



MEETING AGENDA  
Monday June 21, 2021  
Presiding: Adam Ruiz, Chair

June: [https://us02web.zoom.us/meeting/register/tZcq-d-ggpzwoGtdKeYGkSO2ClwY\\_HwRLEpKF](https://us02web.zoom.us/meeting/register/tZcq-d-ggpzwoGtdKeYGkSO2ClwY_HwRLEpKF)

2021 Strategic Initiatives

*Budget, Tax Reform & Economic Recovery / Job Creation and Retention / Healthcare / Infrastructure & the Environment/ Public Safety*

Call to Order, Roll Call & Introductions: 12:00 p.m.

Chair Report

Approval of Minutes

Action

2021 Legislative Report #6

Action

1. [AB 75 \(O'Donnell\) Education finance: school facilities: Kindergarten-Community Colleges Public Education Facilities Bond Act of 2022.](#)
2. [AB 110 \(Petrie-Norris\) Fraudulent claims: inmates.](#)
3. [AB 570 \(Santiago\) Dependent parent health care coverage](#)
4. [AB 664 \(Bigelow\) Taxation: Corporation Tax Law: annual tax: small businesses.](#)
5. [AB 1082 \(Waldron\) California Health Benefits Review Program: extension.](#)
6. [AB 1105 \(Rodriguez\) Hospital workers: COVID-19 testing.](#)
7. [AB 1204 \(Wicks\) Hospital equity reporting](#)
8. [AB 1422 \(Gabriel\) Health facilities: critical care units: bed designation program flexibility.](#)
9. [SB 9 \(Atkins\) Housing development: approvals.](#)
10. [SB 410 \(Leyva\) Occupational safety and health: regulations.](#)
11. [SB 524 \(Skinner\) Health care coverage: patient steering.](#)
12. [SB 637 \(Newman\) Health facility reporting: staffing.](#)

Guest Speaker

Information

Chamber Announcements

Information

Adjourn – Next Meeting July 19, 2021

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 Southwest Healthcare Systems  
 Temecula Valley Hospital

Economic Development Coalition  
 The Murrieta Temecula Group  
 Southern California Edison  
 The Gas Company  
 California Apartment Association  
 Mt. San Jacinto College  
 Murrieta Spectrum

# SWCLC

## Southwest California Legislative Council

### MEETING MINUTES Monday, May 17, 2021 ZOOM LINK

#### Attendance

##### Council Representatives Present

Adam Ruiz, Temecula  
Daneen Ashworth, Murrieta/Wildomar  
Dennis Frank, Temecula  
Chris Sizemore, Temecula  
Jennifer Sevilla, Murrieta/Wildomar  
Ben Diedrich, Murrieta/Wildomar  
Joan Sparkman, Temecula

##### Council Representatives Absent

Alex Braicovich, Lake Elsinore  
Ben Benoit, Lake Elsinore  
Adam Eventov, Temecula  
Eric McLeod, Murrieta/Wildomar  
Greg Morrison, Lake Elsinore  
Brad Neet. Murrieta/Wildomar  
Kassen Klein, Menifee

#### Call to Order

The meeting was called to order by Chair Ruiz at 12:03PM.

#### Approval of Minutes

A motion was made to approve the minutes from April 19, 2021 meeting as written. The motion to approve was seconded. The vote to approve was unanimous.

#### Guest Presentation by Angie Johnson & Juan Perez

Chair Ruiz introduced guest speakers, Angie Johnson & Juan Perez, from the County of Riverside and gave them the floor to give a presentation on the proposed air traffic control tower. Johnson shared a brief PowerPoint presentation overviewing the history and characteristics of the French Valley Airport. She explained that the airport is self-sufficient and receives grant funding for capital improvement projects from the FAA & the state. Johnson explained that with robust traffic, and the presence of four flight schools, an air traffic control tower will provide increased safety and operational efficiency. Johnson addressed what a contract air traffic control tower is. She explained that contract towers are staffed by employees of private companies rather than by the FAA. Contract towers represent 49% of all federal air traffic control towers in the U.S. Johnson explained that they submitted an application to the FAA in September of 2019 along with requested additional documentation in October 2020 through March 2021. She added that the county is currently waiting for FAA response regarding the application.

#### Questions regarding the presentation:

- What does a tower mean for future of the airport as it relates to traffic noise?
  - Johnson explained that an air traffic control tower is 100 percent for safety and has no relationship with the number of operations or with who would use the airport
- Has the option of a virtual tower been discussed?
  - Johnson stated that a virtual tower is still in its investigative phase with the FAA, although they are being used throughout the country. She added it is still an option. She shared that whether they do a regular tower or a virtual one, it is fully within the purview of the FAA to decide.

- Could this be a noise abatement issue?
  - Johnson shared that a tower has no point of reference for increased activity. The activity could increase with or without a tower.
- Will the tower have full instrument capabilities, and will it change how the airport is run?
  - Johnson explained it would not change anything and the tower would only be able to direct the flow of traffic more efficiently and safely.
- Who bears the cost of this?
  - Johnson shared that the Aviation division will bear the cost and explained that they are self-supported by their revenues which come primarily from leases for tenants on the airports. She added that they do get some capitals money from the FAA and the state government but not for a tower. She informed the council they applied for a grant application to see if they could get some money to pay for the physical tower.

#### Guest Presentation by Bill Blankenship

Chair Ruiz introduced Bill Blankenship to the committee and explained that he will be discussing the redistricting of California and the impacts it might have.

Blankenship gave background on the commission and explained how it was formed and why. He explained that every 10 years there is a commission and process to redraw legislative lines. He explained that this happens because in areas where there was once the same number of people, it has become unequal. He shared that over time, communities, population, interests, and goals change. He added that on the road to fair representation as these populations change, some districts grow and shrink. He gave the example of Congressman Calvert's district, which has increased in the last decade by 80,000 people. He explained that when the commission draws the line for his district, it's going to have to shrink by 80,000 people. This could be profound for Southwest Riverside County.

Blankenship shared that the primary role of the commission and redistricting process is to set the lines for the congressional districts, the state senate districts, the state assembly districts, and the state board of equalization districts. He shared that for the first time in history, California will lose a congressional seat, going from 53 congressional seats to 52, due to the decrease in population.

Blankenship added that historically, the party in power in the legislature drew the lines in their favor, which is called gerrymandering. Eventually, the state decided to put the drawing of district lines in the hands of the people.

Blankenship explained drawing line criteria:

- Districts must be nearly or equal population to comply with the U.S. constitution
- Districts must comply with Voting Rights Act to ensure that minorities have a fair opportunity to elect representatives of their choice
- Districts must be drawn continuously so that all parts of the district are connected to each other
- Districts must minimize the division of cities, counties, neighborhoods, and communities of interest to the extent possible
- Districts should be geographically compact such that nearby areas of population are not bypassed for more distant populations. (refers to density, not shape)
- Each senate district should be comprised of at least two complete assembly districts, which is called nesting

Blankenship explained how people get selected to this commission. He shared that in 2019 over 20,000 people applied to be a part of the commission. This list was paired down to 2,000 people who completed the supplemental application. After thorough review, 120 applicants, comprised of 40 democrats, 40 republicans, and 40 non-partisan were invited to interview, of which 60 (20 from each pool) were invited to be presented to the legislature. The California legislature was allowed to remove no more than 24 candidates, 8 from each pool, from consideration, leaving a total of 36. The first 8 members were selected from a public drawing, in July of 2020, and the final 6 members (2 from each pool) were then carefully selected by the first 8 commissioners. Blankenship stated that the goal of the commission is to keep communities of interest together. He added that you can draw a community of interest in many different ways. He

shared that Southwest Riverside County is one of 3 areas in the state that is of great concern because of the great population growth that has occurred. There is also multiple legislative districts converging (2 congressional districts, an assembly district, and a senate district). He added that there is concern that they keep this portion of Southwest Riverside County together.

Blankenship stated that the council will gain a lot more knowledge when commissioner Kennedy speaks at the June 10, 2021 breakfast. He shared that the process is behind where it should be historically due to covid. He added that the census numbers will not be available until September, 2021. Due to this, they probably won't see real maps with real lines drawn by the commission until after the January 1, 2022.

### Roll Call

Attendance was called by Chair Ruiz at 12:39pm.

Chair Ruiz noted that there was not full quorum as they were short one member. He added they will take the recommended action items from those present and email them out to the remaining members.

### Review of Legislative Items

1. ACA-9 (Kiley) Property taxation: transfers of principal residences

A motion was made to support

The motion was seconded

The vote to support was unanimous with no discussion

2. AB 13 (Chau) Public contracts: automated decision systems

A motion was made to oppose

The motion was seconded

The vote to oppose was unanimous with no discussion

3. AB 701 (Gonzalez) Warehouse distribution centers

A motion was made to oppose

The motion was seconded

The vote to oppose was unanimous with no discussion

4. AB 995 (Gonzalez) Paid sick days: accrual and use

Sevilla asked whether this bill applied to all size employers, to which Wunderlich replied yes. Ashworth shared that with this, there is no benefit or tax credit, there is only a penalty if you don't provide it.

A motion was made to oppose

The motion was seconded

The vote to oppose was unanimous

5. AB 1119 (Wicks) Employment discrimination

A motion was made to oppose

The motion was seconded

The vote to oppose was unanimous with no discussion

6. AB 1371 (Friedman) Recycling: plastic: packaging and carryout bags

A motion was made to oppose

The motion was seconded

The vote to oppose was unanimous with no discussion

7. SB 82 (Skinner) Petty theft

A motion was made to oppose

The motion was seconded

The vote to oppose was unanimous with no discussion

8. SB 260 (Wiener) Climate Corporate Accountability Act

A motion was made to oppose

The motion was seconded

The vote to oppose was unanimous with no discussion

Adjourn

Chair Ruiz called the meeting to adjourn at 1:32pm.

[AB 75, as amended, O'Donnell. Education finance: school facilities: Kindergarten-Community Colleges Public Education Facilities Bond Act of 2022.](#)

*Introduced by Assembly Member O'Donnell  
(Coauthor: Assembly Member Medina)*

**Recommended action:** **SUPPORT**

**Presentation:** Gene Wunderlich

**Summary:**

This bill places a statewide general obligation bond measures of an unspecified amount on a 2022 statewide ballot to fund kindergarten through community college facilities (K-14), to be operative only if approved by voters. In addition to providing funds for new construction, modernization, career technical education and charter facilities, this bill establishes several new programs, modifies matching requirements and financial hardship eligibility and expands the costs that can be covered by state bond funds. The bill does not specify whether the bond is to be placed on the 2022 primary ballot or general 2022 statewide election ballot.

