 full-time equivalent workers or more must pay a minimum wage of $23 in June 2024, $24 in June 2025, and $25 in June 2026. The minimum wage after 2026 will be indexed to the lower of inflation or 3.5%.
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  - The seven hospitals in the state that are part of a health system where both the hospital and the health system have a government-payer mix of 90% or more, where government payer mix is determined by the share of utilization attributed to Medi-Cal and Medicare. Starting in June 2024, these hospitals must pay workers $18 an hour. The minimum wage after 2024 will be increased by 3.5% annually until it reaches $25 in June 2033; it will be indexed thereafter to the lower of inflation or 3.5%.
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In addition, local governments are prohibited from enacting local laws related to wages or compensation for health care facility employees.

Sick days: paid sick days accrual and use

SB 616 *(Gonzalez, D-Long Beach)* Legal/Regulatory Compliance, Finance

SB 616 requires employers to increase the accrual threshold for paid sick days to 40 hours or five days of accrued sick leave or paid time off and that time to be allowed to be carried over into the following year, except as provided under the law. The bill also increases the amount of paid sick leave or paid time off an employee can accrue from 48 hours or six days to 80 hours or 10 days for employers with existing paid sick leave policies, as specified.

Legislative Summary

Employment discrimination: cannabis use

SB 700 *(Bradford, D-Inglewood)* Legal/Regulatory Compliance, Hospital Operations
SB 700 makes it unlawful for an employer to request information from an applicant for employment relating to the applicant's prior use of cannabis.

Leave for reproductive loss

SB 848 *(Rubio, D-West Covina)* Legal/Regulatory Compliance, Hospital Operations
SB 848 makes it unlawful for an employer to deny a request by an eligible employee to take up to five days of reproductive loss leave following a reproductive loss event or to retaliate against the employee due to their use of reproductive loss leave. A reproductive loss event means a failed adoption, failed surrogacy, miscarriage, stillbirth, or an unsuccessful assisted reproduction.

FINANCE

Medical evidentiary examinations: reimbursement

AB 1402 *(Dahle, M., R-Redding)* Finance, Hospital Operations
AB 1402 requires each county's board of supervisors to authorize a designee to approve qualified child abuse evidentiary examiners to receive reimbursement from the state Office of Emergency Services (OES). OES must establish a 60-day reimbursement process and will fund the exams. Costs for evidentiary exams cannot be charged to the victim and must be separate from the costs for diagnosis and treatment of any injuries. The exam need not be provided in the jurisdiction where the crime occurred.

HEALTH FACILITIES

Hospitals: procurement contracts

AB 1392 *(Rodriguez, D-Pomona)* Legal/Regulatory Compliance, Hospital Operations
AB 1392 requires hospitals with operating expenses of $50 million or more and hospitals that are part of a system with operating expenses of $25 million or more to submit annual plans — beginning July 1, 2025 — to the Department of Health Care Access and Information (HCAI) detailing how the hospital plans to increase procurement from minority, women, LGBT, and disabled veteran businesses. Failure to submit the plans, which will be posted on HCAI's website, will result in a civil penalty of $100 per day.

Human trafficking notices: pediatric care facilities

AB 1740 *(Sanchez, R-Murrieta)* Legal/Regulatory Compliance, Hospital Operations
AB 1740 adds pediatric care facilities to the list of businesses that must post a notice about human trafficking and slavery. The sign must be posted in a conspicuous place near the public entrance or in another conspicuous location in clear view of the public and employees. Hospital emergency departments have been required to post this notice for several years. The required sign may be found in many languages on the Office of the Attorney General website.

Legislative Summary

HEALTH PLAN AND INSURER REGULATION

Health care coverage: doulas

AB 904 *(Calderon, D-Whittier)* Legal/Regulatory Compliance, Hospital Operations
AB 904 requires health plans and insurers to develop — by January 2025 — a maternal and infant health equity program that addresses racial health disparities in maternal and infant health outcomes through the use of doulas. The bill also requires the Department of Managed Health Care, in collaboration with the Department of Insurance, to collect data and report on doula coverage to the Legislature by January 2027.

Biomarker testing

SB 496 *(Limon, D-Santa Barbara)* Clinical/Pharmacy/Laboratory, Finance
SB 496 requires a health care service plan or health insurer to cover medically necessary biomarker testing, including whole genome sequencing, for the purposes of diagnosis, treatment, appropriate management, or ongoing monitoring of a patient's condition.