**Description:**

**The Leroy F. Greene School Facilities Act of 1998** provides for the adoption of rules, regulations, and procedures, under the administration of the Director of General Services, for the allocation of state funds by the State Allocation Board for the construction and modernization of public school facilities.

**This bill** would add provisions to the act to require the Department of General Services to process all applications received under the act on and after an unspecified date and to present those applications to the State Allocation Board within 120 days of receipt. The bill would require applicants for bond funding to supply designated information to the State Department of Education. The bill would authorize school districts to receive a supplemental grant to expand an existing, or construct a new, gymnasium, multipurpose room, library, or school kitchen under specified conditions. The bill would amend the methodology for calculating a school district's required local contribution, as specified.

**The bill** would specifically authorize the allocation of state funds for the replacement of school buildings that are at least 75 years old, for specified assistance to school districts with a school facility located on a military installation, as specified, and small school districts, as defined, and for the testing and remediation of lead levels in water fountains and faucets used for drinking or preparing food on schoolsites. The bill would authorize new construction and modernization grants to be used for seismic mitigation purposes, certain health and safety projects, and, among other things, to establish schoolsite-based infrastructure to provide broadband internet access. The bill would also authorize modernization grants to be used for the control, management, or abatement of lead.

**The bill** would increase the maximum level of total bonding capacity, as defined, that a school district could have in order to be deemed eligible for financial hardship under the act from \$5,000,000 to \$15,000,000. The bill, commencing in the 2023–24 fiscal year, would increase that \$15,000,000 maximum by a specified inflation adjustment. The bill would authorize the State Allocation Board to provide specified assistance to school districts and county offices of education impacted by a natural disaster for which the Governor has declared a state of emergency.

**The California Constitution** prohibits the Legislature from creating a debt or liability that singly or in the aggregate with any previous debts or liabilities exceeds the sum of \$300,000, except by an act that (A) authorizes the debt for a single object or work specified in the act, (B) has been passed by a  $\frac{2}{3}$  vote of all the Members elected to each house of the Legislature, (C) has been submitted to the people at a statewide

general or primary election, and (D) has received a majority of all the votes cast for and against it at that election.

**This bill** would set forth the Kindergarten-Community Colleges Public Education Facilities Bond Act of 2022 as a state general obligation bond act that would provide ~~an unspecified amount of funds~~ \$12,000,000,000 to construct and modernize education facilities, as provided. The bond act would become operative only if approved by the voters at an unspecified statewide election in 2022. The bill would require its other provisions to take effect upon voter approval of the bond act.

*(3) This bill would declare that it is to take effect immediately as an urgency statute.*

### **Fiscal impact:**

Assuming a 2022 statewide general obligation bond of \$9 billion, total principal and interest costs of \$16.4 billion (\$9 billion in principal and \$7.4 billion in interest). Annual General Fund debt service of \$586 million beginning in 2024, after all bonds are sold, assuming they are sold in two years. This assumes an interest rate of 4.5% and a 30-year maturity

The last K-14 statewide bond measure was passed by voters in 2016. The measure, known as Proposition 51, or California Public School Facility Bonds Initiative, was placed on the November 2016 statewide ballot using the initiative process. The measure provided \$9 billion, with \$7 billion for K-12 schools and \$2 billion for community colleges. The measure received 55% of the vote. AB 48 (O'Donnell and Glazer), Chapter 530, Statutes of 2019, placed a \$15 billion bond, known as Proposition 13, or the Public Preschool, K-12, and College Health and Safety Bond Act of 2020, on the March 2020 statewide ballot. The measure would have provided \$9 billion to improve school facilities and \$6 billion for public universities and community colleges. The measure received 47% of the vote and therefore did not pass.

### **Arguments in support:**

According to the author, "As a long-time teacher who has taught in a portable classroom, I know firsthand that a school's physical environment impacts student achievement and motivation. AB 75 will provide much needed funds to repair and upgrade our schools, and increase the number of classrooms for vocational/career technical education. The School Facility Program is a partnership between the state, school districts and developers. Voters have historically supported bonds as the state's commitment for our children's schools. I believe that they will again with a modified proposal."

The California School Boards Association states, "... the COVID-19 pandemic has placed a dramatic burden on school facilities. Access to safe, clean, and functional classrooms will be essential as schools reopen. To allow for social distancing and to meet safety requirements, schools will need to adjust how they currently use their physical space, clean and disinfect school buildings, and improve ventilation and air quality. As a result, significant construction, upgrades, and repairs are needed to create larger classrooms, improve ventilation systems, and reduce the risk of transmission in shared spaces. Students deserve to be in safe, healthy, and sustainable environments. A long-term plan that includes a robust discussion of the key role of capital finance is essential to the lasting success of California's education systems – and the students they serve. This bill alleviates the financial burden on both the institutions and students, while also constructing facilities that reflect the needs of the 21st century students.

### **Arguments in opposition**

None on file.

### **Support: (Verified 6/15/2021)**

*American Council of Engineering Companies, California  
Anaheim Union High School District  
Association of California Construction Managers  
California Builders Alliance  
California Association of School Business Officials*

*California Association of Suburban School Districts  
California Community Colleges Chancellor's Office  
California County Superintendents Educational Services  
Association  
California Retailers Association*

California Building Industry Association  
California Chamber of Commerce  
California Federation of Teachers  
Central Valley Education Coalition  
Coalition for Adequate School Housing  
Community College Facility Coalition  
Corona-Norco Unified School District  
California School Boards Association  
California Teachers Association  
County School Facilities Consortium  
Kern Community College District  
Long Beach Unified School District  
Los Alamitos Unified School District

Los Angeles Unified School District  
Mt. San Jacinto Community College District  
Peralta Community College District  
Riverside County Superintendent of Schools  
Sacramento Regional Builders Exchange  
San Bernardino Community College District  
San Diego Unified School District  
San Francisco Community College District  
San Jose-Evergreen Community College District  
School Energy Coalition  
State Building and Construction Trades Council  
Yuba Community College District  
Western Electrical Contractors Association, Inc.

**Opposition: (Verified 6/15/2021)**

None on file

**Status:** Passed to Senate – pending referral

**Assembly Votes** (preliminary out of House of Origin): **AYE:** Cervantes, Medina, Waldron      **NVR:** Seyarto

<b>Legislative Item #2</b>	<b>Action</b>
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**AB 110, as amended, Petrie-Norris. Fraudulent claims: inmates.**

*Introduced by Assembly Members Petrie-Norris, [Chen](#), [Chiu](#), [Mayes](#), [Nazarian](#), [Salas](#), and [Santiago](#)  
(Coauthors: Assembly Members [Bauer-Kahan](#), [Bennett](#), [Bloom](#), [Boerner Horvath](#), [Carrillo](#), [Cunningham](#), [Gabriel](#),  
[Cristina Garcia](#), [Gipson](#), [Gray](#), [Maienschein](#), [Muratsuchi](#), [Patterson](#), [Quirk](#), [Ting](#), [Villapudua](#), and [Lorena Gonzalez](#))  
(Coauthor: Senator [Allen](#))*

**Recommended action:** **SUPPORT**

**Presentation:** Gene Wunderlich

**Summary:**

Data Sharing Between EDD & Department of Corrections to Prevent UI Fraud. Would require the Department of Corrections and counties to share the names and social security information of current inmates with the Employment Development Department (EDD) to prevent payments on fraudulent claims using inmate information, and require EDD to utilize this information in its screening process. This would bring California up to speed with other states, and also help prevent one of the most widespread types of fraud that was widely-reported during the COVID-19 shutdown from occurring in the future.

This bill would require the Department of Corrections and Rehabilitation (CDCR) and counties to provide the names and social security numbers (SSN) of current inmates to the Employment Development Department (EDD) for the purpose of preventing payments on fraudulent claims for unemployment compensation benefits, as specified, and would require EDD to cross match that information before any payment of unemployment compensation benefits is provided. **This bill is similar to SB 39 (Grove) SUPPORTED by the SWCLC.**

**Description:**

**Existing law** provides for the payment of unemployment compensation benefits to eligible persons who are unemployed through no fault of their own through a federal-state unemployment insurance program

administered by the Employment Development Department, subject to oversight by the Director of Employment Development.

**Existing law** requires the Department of Justice to maintain state summary criminal history information, including the identification and criminal history of a person, including name, date of birth, social security number, physical description, fingerprints, photographs, dates of arrests, arresting agencies and booking numbers, charges, dispositions, sentencing information, and similar data about the person. Existing law requires the Attorney General to furnish this information to specified persons, agencies, or organizations, including the Department of Corrections and Rehabilitation, if needed in the course of their duties. Existing law makes it a crime for any person authorized by law to receive state summary criminal history information to knowingly furnish the information to a person who is not authorized by law to receive it.

**This bill** would require the Department of Corrections and Rehabilitation to provide the names and social security numbers of current inmates to the Employment Development Department for the purposes of preventing payments on fraudulent claims for unemployment compensation benefits. ~~The bill would also require a county to provide the names and social security numbers of inmates currently serving a sentence in the county's jail to the Employment Development Department for those same purposes.~~ The bill would require the names and social security numbers to be provided to the Employment Development Department on the first of every month and upon the Employment Development Department's request. Because this bill would expand the scope of an existing ~~crime and would impose additional duties on local officials,~~ *crime*, the bill imposes a state-mandated local program.

**This bill** would require, for purposes of preventing payments on fraudulent claims for unemployment compensation benefits, the Director of Employment Development to verify with the information provided by the Department of Corrections and Rehabilitation ~~and counties~~ before making any payment of unemployment compensation benefits that the claimant is not an inmate currently incarcerated in the state ~~prisons or an inmate currently serving a sentence in a county jail.~~ *prisons.*

#### **Fiscal Effect:**

One-time costs (General Fund (GF)) of approximately \$200,000 to CDCR in technology procurement to aggregate inmate SSNs as required by this bill and \$150,000 annually for additional staff to report real-time inmate data to EDD.

2) One-time costs (GF) to EDD of between \$1 million and \$5 million to implement an automated system to cross check inmate information with recipients for unemployment payments. EDD currently leverages CDCR data to identify incarcerated individuals attempting to file or certify for unemployment insurance benefits using a manual process that matches the data on a monthly basis. EDD notes it does not have an automated system to identify an individual's incarcerated status before each payment is issued resulting in the need for an automated cross-checking system.