MEDICAL STAFF

Physician employment: critical access hospitals

AB 242 *(Wood, D-Healdsburg)* Medical Staff, Hospital Operations
AB 242 makes permanent the exemption to California's ban on the corporate practice of medicine for 37 critical access hospitals, allowing for the direct employment of physicians by these facilities.

Continuing medical education: physicians and surgeons

AB 470 *(Valencia, D-Anaheim)* Medical Staff
AB 470 specifies that the physician continuing education required by the Medical Board may include activities designed to improve the quality of physician-patient communication. The bill requires that associations that accredit continuing medical education providers, when they update their standards, must do so to ensure program standards meet the needs of California's changing demographics and properly address language disparities.

Medical malpractice insurance

AB 571 *(Petrie-Norris, D-Irvine)* Legal/Regulatory Compliance, Medical Staff
AB 571 prevents insurers from denying licensed health care practitioners professional liability insurance — or from imposing fees or surcharges — based solely on their provision of abortion, contraception, or gender-affirming services. The bill also prohibits an insurer from denying coverage for liability for damages arising from offering or performing these health care services, subject to specified requirements.

Physicians, surgeons, and doctors of podiatric medicine: professional partnerships

AB 834 *(Irwin, D-Thousand Oaks)* Medical Staff
AB 834 authorizes doctors of podiatric medicine to own an equal or majority interest in a professional partnership with physicians.

Legislative Summary

Postgraduate medical school training: guest rotations

AB 1646 *(Nguyen, D-Elk Grove)* Medical Staff
AB 1646 authorizes a medical school graduate who is enrolled in an accredited postgraduate training program outside California to participate in guest rotations and practice medicine at approved training sites in California for up to 90 days without obtaining a California postgraduate license. The bill also extends — from 90 to 180 days — the deadline for an applicant with 12 months of approved postgraduate training in another state or Canada who is accepted into a California postgraduate training program to obtain their California physician's and surgeon's license.

Physician Assistant Practice Act: training requirements for abortion by aspiration

SB 385 *(Atkins, D-San Diego)* Medical Staff
SB 385 revises the training requirements and adds additional training options for a physician assistant (PA) to achieve clinical competency in performing an abortion by aspiration techniques during the first trimester of pregnancy. The bill authorizes a PA who has completed training and achieved clinical competency, as described, to perform abortions by aspiration techniques without the personal presence of a supervising physician, except as provided.

MENTAL/BEHAVIORAL HEALTH

Behavioral Health Infrastructure Bond Act of 2023

AB 531 *(Irwin, D-Thousand Oaks)* Finance
AB 531 is part of a two-bill package (which includes SB 326) on the March 2024 ballot that contains a $6.38 billion general obligation bond to fund an array of treatment, residential care settings, and supportive housing for individuals with behavioral health needs. CHA supported the bill package and worked with the Legislature and Newsom administration to ensure psychiatric inpatient hospital services are included.

Minors: consent to medical care

AB 816 *(Haney, D-San Francisco)* Clinical/Pharmacy/Laboratory
AB 816 permits a minor patient who is 16 years of age or older to consent to replacement narcotic abuse treatment that uses buprenorphine at a physician's office, clinic, or health facility, whether or not the minor also has the consent of their parent or guardian. It also allows a minor 16 years of age or older to consent to any other medication for opioid use disorder from a licensed narcotic treatment program as replacement narcotic therapy without the parent's consent to the extent expressly permitted by federal law.

Advance health care directive form

AB 1029 *(Pellerin, D-Santa Cruz)* Legal/Regulatory Compliance, Hospital Operations
AB 1029 states that existing law regarding advance directives does not prohibit a patient from executing a voluntary standalone psychiatric advance directive. The bill also adds language to the statutory advance directive form reiterating existing law that prohibits an agent designated in an advance directive from committing the patient to a mental health facility or consenting to convulsive treatment, psychosurgery, sterilization, or abortion for the patient. In addition, the bill also states that, "Mental health preferences that do not constitute health care instructions or decisions … may provide valuable information to improve an individual's mental health care." This means that a patient may include instructions in a psychiatric advance directive that are merely preferences, and do not constitute health care instructions that a provider must comply with. This bill does not change existing law, and an agent named in an advance directive has little if any authority to make decisions on behalf of a psychiatric patient. See CHA's *Consent Manual* for additional information about psychiatric advance directives.