#### **Arguments in support:**

This bill was introduced in response to tens of thousands of fraudulent UI claims that were recently filed using PI associated with state prison and county jail inmates. This bill seeks to prevent this type of fraud by requiring CDCR and counties to share the names and SSNs of current inmates with EDD. This bill also requires CDCR and the county jails to share this information with EDD upon EDD's request. This bill additionally requires EDD to cross check the information received from CDCR and the county jails against UI claims prior to making any payment of benefits.

According to the Author EDD left itself especially vulnerable to UI fraud associated with incarcerated individuals—which it estimates has reached about \$810 million—because it has not had a system to regularly cross-match UI claims with information from state and local correctional facilities. Cross-checking lists of unemployment benefit claimants against incarceration data is a common fraud prevention practiced in other states. However, California law restricts the inmate information that can be shared with other state agencies. This bill is needed to enable EDD to easily cross-check claimants' information, including social security

numbers, against the relevant information in the database of inmate information maintained by the California Department of Corrections and Rehabilitation (CDCR) and by the counties.

The California Chamber of Commerce writes in support that "billions of dollars of UI benefits were fraudulently stolen from California's UI fund via fraud involving the information of incarcerated individuals in California's state prison system. This should not occur, because incarcerated individuals are prohibited from receiving unemployment benefits from EDD. However, because present law forbids the sharing of information of incarcerated individuals with EDD, California could not flag these claims as fraudulent based on this information. Notably, many other states already employ this simple technique – but California's law lags behind in this area. [...] This simple failure to communicate cost California's UI Fund billions of dollars. This is not acceptable, and we strongly support legislation to address this failure. "

### **Arguments in opposition:**

The American Civil Liberties Union California Action writes in opposition: First and foremost, and despite some popular media reports, it is important to note that incarcerated people were generally the victims of the recent EDD fraud, and had their information used to apply for benefits without their knowledge or consent. Formerly incarcerated people have had their accounts frozen by EDD and some have received requests to return benefits they never received, all as a result of having someone else use their information.

This bill proposes to disseminate incarcerated people's sensitive information, among many different governmental departments and entities. We are concerned that this will only magnify the likelihood that others will gain access to that information to perpetrate further fraud. That EDD has been unable to protect the personal information it already has in its possession only intensifies this concern. Despite the troubling nature of this recent activity, these instances of fraud were largely limited to the Pandemic Unemployment Assistance (PUA) program. The EDD has estimated that roughly 95% of the known fraudulent payments in California were made to PUA. The remaining 5% is associated with California's existing unemployment insurance program. By comparison, in 2019, fraud accounted for about 6 percent of California's unemployment payments.

The U.S. Department of Labor itself found that the PUA program was particularly susceptible to fraud, as it did not require income or employment verification upfront and allowed claimants to backdate their claims, unlike the Unemployment Insurance program. Fraudulent claims for the PUA program are undoubtedly a significant issue. Nevertheless, providing EDD access to incarcerated people's information for purposes of all unemployment benefits is not the way to resolve this problem. Our primary concern with AB 110 is that it will prevent legitimate claims for unemployment and lead to the wrongful denial of a critical safety net resource to formerly incarcerated individuals who already face particular difficulties getting back into the labor market because of the stigma attached to their convictions. Even now, individuals, both formerly incarcerated and those who were never incarcerated, are being wrongfully denied benefits.

We are concerned that AB 110 will result in more false positives and wrongful denials than fraud prevented. These wrongful denials will undoubtedly require that EDD's already limited resources and extended systems be subjected to further pressure (including a higher volume of calls and appeals), wasting crucial resources on rectifying improper denials rather than getting individuals the benefits they so desperately need and preventing fraud at its root. Wrongful denials are likely both because of delays in reporting releases from incarceration and recordkeeping errors in California's criminal records systems.

### **Support: (Verified 6/12/2021)**

*California Chamber of Commerce  
California State Sheriffs' Association*

### **Opposition: (Verified 6/12/2021)**

*Coalition of California Welfare Rights Organizations Legal  
Aid at Work Legal Services for Prisoners with Children  
National Employment Law Project*

**Status:** Passed to Senate – pending referral

**Assembly Votes** (preliminary): **AYE:** Cervantes, Medina, Seyarto, Waldron

Legislative Item #3	Action
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**AB 570, as amended, Santiago. Dependent parent health care coverage**

*Introduced by Assembly Member Santiago  
(Coauthors: Assembly Members Carrillo, Cristina Garcia, Eduardo Garcia, Stone, Ting, Villapudua, and Wicks)  
(Coauthors: Senators Hurtado, Laird, and Wiener)*

**Recommended action: OPPOSE**

**Presentation: Gene Wunderlich**

**Summary:**

Requires a group or individual health care service plan (health plan) contract or health insurance policy issued, amended, or renewed on or after January 1, 2022, that provides dependent coverage to make that coverage available to a qualified dependent parent or stepparent. Expands the definition of “dependent” for an individual or small employer health plan contract or health insurance policy to include a qualified dependent parent or stepparent.

Amendments made on May 24, 2021 would require only individual health plans, and not employer sponsored plans, provide coverage to dependent parents and stepparents which facilitated CalChamber change in position to neutral.

**Description:**

**Existing law, the Knox-Keene Health Care Service Plan Act of 1975**, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care, and makes a willful violation of the act a crime. Existing law provides for the regulation of health insurers by the Department of Insurance. Existing law authorizes an individual ~~or eligible employee~~ to add a dependent to their health care service plan contract or health insurance policy, including adding a dependent outside of an initial enrollment period if certain criteria are met. Existing law defines “dependent” for ~~these purposes~~ *the purpose of an individual contract or policy* to mean the spouse, registered domestic partner, or child of an ~~individual with an individual contract or policy or an eligible employee with a small employer contract or policy.~~ *individual.*

**This bill** would require ~~a group of an~~ individual health care service plan contract or health insurance policy issued, amended, or renewed on or after January 1, 2022, that provides dependent coverage to make ~~that dependent~~ coverage available to a qualified dependent parent or stepparent. The bill would expand the definition of “dependent” for an individual ~~or small employer~~ health care service plan contract or health insurance policy to include a qualified dependent parent or stepparent. Because a willful violation of these provisions by a health care service plan would be a crime, the bill would impose a state-mandated local program.

**Argument in support:**

According to the author, healthcare access for seniors was already an issue pre COVID-19, but now we see an even more urgent need. Prior to COVID19, an estimated 3 million Californians did not have healthcare insurance. Now, millions of Californians have lost healthcare coverage due to historic unemployment rates. The author states that this bill will provide health coverage to more Californians by ensuring dependent parents, including undocumented immigrants, are covered. The author concludes that by allowing adult children to add their dependent parents to their healthcare plan, working families will save a significant amount each year on healthcare costs.

### **Arguments in Opposition:**

The California Chamber of Commerce, along with other organizations, write that it is anticipated this bill will cause health care costs to increase. Employer group health plans are already difficult for employers to afford. Typically, employer plans, particularly in the small group market, include employers that contribute an apportioned payment towards dependent premiums in addition to employee premium contributions. This bill would introduce older and higher premium dependents to already strained employer budgets and potentially discourage any dependent contributions or encourage lower contributions to all dependents. This is not a trend that should be encouraged as it could lead to more uncovered Californians.

Additionally, this bill must be considered in context as state lawmakers have introduced at least 14 benefit mandate bills this year that could increase premiums for employers and enrollees. According to the California Health Care Foundation, 18 million of 32.7 million insured Californians had health care coverage through an employer sponsored health plan in 2019. The average premium for family coverage has increased 22% over the last five years and 55% over the last 10 years. Since 2002, premiums for the average family health plan in the employer market have increased 133%.

The 2020 Kaiser Family Foundation Employer Health Benefits Survey indicated that, for job-based coverage, the average annual premium for single coverage rose 4%, to \$7,470. The average annual premium for family coverage also rose 4%, to \$21,342, which is nearly one-third of the state's median family income. California should not increase costs of health care coverage for employers and employees with another mandate.

### **Fiscal impact:**

According to the Assembly Appropriations Committee, and according to CHBRP, estimates of the effect of this bill on premiums statewide range depending on a variety of assumptions about factors that are difficult to predict.

- 1) \$12 million to \$48 million annually in premium increases to individuals purchasing insurance in the individual market, and additional related costs in increased cost-sharing, paid by individuals.
- 2) Unknown costs to the DMHC, not likely to exceed \$50,000 ongoing for legal services, licensing workload and financial review (Managed Care Fund).

### **Support: (Verified 6/12/2021)**

*California Department of Insurance (sponsor)*  
*California Access Coalition*  
*California Pan - Ethnic Health Network*  
*Estrategia LLC*

*Health Access California*  
*Justice in Aging*  
*Western Center on Law & Poverty, Inc.*

### **Opposition: (Verified 6/12/2021)**

*California Chamber of Commerce (now neutral)*  
*Chino Valley Chamber of Commerce*  
*Corona Chamber of Commerce*  
*El Dorado Hills Chamber of Commerce*  
*Gilroy Chamber of Commerce Greater*  
*High Desert Chamber of Commerce*

*National Federation of Independent Business*  
*North Orange County Chamber*  
*San Gabriel Valley Economic Partnership*  
*Santa Maria Valley Chamber of Commerce*  
*Torrance Area Chamber of Commerce*  
*Tulare Chamber of Commerce*

**Status:** Passed to Senate – pending referral

**Votes** (preliminary): **AYE:** Cervantes, Medina, **NOES:** Seyarto, Waldron

<b>Legislative Item #4</b>	<b>Action</b>
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[AB 664, as introduced, Bigelow. Taxation: Corporation Tax Law: annual tax: small businesses.](#)

**Recommended action:** **SUPPORT**

**Presentation:** Gene Wunderlich

**Summary:**

Suspends annual franchise tax for struggling small businesses. Small businesses with \$250,000 or less in annual revenue would not be required to pay the annual minimum franchise tax.

**Background:**

**The Corporation Tax Law** imposes, among other taxes, taxes according to or measured by the net income of the taxpayer for the taxable year at specified rates, but not less than the minimum franchise tax of \$800, as specified. Existing law imposes an annual minimum franchise tax of \$800, except as provided, on every corporation incorporated in this state, qualified to transact intrastate business in this state, or doing business in this state. Existing law also imposes an annual tax in an amount equal to the minimum franchise tax on specified entities doing business in this state, as specified. Existing law imposes interest and penalties for failing to timely pay the tax due under those laws.

**This bill** would, for taxable years beginning on or after January 1, 2020, suspend the payment requirement of the taxes imposed under the Corporation Tax Law and the annual tax for small businesses, as defined, until the state of emergency declared by the Governor on March 4, 2020, related to the COVID-19 virus, has ended. The bill would also suspend the accrual of any penalties or interest related to the payment of those taxes for the specified taxable years for small businesses.

**Argument in support:**

**Argument in opposition:**

**Support: (Verified 6/15/2021)**

*CalChamber*

**Opposition: (Verified 6/15/2021)**

**Status:** Hearing postponed by committee – may become 2 year bill.

**Votes**

<b>Legislative Item #5</b>	<b>Action</b>
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## [AB 1082, as introduced, Waldron. California Health Benefits Review Program: extension.](#)

**Recommended action:** **SUPPORT**

**Presentation:** Gene Wunderlich

### **Summary:**

Extends the sunset date of the California Health Benefits Review Program (CHBRP) and Health Care Benefits Fund (Fund) through July 1, 2027, and authorizes the continued assessment of the annual charge on health care service plans (health plans) and health insurers, as specified. Increases the allowable total annual assessment on health plans and health insurers from \$2 million to \$2.2 million to support CHBRP. Makes technical and conforming changes.

CHBRP was established through AB 1996 (Thomson), Chapter 795, Statutes of 2002, to provide independent analysis of public health, medical, and financial impact of proposed health insurance benefit mandates or repeals. SB 125 (Hernandez), Chapter 9, Statutes of 2015, added an impact assessment on essential health benefits, and legislation that impacts health insurance benefit designs, cost sharing, premiums, and other health insurance topics. A typical report will summarize research regarding the medical effectiveness of the clinical interventions relevant to the proposed benefit mandate or repeal and estimate the cost and public health impacts. It is important to note that the CHBRP analyses do not make recommendations and defer all policy decisions to the Legislature.

### **Description:**

Existing law establishes the Health Care Benefits Fund to support the University of California's implementation of the California Health Benefit Review Program. Existing law imposes an annual charge on health care service plans and health insurers for the 2017–18 to 2021–22 fiscal years, inclusive, as specified, to be deposited into the fund. Existing law prohibits the total annual assessment on health care service plans and health insurers from exceeding \$2,000,000. Under existing law, the fund and the program became inoperative on July 1, 2020, and are repealed as of January 1, 2021.

This bill would extend the operation of the program and the fund through July 1, 2027, and would authorize the continued assessment of the annual charge on health care service plans and health insurers for that purpose for the 2022–23 to 2026–27 fiscal years, inclusive. The bill would increase the allowable total annual assessment on health care service plans and health insurers to \$2,200,000. The bill would also make a technical and conforming change.

This bill would make these provisions inoperative on July 1, 2027, and would repeal it as of January 1, 2028.

### **Fiscal effect:**

\$2.2 million annually to the University of California to maintain the California Health Benefits Review Program for an additional five years (Managed Care Fund and Insurance Fund, proportionate to the number of individuals covered by plans versus insurers). CHBRP is funded by a fee assessed on health plans and insurers.

### **Argument in support:**

According to the author, this bill will extend the CHBRP sunset date by four years, from 2022 until 2027, and provides an increase in funding for the first time since CHBRP's inception in 2002. CHBRP provides support to the Legislature by providing independent analysis of the medical, financial, and public health impacts to proposed health insurance (or health insurance-related) benefit mandates and repeals. The author notes that each report summarizes sound scientific evidence relevant to the proposed legislation but does not make recommendations, deferring policy decision-making to the Legislature. CHBRP's budget is funded through an annual assessment on California health plans and insurers and there is no impact to California's General

Fund. The author concludes that by extending the sunset date and providing a much needed increase in funding, we can ensure that independent analyses of proposed health insurance mandates and repeals will continue to be available to the California Legislature.

The UC Office of the President (UCOP), sponsor of this bill, states that drawing from UC faculty and staff expertise, CHBRP is a state-mandated UC program that provides independent, objective analysis to the California Legislature of the medical, financial, and public health impacts of proposed health insurance benefit mandates and repeals. The UCOP writes that it values the work of CHBRP and its partnership with the State of California and that the bills sent by the Legislature to CHBRP for analysis are increasingly complex and require full analytic teams to comprehensively and successfully deliver useful analyses. The UCOP notes that inflationary pressures for faculty and staff, and costs driven by workload and complexities of national health care reforms have made analyses more expensive over the years. The UCOP contends that these additional complexities will be alleviated by raising CHBRP's funding cap, which will ensure CHBRP's analytic capacity and quality can be sustained for the future. The UCOP concludes that CHBRP's continued existence and ongoing funding helps support UC faculty and students, expand health policy research and analysis efforts, and inform legislative decision-making.

**Argument in opposition:**

*None on file*

**Support: (Verified 6/15/2021)**

*UC Office of the President (sponsor)*

*Health Access California*

**Opposition: (Verified 6/15/2021)**

*None on file*

**Status:** Passed to Senate – pending referral

**Votes** (preliminary): **AYE:** Cervantes, Medina, Waldron    **NVR:** Seyarto

Legislative Item #6	Action
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[AB 1105, as amended, Rodriguez. Hospital workers: COVID-19 testing.](#)

**Recommended action: OPPOSE**

**Presentation: Gene Wunderlich**

**Summary:**

AB 1105 would require general acute care hospitals, until Jan. 1, 2025, to offer employees weekly COVID-19 testing and test all patients for COVID-19 prior to admission to the hospital. It would also require general acute care hospitals to provide personal protective equipment to direct patient care employees and employees who directly support patient care, regardless of their vaccination status.

Requires general acute care hospital employers to develop and implement a program to offer weekly COVID-19 testing for health care personnel, test all patients for COVID-19 prior to admission to the hospital, and monitor all patients during their hospital stay for the development of COVID-19 symptoms.

## **Description:**

**Existing law** sets forth safety and health requirements for employers and employees. Existing law requires a public or private employer of workers in a general acute care hospital, as defined, to supply personal protective equipment, as defined, to employees who provide direct patient care or who provide services that directly support patient care. Existing law provides that, except where another penalty is specifically provided, every employer and every officer, management official, or supervisor having direction, management, control, or custody of any employment, place of employment, or of any other employee, who repeatedly violates any standard, order, or special order, or any provision of specified employment safety laws so that such repeated violation creates a real and apparent hazard to employees is guilty of a misdemeanor.

**This bill** would require the employer to supply personal protective equipment to an employee, regardless of whether or not the employee has received a vaccination for COVID-19.

**This bill** would also require a public or private employer of workers in a general acute care hospital to develop and implement a program to offer weekly COVID-19 screening testing for health care personnel, as defined. The bill would require the program to meet certain requirements, including requiring the employer to conduct the COVID-19 screening testing by administering to participating health care personnel a specified COVID-19 test with results obtained within 48 hours, offering all health care personnel the opportunity to participate in the screening testing program, and offering health care personnel who have signs or symptoms consistent with COVID-19 the opportunity to be tested for COVID-19 immediately.

The bill would require an employer to develop and implement health care personnel screening testing guidelines that include policies and procedures that address the use of COVID-19 test results, as specified. The bill would require an employer to develop a COVID-19 mitigation and testing plan containing the requirements described above and to make the plan available to the department and health care personnel and their representatives upon request.

The bill would also require an employer to test all patients for COVID-19 prior to admission to the hospital and to monitor all patients during their hospital stay for the development of COVID-19 symptoms. The bill would, if an employer provides emergency services and direct patient care services in a general acute care hospital controlled by another employer, impose the requirements of this section only on the employer who controls the general acute care hospital and would require that employer to meet those requirements ~~for all workers~~ in that hospital.

*The bill would impose these requirements only until January 1, 2025.* Because the bill would expand the scope of a crime, the bill would impose a state-mandated local program.

## **Arguments in support:**

According to the author, “[This bill] recognizes the dire need of providing timely, adequate testing procedures for our essential health care professionals. As frontline workers of this pandemic, hospital personnel are putting themselves at risk while trying to save lives. Lack of adequate detection, testing, and treatment has contributed to the spread of the coronavirus. This bill sets forth procedures that will protect hospital workers and the patients they are trying to help.”

The California Nurses Association, sponsor of this bill, states, “Nurses report inadequate screening of patients admitted to hospitals and other health care facilities, including that not all patients are tested before arrival and that in some cases procedures are performed while patients’ test results are still pending. By not screening all patients, hospitals fail to ensure proper precautions are in place to prevent transmission within the facility. [This bill] recognizes that testing must be made readily available to nurses and health care workers, regardless of symptoms and without cost. Early identification and isolation of infectious health care workers may help prevent onward transmission to patients and colleagues.”

## **Arguments in opposition:**

The California Hospital Association is opposed unless amended and states, “Data from the California Workers’ Compensation Institute has shown that, even though COVID-19 treatment is concentrated in the hospital setting, workers’ compensation claims by health care employees rose by less than 1% when compared to pre-pandemic claims volume. Hospitals have accomplished this extraordinary feat by following the regulatory guidance from the Centers for Disease Control and Prevention (CDC) and California Department of Public Health (CDPH) and maintaining flexibility to adapt and allow the latest scientific findings to guide organizational practice. Unfortunately, [this bill] would prevent hospitals from continuing their innovative approaches to infection control.”

The California Hospital Association (CHA) is seeking amendments to adjust as science changes to minimize unnecessary costs. CHA requests amendments as follows:

- a) Permit flexible masking if supported by science: AB 1105 would require all health care professionals to wear masks, irrespective of the professional’s vaccine status. While that is currently sound guidance, CHA believes hospitals need to be able to adjust their mask policies to future public health guidance.
- b) Align the definition of exposed health care personnel with existing law: AB 1105 would require COVID-19 testing of exposed health care personnel but does not specify the exposure timeline that triggers the mandatory testing. CHA believes this bill should align with existing law and public health guidance and specify that the COVID-19 exposure that triggers mandatory testing is 15 minutes or more in a 24-hour period.
- c) Create limited COVID-19 patient testing due to safety or evolving science: This bill would require all patients be tested for COVID-19, irrespective of safety, medical contraindications, the vaccine status of the patient, or potential future guidance from the CDC or CDPH. CHA requests limited exceptions to the mandatory COVID-19 patient testing requirement.
- d) Align the duration of these requirements with existing law: Last year, every COVID19 bill signed by Gov. Newsom had a sunset date of January 1, 2023, as an acknowledgment of the constantly changing nature of the virus and appropriate response to it.