Legislative Summary

Expands "gravely disabled" definition

SB 43 *(Eggman, D-Stockton)* Medical Staff

SB 43 expands the definition of "gravely disabled" for the purposes of placing a person on an involuntary psychiatric hold or establishing a conservatorship. The new definition includes individuals with either a severe substance use disorder or a co-occurring mental health disorder and a severe substance use disorder, and individuals who, due to a mental health disorder or one of the two above conditions, are unable to provide for their personal safety or necessary medical care. CHA worked with the author to refine the definition from prior versions of the bill.

Behavioral Health Services Act

SB 326 *(Eggman, D-Stockton)* Finance

SB 326 is part of a two-bill package (which includes AB 531) that substantially reforms the Mental Health Services Act of 2004, which generates over $3 billion every year to expand mental health services. CHA supported the updates this bill makes to the law, including to allow these funds to be used to treat people with substance use disorders. The bill also requires counties to expand spending on housing supports, as well as wrap-around treatment slots called full-service partnerships. In addition to providing $36 million for a behavioral health workforce initiative, the bill improves state oversight of county planning and spending of public behavioral health funds.

PHARMACY

Pharmacy medication errors

AB 1286 *(Haney, D-San Francisco)* Clinical/Pharmacy/Laboratory, Legal/Regulatory Compliance

AB 1286 requires community pharmacies, including hospital outpatient pharmacies, to make additional reports regarding medication errors. Existing law requires hospitals to report medication errors to the California Department of Public Health only when the error leads to the death or serious disability of the patient. This bill requires reporting — within 14 days — of medication errors where the medication is dispensed, even if there is no injury to the patient. The Board of Pharmacy will identify the entity(ies) authorized to receive and analyze these reports. AB 1286 also permits a pharmacist-in-charge to make staffing decisions to ensure sufficient personnel are present in the pharmacy to prevent fatigue, distraction, or other conditions that may interfere with a pharmacist's ability to practice safely. If the pharmacist on duty isn't available, any pharmacist on duty may adjust staffing. In addition, the bill requires the pharmacist-in-charge or pharmacist on duty to immediately notify management of any conditions that present an immediate risk of death, illness, or irreparable harm to patients or personnel, such as workplace safety and health hazards, sustained temperatures that impact drug stability, or vermin infestation. Management must take immediate and reasonable steps to address and resolve the conditions. If they are not resolved within 24 hours, the pharmacist-in-charge or pharmacist on duty must ensure that the Board of Pharmacy is notified. The board has the authority to require the pharmacy to cease operations affected by the conditions at issue.

Legislative Summary

Remote pharmacy processing

AB 1557 *(Flora, R-Ripon)* Clinical/Pharmacy/Laboratory

AB 1557 allows a prescriber or a prescriber's authorized agent to electronically enter a prescription or order for any controlled substance into a pharmacy or hospital computer from a location outside of the pharmacy or hospital, if allowed by pharmacy or hospital policies. It also authorizes a pharmacist to, on behalf of a licensed health care facility, remotely verify medication chart orders for appropriateness before administration, consistent with federal requirements and in accordance with the health facility's policies and procedures. The bill requires the facility to maintain a record of a pharmacist's verification of a medication chart order.

PRIVACY AND PERSONAL INFORMATION

Health information

AB 352 *(Bauer-Kahan, D-San Ramon)* Legal/Regulatory Compliance, Hospital Operations

AB 352 requires businesses that electronically store medical information on behalf of a health care provider, health plan, or an employer to — by July 1, 2024 — develop the capability to:

- Limit user access privileges to information about sensitive services (gender-affirming care, abortion-related services, and contraception)
- Prevent the disclosure or transmission of information related to sensitive services to entities outside California
- Segregate information about sensitive services from the rest of the medical record
- Provide the ability to automatically disable access to sensitive services to people outside California

The bill also restricts the ability of health plans and providers to provide medical information to people outside California related to abortion services, and limits the electronic exchange of abortion information. Providers are not liable for lack of compliance prior to Jan. 31, 2026.

Cause of death: excited delirium

AB 360 *(Gipson, D-Carson)* Clinical/Pharmacy/Laboratory, Legal/Regulatory Compliance

AB 360 prohibits a physician or physician assistant from stating on the death certificate or in any report that a patient's cause of death was "excited delirium."