CHA requests this bill be brought into alignment with existing sunset dates to permit a holistic review of existing COVID-19 law next year, when vaccination will be the norm and new treatments and scientific developments will be mature. CHA believes hospitals need to be able to adjust their mask policies to future guidance from the CDC or CDPH.

**Support: (Verified 6/15/2021)**

*California Nurses Association (Sponsor)  
California Labor Federation  
Consumer Attorneys of California*

**Opposition: (Verified 6/15/2021)**

*California Chapter of The American College of Emergency Physicians*

*California Hospital Association/California Association of Hospitals and Health Systems*

**Status:** Passed to Senate – pending referral

**Votes** (preliminary): **AYE:** Cervantes, Medina, Waldron    **NOES:** Seyarto

<b>Legislative Item #7</b>	<b>Action</b>
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[AB 1204, as amended, Wicks. Hospital equity reporting](#)

**Recommended action: OPPOSE**  
**Presentation: Gene Wunderlich**

**Summary:**

AB 1204 would add new categories to the definition of vulnerable communities for community benefits reporting purposes. It would require hospitals and health systems to annually submit an equity report that includes analyses of health status and access to care disparities for patients on the basis of race, ethnicity, and payer, and of employment disparities for employees on the basis of race, ethnicity, and gender. It would also require plans for addressing those disparities.

Establishes the Medical Equity Disclosure Act which requires hospitals or medical groups (providers) to prepare and annually submit an equity report to the Office of Statewide Health Planning and Development (OSHPD), and, expands the definition of “vulnerable populations” related to community benefit plans and reports.

**Description:**

**Existing law** establishes the Office of Statewide Health Planning and Development (OSHPD) to oversee various aspects of the health care market, including oversight of hospital facilities and community benefit plans. Existing law requires a private, not-for-profit hospital to adopt and update a community benefits plan that describes the activities the hospital has undertaken to address identified community needs within its mission and financial capacity, including health care services rendered to vulnerable populations. Existing law defines “vulnerable populations” for these purposes to mean a population that is exposed to medical or financial risk by virtue of being uninsured, underinsured, or eligible for Medi-Cal, Medicare, California Children’s Services Program, or county indigent programs. Existing law requires a hospital to annually submit its community benefits plan to OSHPD not later than 150 days after the hospital’s fiscal year ends.

**This bill** would add racial and ethnic groups experiencing disparate health outcomes and socially disadvantaged groups to the definition of “vulnerable populations” for community benefits reporting purposes.

**This bill** would require a hospital-~~or medical group~~ to prepare and annually submit an equity report to OSHPD not later than 150 days after its fiscal year ends. The bill would require an equity report to include, among other things, analyses of access to care and employment disparities and plans for addressing those disparities. The bill would authorize OSHPD to impose a fine not to exceed \$5,000 per day against a hospital-~~or medical group~~ that fails to adopt, update, or s

**Arguments in support:**

According to the author, without accurate and complete racial and demographic healthcare and workforce data, the devastating disparities in health outcomes for our communities of color can never be fully identified and addressed. The author states that this bill will require healthcare providers to report race-disaggregated healthcare quality and workforce data and require healthcare providers to develop plans to address health disparities. This data will provide critical information for policy decisionmakers and for the public in order to determine effective solutions, which is especially relevant now as communities of color grapple with the long-term impacts of COVID-19. Having this disaggregated data on racial and ethnic groups shared with the state, consumers, and the public would be beneficial to improving the overall health of individuals and communities in the state. The author concludes that to fully understand and effectively respond to our current healthcare challenges and disparities, it is imperative that we have accurate and transparent data reporting.

SEIU California is the sponsor of this bill and states that long before the COVID-19 pandemic, Black, Hispanic, Pacific Islander, and Indigenous people have been disproportionately impacted by the lack of access to quality health care. Ongoing provider level disparities in the delivery and quality of healthcare contribute to racial health disparities. SEIU notes that unequal health care treatment has been caused by a number of reasons.

These communities often lack access to appropriate and timely provider care, especially in rural and certain urban areas. People of color also face unconscious bias or perceptions that providers may have, which can translate to substandard care.

SEIU also states that there is very little public reporting that provides any real insights or data into showing healthcare disparities provided by hospitals and medical groups. While nonprofit hospitals are required to develop and report on their community benefits plans to provide services to vulnerable populations in their general service areas, the law should be updated to ensure that the needs of vulnerable populations are specifically considered and addressed for within the four-walls of hospitals. SEIU also notes that, while OSHPD collects, analyzes, and publishes California's workforce data and health professional training, which allows the state to identify areas/regions in which there are shortages of health professionals and service capacity and how to build out those workforce needs, OSHPD does not link any of this workforce data to race, ethnicity, gender identity, or other demographic data.

Numerous supporters of this bill including the California Black Health Network, the California Labor Federation, and California Pan-Ethnic Health Network note that the state of California has limited data from healthcare providers on the health and wellbeing of people of color, yet the COVID-19 crisis makes clear: Black, Latino, and Indigenous people are at increased risk of exposure, illness, hospitalization, and death due to COVID-19. Supporters state that people of color have been impacted by these inequities at disproportionate levels relative to their share of the state's population and this bill would establish the collection of data on patient health outcomes by race, ethnicity, and other vulnerable demographic groups to ensure providers are delivering equal care for all.

### **Arguments in opposition:**

CHA is opposed to this bill unless it is amended and states that this bill would expand the definition of vulnerable communities as it relates to community benefits and in the health equity report provisions. Hospitals do not currently collect information with this much detail. In addition, CHA is concerned about the challenges with reporting the health outcomes related AHRQ indicators. Hospitals can generate information on whom they serve, where they live, and the hospital services delivered. CHA is also concerned about hospitals' ability to collect related outcomes, depending on how they will be defined by OSHPD. CHA notes there are over 60 AHRQ indicators focused on adult prevention, pediatric prevention, inpatient quality, and patient safety, and hospitals will need to understand the specific measures and related outcomes to focus their reporting.

CHA notes that most inpatient psychiatric facilities do not have electronic medical records and, therefore, do not have the infrastructure to easily develop an equity report. As such, CHA recommends carving out inpatient acute psychiatric facilities from the proposal. CHA states that hospitals remain focused on ensuring their workplaces are diverse and inclusive. These efforts include fair and equitable pay policies for all their workers. However, this bill requires that hospitals — and only hospitals — divulge sensitive pay data that are protected under both federal and state law. Noting hospitals' long-standing commitments to diversity and equity, the decision to target hospitals' pay data is surprising and disappointing, and requiring the public disclosure is not the appropriate path forward.

CHA concludes that while the sponsors of this bill report that these data will be used to monitor progress on the diversity and equitable goals set by the hospitals themselves, the best place to monitor progress and spur further improvement is through a joint labor-management process that will protect the confidentiality of the pay data and the privacy of hospital employees. Therefore, the public pay data requirement should be removed. The California Chapter of the American College of Emergency Physicians (CalACEP) is opposed to this bill unless it is amended and notes that this bill as written would require duplicate reporting. CalACEP states that Emergency physician groups would be required to report on the same patients already included in the reports provided by the hospitals where those patients were treated and this redundant reporting provides no additional information or solution for addressing health disparities and only increases administrative burden.

**Support: (Verified 6/15/2021)**

SEIU California (sponsor)  
American College of Obstetricians and Gynecologists  
District IX  
California Black Health Network  
California Labor Federation, AFL-CIO  
California Pan - Ethnic Health Network  
California Physicians Alliance  
Children Now

Children's Defense Fund-California  
Courage California  
Desert AIDS Project D/b/a Dap Health  
Health Access California  
National Association of Social Workers, California Chapter  
National Health Law Program  
Western Center on Law & Poverty, Inc.

**Opposition: (Verified 6/15/2021)**

California Hospital Association  
California Chapter of the American College of Emergency Physicians (CaACEP)

**Status:** Passed to Senate – pending referral

**Votes** (preliminary): **AYE:** Cervantes, Medina      **NOES:** Seyarto, Waldron

<b>Legislative Item #8</b>	<b>Action</b>
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**AB 1422, as amended, Gabriel. ~~Nurse-to-patient ratios.~~ Health facilities: critical care units: bed designation program flexibility.**

*Introduced by Assembly Member Gabriel  
(Coauthors: Assembly Members Santiago and Stone)*

**Recommended action: **OPPOSE****  
**Presentation: Gene Wunderlich**

**Summary:**

AB 1422, as amended May 24, would require the California Department of Public Health (CDPH) to hold a 40-day public comment period before it approves or denies a hospital's "bed designation program flexibility request," which is a request to allow the hospital to designate a bed in a critical care unit as requiring a lower nurse-to-patient staffing ratio. Hospitals would be required to submit to CDPH, and make publicly available, supporting documentation establishing the need for program flexibility and that the proposed alternative will not compromise patient care. CDPH would also be required to develop a form for the public to submit a request to review and consider revocation of a bed designation program flexibility request.

Requires the Department of Public Health (DPH) on or before July 1, 2022, to create a standardized form for any nurse-to-patient-ratio program flexibility request. Requires a health facility that submits a staffing ratio program flexibility request to conspicuously post a copy of the request in a location accessible to patients and employees. Requires DPH to post all approved requests by a health facility for program flexibility on its internet website and include specified information

**Description:**

**Existing law** requires the State Department of Public Health to ~~adopt regulations that establish minimum, specific, and numerical licensed nurse-to-patient ratios for all licensed general acute care hospitals, acute~~

~~psychiatric hospitals, or special hospitals.~~ *license and regulate health facilities, and requires the department to define specified bed classifications for health facilities, including general acute care, intermediate care, and specialized care, among others.*

**Existing law** generally authorizes the department or the Office of Statewide Health Planning and Development to permit program flexibility as to various prescribed standards relating to a health facility's physical plant or staffing as long as statutory requirements are met and the program flexibility has prior written approval. A person who violates specified licensing provisions related to these health facilities is guilty of a crime.

**This bill** would additionally require any program flexibility granted by the department or the office to not compromise patient care. The bill would specifically authorize the department to grant a ~~staffing ratio~~ *bed designation* program flexibility request pursuant to a prescribed procedure that includes, among other things, a requirement that the department post a ~~staffing ratio~~ *bed designation* program flexibility request on the department's publicly accessible internet website and solicit public comment on the request.

**The bill** would require the department, on or before July 1, 2022, to create a standardized form and format for any ~~staffing ratio~~ *bed designation* program flexibility request. The bill would also require a health facility that submits a ~~staffing ratio~~ *bed designation* program flexibility request to also post a copy of its ~~staffing ratio~~ *bed designation* program flexibility request and make copies available, as specified.

**The bill** would require the department to post all approved *bed designation* program flexibility requests ~~related to nurse-to-patient ratios~~ on the department's website and include various information in that posting.

### **Arguments in support**

According to the author, nurses are both compassionate caregivers as well as devoted patient advocates, which is why it is so important that they have a voice in critical hospital safety decisions. The author states that nurse-to-patient ratios protect patients and are instrumental in ensuring high-quality patient care. The author notes that the current process doesn't provide an adequate opportunity for nurses to provide input about decisions impacting care, and this bill will improve transparency and accountability by providing the public and our frontline healthcare workers the opportunity to provide public comment on program flexibility requests.

Services Employees International Union California and United Nurses Associations of California/Union of Health Care Professionals are the sponsors of this bill and state that this bill guarantees a nurses' right to safely voice their concerns regarding changes to patient care and staffing when hospitals request program flexibility and negatively impacts nurse-to-patient ratios. The sponsors note that this bill is a crucial step to ensure that program flexibility requests do not compromise patient care and safety. AB 394 set the minimum ratio of nurses-to-patient by unit. These ratios, enforced by DPH, are outlined in Title 22 of the California Code of Regulations.

Though **these ratios are mandated by law, hospitals repeatedly violate staffing requirements** due to lack of enforcement. From 2008 to 2017, there were 634 out-of-ratio deficiencies reported to DPH. The sponsors also state that during the COVID-19 Pandemic, hospitals were granted broad authority to bypass the nurse-to-patient ratio; nurses were often forced to take more patients than a ratio prescribed by state law with no input into if their assignment is safe. The sponsors also note that DPH has broad authority to grant hospitals program flexibility under Health and Safety code section 1276, which allows for hospitals to meet statutory requirements through alternative methods. In one example, a hospital has used program flexibility to double the nurse-to-patient ratio of a unit for the last 18 years. The sponsors point out that their research and a public information request show that DPH has granted 160 requests for program flexibility requests related to HSC 1276 and approved 87% of those requests. Additionally, over one third of the 160 of the program flexibility requests are from 2016 and 2019, indicating that this is a growing tool that hospitals are using to evade nurse ratios. Current law requires program flexibility requests to be reviewed at the time of hospital licensing renewal, and of the 160 program flexibility requests that were part of our research, all of those that were granted initial approval were renewed with no input from nurses about the impact of these requests have on patient care.

## **Arguments in opposition:**

CHA strongly opposes adding a 40-day public comment period to DPH's review and approval process. CHA states this will not work in cases of emergencies. The appropriate time for public comment is during the adoption of a regulation, not during the DPH's application or implementation of a longstanding regulation. DPH has the responsibility and authority as the state's regulatory agency to make program flex decisions based on its knowledge of how hospitals work, its understanding of the regulations at issue, and the evidence provided by the hospital in its application. Not only is public opinion of the program flex application inappropriate, but it will also delay the expeditious and timely review of the hospital's application by an additional 40 days and possibly more than 100 days. CHA urges removal of the 40-day public comment period and adding an urgency option to the current 60-day time frame so that hospitals can obtain decisions on urgent requests within eight hours if necessary (which DPH currently accommodates). The requirement that DPH post on its website a description of how each waiver "will be implemented, including everything nurses need to know about changes in methods, procedures, techniques, equipment or personnel to be used" should be deleted. Neither DPH nor hospitals can be expected to write down everything a nurse might need to know about something. Hospitals use many methods of educating their workforce about changes in policies and procedures but cannot possibly write down everything.

The California Nurses Association (CNA) opposes this bill and points out that CNA was the sponsor of AB 394 which established the nurse-to-patient ratios. CNA states that the ratios in California's first-in-the-nation patient protection legislation were considered ". . . the leanest staffing DPH believes is compatible with safe patient care in the acute care setting . . ." Nevertheless, CNA had to defend the standards in court against the Schwarzenegger Administration's use of the emergency rulemaking process to undermine the newly adopted ratios at the behest of CHA. CNA states that this bill would have the unintended consequence of undermining California's numerical nurse-to-patient ratios by suggesting that DPH has authority which it does not have. The bill's Legislative Counsel's Digest confirms this point when it states, "The bill would specifically authorize the department to grant a staffing ratio program flexibility request, relating to nurse-to-patient ratios, pursuant to a prescribed procedure . . ." Specifically, the bill misinterprets existing law by implying DPH has broad authority to create exceptions to the numerical nurse-to-patient ratios through the program flexibility statute. AFSCME Local 3299 is opposed to this bill and states that this would decrease nurse-to-patient ratios and impact the ability to deliver safe patient care.

AFSCME Local 3299 points out that it is the University of California's largest employee union, representing more than 27,000 Service workers, Patient Care Technical workers, Skilled Craft workers, and more at UC's ten campuses, five medical centers, numerous clinics, research laboratories. AFSCME Local 3299 notes that the COVID-19 pandemic has highlighted the importance of public health standards and authorizing DPHs to grant a staffing ratio program flexibility request would have negative implications for numerical nurse-to-patient ratios. AFSCME Local 3299 contends that this bill undermines a central tenet of the nurse-to-patient ratios, the bill asserts that non-rural hospitals are currently able to request program flexibility of the numerical nurse-to-patient ratios, which they are not, and concludes that, if passed this bill will have unintended consequences to work load and safe staffing levels.

## **Support: (Verified 6/15/2021)**

*California State Council of Service Employees International Union (cosponsor)  
United Nurses Associations of California/Union of Health Care Professionals (cosponsor)*

*American Federation of State, County and Municipal Employees, AFL-CIO  
California Professional Firefighters*

## **Opposition: (Verified 6/15/2021)**

*American Federation of State, County and Municipal Employees Local 3299*

*California Hospital Association  
California Nurses Association*

**Status:** Passed to Senate – pending referral

**Votes** (preliminary): **AYE:** Cervantes, Medina **NOES:** Seyarto, Waldron

Legislative Item #9	Action
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**SB 9, as amended, Atkins. Housing development: approvals.**

*Introduced by Senators Atkins, Caballero, Rubio, and Wiener  
(Coauthors: Senators Cortese, Gonzalez, and McGuire)  
(Coauthors: Assembly Members Robert Rivas and Wicks)*

**Recommended action: OPPOSE**

**Presentation: Gene Wunderlich**

**Summary:**

This bill requires ministerial approval of a housing development of no more than two units in a single-family zone (duplex), the subdivision of a parcel zoned for residential use into two parcels (lot split), or both.

Would streamline more infill housing and provide substantial local control to land use development by allowing properties to build up to four units on a single family zoned parcel but consistent with all local land use laws, including aesthetics which help retain neighborhood character.

**Description:**

**The Planning and Zoning Law** provides for the creation of accessory dwelling units by local ordinance, or, if a local agency has not adopted an ordinance, by ministerial approval, in accordance with specified standards and conditions.

**This bill**, among other things, would require a proposed housing development containing no more than 2 residential units within a single-family residential zone to be considered ministerially, without discretionary review or hearing, if the proposed housing development meets certain requirements, including, but not limited to, that the proposed housing development would not require demolition or alteration of housing that is subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of moderate, low, or very low income, that the proposed housing development does not allow for the demolition of more than 25% of the existing exterior structural walls, except as provided, and that the development is not located within a historic district, is not included on the State Historic Resources Inventory, or is not within a site that is legally designated or listed as a city or county landmark or historic property or district.

**The bill** would set forth what a local agency can and cannot require in approving the construction of 2 residential units, including, but not limited to, authorizing a ~~city or county~~ local agency to impose objective zoning standards, objective subdivision standards, and objective design standards, as defined, unless those standards would have the effect of physically precluding the construction of up to 2 units or physically precluding either of the 2 units from being at least 800 square feet in floor area, prohibiting the imposition of setback requirements under certain circumstances, and setting maximum setback requirements under all other circumstances.

**The Subdivision Map Act** vests the authority to regulate and control the design and improvement of subdivisions in the legislative body of a local agency and sets forth procedures governing the local agency's processing, approval, conditional approval or disapproval, and filing of tentative, final, and parcel maps, and the modification of those maps. Under the Subdivision Map Act, an approved or conditionally approved tentative map expires 24 months after its approval or conditional approval or after any additional period of time as prescribed by local ordinance, not to exceed an additional 12 months, except as provided.

**This bill**, among other things, would require a ~~city or county~~ *local agency* to ministerially approve a parcel map ~~or tentative and final map~~ for an urban lot split that meets certain requirements, including, but not limited to, that the urban lot split would not require the demolition or alteration of housing that is subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of moderate, low, or very low income, that the parcel is located within a *single-family* residential zone, and that the parcel is not located within a historic district, is not included on the State Historic Resources Inventory, or is not within a site that is legally designated or listed as a city or county landmark or historic property or district.

**The bill** would set forth what a local agency can and cannot require in approving an urban lot split, including, but not limited to, authorizing a ~~city or county~~ *local agency* to impose objective zoning standards, objective subdivision standards, and objective design standards, as defined, unless those standards would have the effect of physically precluding the construction of 2 units, as defined, on either of the resulting parcels or physically precluding either of the 2 units from being at least 800 square feet in floor area, prohibiting the imposition of setback requirements under certain circumstances, and setting maximum setback requirements under all other circumstances. The bill, until January 1, 2027, would prohibit a local agency from imposing an owner occupancy requirement on applicants unless specified conditions are met.

**The bill** would also extend the limit on the additional period that may be provided by ordinance, as described above, from 12 months to 24 months and would make other conforming or nonsubstantive changes.

**The California Environmental Quality Act (CEQA)** requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of, an environmental impact report on a project that it proposes to carry out or approve that may have a significant effect on the environment. CEQA does not apply to the approval of ministerial projects.

**This bill**, by establishing the ministerial review processes described above, would thereby exempt the approval of projects subject to those processes from CEQA.

**The California Coastal Act of 1976** provides for the planning and regulation of development, under a coastal development permit process, within the coastal zone, as defined, that shall be based on various coastal resources planning and management policies set forth in the act.

**This bill** would exempt a local ~~government~~ *agency* from being required to hold public hearings for coastal development permit applications for housing developments and urban lot splits pursuant to the above provisions.

By increasing the duties of local agencies with respect to land use regulations, the bill would impose a state-mandated local program.