Uniform Electronic Transactions Act

AB 1697 *(Schiavo, D-Santa Clarita)* Legal/Regulatory Compliance, Hospital Operations

AB 1697 allows an authorization for the release of medical information to contain an expiration event, rather than requiring an expiration date. For example, an expiration event might be "end of research study" or "end of cancer treatment." In addition, the bill limits the duration of the authorization to one year or less, unless the patient requests a longer duration The bill also requires that, if the health care provider sought the use/disclosure to which the authorization pertains, the patient must be given a copy of the signed authorization and instructions on how to access additional copies or a digital version of the signed authorization.

Legislative Summary

PUBLIC REPORTING AND MEETINGS

Public records: contracts for goods and services

SB 790 *(Padilla, D-El Centro)* Legal/Regulatory Compliance
SB 790 states that any executed contract for the purchase of goods or services by a state or local agency, including the price and terms of payment, is a public record that is subject to disclosure under the Public Records Act. However, this law does not require disclosure of a contract that is exempt from disclosure based on another law.

RURAL

Imperial County Healthcare District

AB 918 *(Garcia, D-Coachella)* Hospital Operations
AB 918 renames the Pioneers Memorial Healthcare District the Imperial County Healthcare District. It also authorizes, subject to voter approval, the expansion of the district to include all of Imperial County. The new district board will include members from the dissolved district boards and members from the El Centro Regional Medical Center Board of Directors. The Imperial County Healthcare District Board of Directors will initiate conversations with El Centro Regional Medical Center to determine the terms of acquiring the hospital. The district is required to submit a resolution of application to the Imperial County Local Agency Formation Commission to initiate proceedings to expand the district.

SKILLED-NURSING AND LONG-TERM CARE FACILITIES

Nursing Facility Resident Informed Consent Protection Act of 2023

AB 48 *(Aguiar-Curry, D-Winters)* Legal/Regulatory Compliance, Medical Staff
AB 48 expands the rights of residents of skilled-nursing facilities, intermediate care facilities, and hospices to provide or withhold consent concerning for use of psychotherapeutic drugs. The bill requires prescribers to disclose material information and obtain written informed consent before facility staff initiate treatment with psychotherapeutic drugs, except as specified. In addition, it requires the California Department of Public Health (CDPH), in consultation with interested stakeholders, to develop a standardized informed consent form by December 2025. Facilities are not required to include the written consent form in the resident health record until the form developed by CDPH is available. The bill also confirms that all residents of these facilities, regardless of payment source, have the right to appeal an involuntary transfer or discharge through the appeal process.

Family councils

AB 979 *(Alvarez, D-Chula Vista)* Legal/Regulatory Compliance
AB 979 makes several changes/additions to existing requirements for skilled-nursing facilities and intermediate care facilities to allow the formation of a family council. It specifies that a facility staff member may attend family council meetings only at the invitation of the council and that the council may meet virtually or at an off-site location at its discretion (in addition to the existing requirement that facilities allow family councils to meet onsite). The bill also requires the facility to respond in writing to any requests or concerns submitted by the family council within 14 days.

Legislative Summary

Facility-initiated discharges

AB 1309 *(Reyes, D-San Bernardino)* Legal/Regulatory Compliance

AB 1309 adds new requirements to the existing mandate for skilled-nursing facilities to provide written notification of a facility-initiated discharge or transfer to the resident and to the local long-term care ombudsman. It also requires the facility to provide the resident or the resident's representative a copy of the resident's discharge needs and discharge plan within 48 hours of the written notice. In instances where the discharge is necessary because the resident's needs cannot be met, the bill requires additional information from the facility regarding the resident's needs and the facility's attempts to address them.

Elder and dependent adult abuse: mandated reporting

AB 1417 *(Wood, D-Healdsburg)* Legal/Regulatory Compliance

AB 1417 revises and clarifies mandated reporting procedures for elder and dependent adult abuse in long-term care facilities. It establishes a simplified process and clarified timeline for reporting alleged abuse in all cases other than those involving abuse allegedly caused by another resident of the facility with dementia. In the latter situation, the abuse need not be reported to the corresponding state licensing agency.

TELEMEDICINE

Telehealth license exemption

AB 1369 *(Bauer-Kahan, D-San Ramon)* Legal/Regulatory Compliance, Medical Staff

AB 1369 authorizes an eligible out-of-state physician or surgeon to practice medicine in California without a license if the practice is limited to delivering health care via telehealth to an eligible patient who has a disease or condition that is immediately life-threatening.

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MEDICAL STAFF


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Hospital
Association


Hospital Council
Northern & Central California


HOSPITAL
ASSOCIATION
of Southern California


HOSPITAL ASSOCIATION
of San Diego & Imperial Counties