### **Arguments in support”**

Author’s statement. “Senate Bill 9 promotes small-scale neighborhood residential development by streamlining the process for a homeowner to create a duplex or subdivide an existing lot. SB 9 strikes an appropriate balance between respecting local control and creating an environment and opportunity for neighborhood scale development that benefits the broader community. To that end, the bill includes numerous safeguards to ensure that it responsibly creates duplexes and strategically increases housing opportunities for homeowners, renters, and families alike. At a time when many Californians are experiencing economic insecurity caused by the pandemic, this bill will provide more options for families to maintain and build intergenerational wealth – a currency we know is crucial to combatting inequity and creating social mobility. SB 9 provides flexibility for multigenerational housing by allowing homeowners to build a modest unit on their property so that their aging parent or adult child can have an affordable place to live. Building off the successes of ADU law, SB 9 offers solutions that work in partnership with a number bills included in the Senate’s Housing Package, ‘Building Opportunities For All’ aimed at combating the State’s housing crisis.”

California faces a severe housing shortage. In its most recent statewide housing assessment, HCD estimated that California needs to build an additional 100,000 units per year over recent averages of 80,000 units per year to meet the projected need for housing in the state. A variety of causes have contributed to the lack of housing production. Recent reports by the Legislative Analyst’s Office (LAO) and others point to local approval

processes as a major factor. They argue that local governments control most of the decisions about where, when, and how to build new housing, and those governments are quick to respond to vocal community members that may not want new neighbors. The building industry also points to CEQA review as an impediment, and housing advocates note a lack of a dedicated source of funds for affordable housing.

The California Building Industry Associations (CBIA) writes in support, “SB 9 requires that qualified applications to a local government to create a duplex or subdivide an existing residential parcel be approved ministerially without discretionary review. According to the McKinsey Global Institute, nearly 800,000 units could be developed by adding units to the units in existing single-family zones. Per their projections, an additional 600,000 units could be developed in just three counties alone by building housing on small lots near existing residential development. These small-scale development policies build upon successful state housing measures like the promotion of Accessory Dwelling Units (ADUs), which grew to comprise one-fifth of all new housing stock in Los Angeles in just two years, increasing critically necessary housing supply. Additionally, this policy leverages valuable but previously untapped resources, such as developed but underutilized land, while building valuable equity for homeowners.”

### **Arguments in opposition:**

According to the League of California Cities, “SB 9 as currently drafted will not spur much needed housing construction in a manner that supports local flexibility, decision making, and community input. State driven ministerial or by-right housing approval processes fail to recognize the extensive public engagement associated with developing and adopting zoning ordinances and housing elements that are certified by the [HCD].”

### **Support: (Verified 6/15/2021)**

*Council Member Jon Wizard, City of Seaside*  
*Council Member Zach Hilton, City of Gilroy*  
*AARP*  
*Abundant Housing LA*  
*ADU Task Force East Bay*  
*All Home American Planning Association, California Chapter*  
*Bay Area Council*  
*Bridge Housing Corporation*  
**Cal Chamber**  
**California Apartment Association**  
*California YIMBY*  
*Casita Coalition*  
**California Building Industry Association**  
*Chan Zuckerberg Initiative*  
*Circulate San Diego City of Oakland*  
*City of San Diego*  
*East Bay for Everyone*  
*Facebook*  
*Fieldstead and Company*  
*Generation Housing*  
*Greenbelt Alliance*  
*Habitat for Humanity California*  
*Hello Housing*  
*Housing Action Coalition*  
*Local Government Commission*  
*Los Angeles Business Council*  
*Midpen Housing*  
*Modular Building Institute*

*Mountain View YIMBY*  
*National Association of Hispanic Real Estate Professionals*  
*Non-profit Housing Association of Northern California*  
*North Bay Leadership Council*  
*Northern Neighbors*  
*Peninsula for Everyone*  
*People for Housing - Orange County*  
*San Diego Regional Chamber of Commerce*  
*San Francisco Bay Area Planning and Research Association (SPUR)*  
*San Francisco YIMBY*  
*Sand Hill Property Company*  
*Share*  
*Sonoma County*  
*Silicon Valley Leadership Group*  
*South Bay Cities Council of Governments*  
*South Bay YIMBY*  
*South Pasadena Residents for Responsible Growth*  
*Streets for People Bay Area*  
*Silicon Valley @ Home*  
*TechEquity Collaborative*  
*Tent Makers*  
*Terner Center for Housing Innovation At the University of California, Berkeley*  
*The Two Hundred*  
*TMG Partners*  
*United Way of Greater Los Angeles*  
*Urban Environmentalists*  
*YIMBY Action*

### **Opposition: (Verified 6/13/2021)**

*Adams Hill Neighborhood Association*

*Aids Healthcare Foundation*

Alameda Citizens Task Force  
 Albany Neighbors United  
 Berkeley Associated Neighbors Against Non-affordable Housing  
 Burton Valley Neighborhoods Group  
 California Alliance of Local Electeds  
 California Cities for Local Control  
 California Contract Cities Association  
 Catalysts Citizens Preserving Venice  
**Cities of** Arcata, Azusa, Bellflower, Beverly Hills, Brentwood, Burbank, Camarillo, Carpinteria, Carson, Cerritos, Chino, Chino Hills, Clayton, Clearlake, Clovis, Cupertino, Cypress, Diamond Bar, Dorris, Downey, Dublin, Eastvale, El Segundo, Escalon, Fortuna, Fountain Valley, Garden Grove, Glendora, Grand Terrace, Half Moon Bay, Hesperia, Hidden Hills, Irvine, Irwindale, Kerman, King, La Palma, La Verne, Lafayette, Laguna Beach, Laguna Niguel, Lakeport, Lakewood, Lancaster, Lomita, Los Alamitos, Los Altos, Martinez, Maywood, **Menifee**, Merced, Mission Viejo, Monterey, Moorpark, **Murrieta**, Newman, Newport Beach, Norwalk, Novato, Oakdale, Ontario, Orinda, Palo Alto, Palos Verdes Estates, Paramount, Pismo Beach, Placentia, Pleasanton, Poway, Rancho Cucamonga, Rancho Palos Verdes, Rancho Santa Margarita, Redding, Redondo Beach, Rohnert Park, Rolling Hills, Rolling Hills Estates, San Gabriel, San Jacinto, San Marcos, San Marino, Santa Clara, Santa Clarita, Santa Monica, Saratoga, Signal Hill, South Pasadena, Stanton, Sunnyvale, **Temecula**, Thousand Oaks, Torrance, Tracy, Vacaville, Ventura, Vista, Westlake Village, Whittier, and Yorba Linda  
 Coalition for San Francisco Neighborhoods  
 Coalition to Save Ocean Beach  
 College Street Neighborhood Group  
 College Terrace Residents Association  
 Committee to Save the Hollywoodland Specific Plan  
 Community Associations Institute –  
 California Legislative Action Committee  
 Comstock Hills Homeowners Association  
 D4ward  
 Durand Ridge United  
 Encinitas Neighbors Coalition  
 Friends of Sutro Park  
 Hidden Hill Community Association Hills  
 2000 Friends of The Hills  
 Hollywood Knolls Community Club  
 Hollywoodland Homeowners Association  
**Howard Jarvis Taxpayers Association**

LA Brea Hancock Homeowners Association  
 Lafayette Homeowners Council  
 Lakewood Village Neighborhood Association  
 Las Virgenes-Malibu Council of Governments  
 Latino Alliance for Community Engagement  
**League of California Cities**  
 League of California Cities Central Valley Division  
 Linda Vista-Annandale Association  
 Livable California  
 Livable Pasadena  
 Los Altos Residents  
 Los Angeles County Division, League of California Cities  
 Los Feliz Improvement Association  
 Marin County Council of Mayors and Councilmembers  
 Miracle Mile Residential Association  
 Miraloma Park Improvement Club  
 Mission Street Neighbors  
 Montecito Association  
 Neighborhood Council  
 Sustainability Alliance Trees Committee  
 North of Montana Association  
 Northeast Neighbors of Santa Monica  
 Pacific Palisades Community Council  
 Planning Association for The Richmond Riviera Homeowners Association  
 San Gabriel Valley Council of Governments  
 Save Lafayette  
 Seaside Neighborhood Association  
 Shadow Hills Property Owners Association  
 Sherman Oaks Homeowners Association  
 South Shores Community Association  
 Southwood Homeowners Association  
 Sunnyvale United Neighbors  
 Sunset-Parkside Education and Action Committee  
 Sustainable Tamalmonite  
 Temecula Valley Neighborhood Coalition  
 Towns of Apple Valley, Colma, Fairfax, Mammoth Lakes, and Ross  
 Ventura Council of Governments Verdugo  
 Woodlands West Homeowners Association  
 West Pasadena Residents' Association  
 West Torrance Homeowners Association  
 West Wood Highlands Neighborhood Association  
 Westside Regional Alliance of Councils  
 Westwood Homeowners Association  
 Wilshire Montana Neighborhood Coalition  
 Windsor Square Association

**Status:** Passed to Assembly –referred to Local Gov’t, Housing & Community Development

**Votes** (preliminary): **AYE:** Roth      **NOES:** Jones, Melendez, Ochoa-Bogh

<b>Legislative Item #10</b>	<b>Action</b>
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[SB 410, as amended, Leyva. ~~Department of Industrial Relations. Occupational safety and health: regulations.~~](#)

**Recommended action: OPPOSE**

**Presentation: Gene Wunderlich**

### **Summary:**

Selective Exception from Thorough Financial Analysis for Cal/OSHA Regulations. Would specifically exempt Cal/OSHA regulations from the Standardized Regulatory Impact Analysis (SRIA) process, which provides thorough economic analysis and Department of Finance oversight for proposed regulations and is presently applicable to all regulations with a financial impact of more than \$50 million.

Exempts any occupational safety and health standard and order from the standardized regulatory impact analysis (SRIA) required for major regulations by the Administrative Procedure Act (APA). Maintains the requirement for completing an economic impact assessment regardless of whether the standard or order is a major regulation.

### **Description:**

*Existing law establishes the Occupational Safety and Health Standards Board within the Department of Industrial Relations. Existing law authorizes the standards board to adopt, amend, or repeal occupational safety and health standards and orders, as defined, and requires the adoption of standards at least as effective as the federal standards for all issues for which federal standards have been promulgated under provisions of the federal Occupational Safety and Health Act of 1970.*

*Existing law generally requires the adoption, amendment, or repeal of standards and orders by the standards board to comply with the rulemaking provisions of the Administrative Procedure Act (APA), but exempts from provisions of the APA relating to public participation and review of proposed regulations a standard or amendment to any standard adopted by the standards board that is substantially the same as a federal standard, including existing APA requirements, for a proposed nonmajor regulation, to prepare a prescribed economic impact assessment and, for a proposed major regulation, to prepare a standardized regulatory impact analysis in a manner prescribed by the Department of Finance.*

*This bill would exempt any occupational safety and health standard and order from the standardized regulatory impact analysis requirement.*

In California, occupational safety and health standards may be amended, adopted or repealed by the Board. The Board is required to hold open public meetings at least monthly and to permit any person to address the Board who may wish to propose new or revised standards. Proposals to amend, adopt or repeal a standard are made by petition, orally or in writing. Petitions for standard changes are evaluated by Cal/OSHA

### **Arguments in support”**

“SB 410 exempts Cal/OSHA from the requirement to perform a SRIA on any proposed major regulation with an economic impact of over \$50 million. All other existing layers of review—including internal fiscal analysis, the advisory committee process, OSHSB public hearings and meetings, and the standard rulemaking process—remain in place. SB 410 underscores the notion that worker safety should never be delayed or set aside due to cost considerations. This bill reflects the exceptionally detailed fiscal analysis that already occurs at Cal/OSHA and allows the agency to focus scarce resources in more effective ways.”

According to the California Labor Federation, the sponsor of the bill: “In 2011, the Legislature approved, and the Governor signed SB 617 (Calderon), which required state agencies to prepare an economic assessment of all regulations with an estimated fiscal impact of over \$50 million. Final regulations to implement the bill were approved by the Department of Finance and took effect in November of 2013. This assessment, referred to as the Standardized Regulatory Impact Assessment (SRIA), has resulted in nearly all major regulations now taking up to two years longer and consuming far more staff time than was the case prior to this change. While SB 617 and the SRIA process were intended to improve the regulatory process, the result has been a duplicative process that costs more, takes longer, and protects fewer workers.”

## **Arguments in opposition:**

According to the Northern California Allied Trades: “State agencies that are proposing to adopt, amend, or repeal major regulations are required to prepare a standardized regulatory impact analysis (RIA) to address, among other things, the creation or elimination of jobs and businesses within the state; the competitive advantages or disadvantages for businesses currently doing business within the state; the increase or decrease of investment in the state; incentives for innovation in products, materials, or processes; and, the benefits of the regulations, including benefits to the health, safety, and welfare of California residents, worker safety, and the state’s environment and quality of life. The RIA is intended to provide agencies and the public with the tools to determine whether the regulatory proposal is an efficient and effective means of implementing policy decisions in the least burdensome manner. To exempt major occupational safety and health standards and orders from the RIA would eliminate a critical step of informing the agencies and the public of the economic consequences of regulatory choices and of the most cost-effective regulatory measures that are equally effective in achieving the purpose of the proposed regulation.”

A coalition of employer organizations, including the California Chamber of Commerce, states in opposition, “The Standardized Regulatory Impact Analysis (or “SRIA”) process was created by this Legislature in 2011 in SB 617 (Calderon). SB 617 was passed by vast majorities in both houses with the goal of ensuring that new regulations of a sufficiently large size (economic impact exceeding \$50 million) should be thoroughly analyzed and that the Department of Finance (DOF) should review that estimated economic impact to confirm the methodology used in these estimates were suitable. As a result of the SRIA process, improved economic analysis has been available to members of the public and policy makers over the past decade. Functionally, SB 410 would exempt just one agency (Cal/OSHA) from the SRIA requirements that would continue to be applied to all other state agencies. There is no logical justification for this specific exclusion; Cal/OSHA’s regulations are no different in that respect than the California Air Resources Board, or the Department of Transportation, or any other agency. Notably, the SRIA process requires consideration of the creation or elimination of jobs within the state and the creation of new or existing businesses in the state, as well as the benefits of the regulation to the health and welfare of California residents, worker safety, and the state’s environment. In short – SRIA analysis requires a broad, thorough economic analysis, considering both the benefits and costs of a regulation, and considering alternative measures. SB 410 would deny California’s policy makers and the public this important data for one of the most critical agencies in the state, Cal/OSHA.”

## **Support: (Verified 6/15/2021)**

*California Labor Federation (Sponsor)*  
*California Nurses Association*  
*California Professional Firefighters*  
*California Rural Legal Assistance Foundation*  
*California State Council of Service Employees International Union (seiu California)*  
*California Teamsters Public Affairs Council*

*International Brotherhood of Electrical Workers, Local 1245 Oakland; City of*  
*Restaurant Opportunities Centers of California*  
*United Food and Commercial Workers, Western States Council*  
*Warehouse Worker Resource Center*  
*Worksafe*

## **Opposition: (Verified 6/15/2021)**

*Acclamation Insurance Management Services*  
*Agricultural Council of California*  
*Allied Managed Care*  
*American Composites Manufacturers Association*  
*Associated General Contractors Association of California*  
*School Administrators*  
*California Association of Health Facilities*  
*California Association of Joint Powers Authorities*  
*California Association of Winegrape Growers*  
*California Beer and Beverage Distributors*  
*California Business Properties Association*  
*California Chamber of Commerce*  
*California Chapters of the National Electrical Contractors Association*

*California Farm Bureau*  
*California Framing Contractors Association*  
*California Grocers Association*  
*California Hotel & Lodging Association*  
*California League of Food Producers*  
*California Legislative Conference of Plumbing, Heating & Piping Industry*  
*California Manufacturers & Technology Association*  
*California New Car Dealers Association*  
*California Restaurant Association*  
*California Retailers Association*  
*California Special Districts Association*  
*California State Association of Counties*  
*California Travel Association*  
*Coalition of Small and Disabled Veteran Businesses*

*Electrical Contractors of California Trust*  
*Engineering & Utility Contractors Association Dba United Contractors*  
*Family Business Association of California*  
*Flasher Barricade Association*  
*Fresno Chamber of Commerce*  
*Housing Contractors of California*  
*Long Beach Area Chamber of Commerce*  
*National Electrical Contractors Association (NECA)*  
*National Elevator Industry, INC.*  
*Northern California Allied Trades Official*  
*Police Garages of Los Angeles*  
*Pci West-chapter of The Precast/prestressed Concrete Institute*

*Public Risk Innovation, Solutions, and Management (PRISM)*  
*Residential Contractors Association*  
*Southern California Contractors Association*  
*Southern California Glass Management Association*  
*Styrene Information and Research Center*  
*Tri County Chamber Alliance*  
*United Contractors*  
*Wall and Ceiling Alliance*  
*Western Growers Association*  
*Western Line Constructors Chapter, Inc., Neca, INC.*  
*Western Steel Council*  
*Western Wall and Ceiling Contractors Association (WWCCA)*  
*Wine Institute*

**Status:** Passed to Assembly –referred to Labor & Employment

**Votes** (preliminary): **AYE:** Roth      **NOES:** Jones, Melendez, Ochoa-Bogh

<b>Legislative Item #11</b>	<b>Action</b>
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[SB 524, as amended, Skinner. Health care coverage: patient steering.](#)

**Recommended action:** **OPPOSE**

**Presentation:** Gene Wunderlich

**Summary:**

Increases health care costs. Increases prescription drugs costs for consumers by preventing certain network designs between health plans, insurers, pharmacy benefit managers, and pharmacies.

Prohibits a health care service plan or health insurer, including a self-insured employer plan, or the agent of a health care service plan or health insurer to engage in patient steering.

**Description:**

**Existing law** provides for the licensure and regulation of health care service plans by the Department of Managed Health Care and makes the willful violation of its provisions a crime. Existing law also provides for the regulation of health insurers by the Department of Insurance. Existing law requires a health care service plan contract or health insurance policy that provides coverage for outpatient prescription drugs to cover medically necessary prescription drugs.

**This bill** would prohibit a health care service plan, a health insurer, and a self-insured employer plan, or the agent thereof from engaging in patient steering, as specified. The bill would define “patient steering” to mean communicating to an enrollee or insured that they are required to have a prescription dispensed at, or pharmacy services provided by, a particular pharmacy, as specified, or offering group health care coverage contracts or policies that include provisions that limit access to only pharmacy providers that are owned or operated by the health care service plan, health insurer, self-insured employer plan, or agent thereof.

**The bill** would provide that these provisions do not apply to *an entity that is part of* a “fully integrated delivery system,” ~~and~~ *as specified*.

Because a willful violation of these provisions by a health care service plan ~~is~~ *would be* a crime, the bill would impose a state-mandated local program.

### **Arguments in support”**

The California Pharmacists Association (CPhA) is the Sponsor of this bill. According to the Author, “In a practice known as “patient steering,” PBMs inform patients that they must have their prescriptions filled at a select pharmacy or pharmacies, even though there are other pharmacies in the network that the patient wishes to use and which are able to fill the prescription. Patients are told they will risk not having their prescription filled or have to pay more for their prescription if they do not use the PBM’s selected pharmacy.”

Nearly every health plan, whether sponsored by an employer, a union, Medicare, or self-purchased, employs a PBM, and PBMs’ functions have evolved over time from merely claims processing to include managing their clients’ entire pharmacy benefit. The functions offered to clients may now include:

- Negotiating prices for drugs, including discounts, rebates, and other concessions, with pharmaceutical manufacturers;
- Conducting drug-utilization reviews (i.e., compiling information regarding the projected volume of plan members who use a given drug);
- Disease management (i.e., managing the chronic conditions of high-risk, high-cost patients);
- Determining the composition of pharmacy and wholesaler networks; • Running mail-order and affiliated specialty pharmacies; and,
- Creating and managing formularies. PBMs and Pharmacies.

PBMs contract with pharmacies to create networks for their clients based on clients’ needs and state laws, which may include geographic retail requirements and limitations on mail-order pharmacies. Because nearly every individual with a pharmacy benefit must interact with a PBM, it follows that joining PBMs’ pharmacy networks is more than good business practice -- it is essential for pharmacies’ survival. Pharmacies’ revenues from drug dispensing are primarily derived from health plans’ reimbursement for the drug’s cost, a dispensing fee, and a patient’s copay.

The Sponsor, the California Pharmacists Association (CPhA) writes in support: “Patient steering occurs when a PBM moves a patient’s prescription to a different pharmacy without their consent and that new pharmacy happens to be owned by the PBM – either a physical location or a mail-order pharmacy. Patients are then given a “choice” of filling their covered prescriptions at the new pharmacy or pay full price out of pocket at the existing in-network pharmacy. The practice of patient steering is becoming increasingly problematic for patients who are losing their right to receive pharmacy services at locations convenient to them and/or where they have an established relationship with the pharmacist. While this practice happens primarily in the independent setting, it is increasingly happening in smaller chain settings who are not owned by PBMs...

### **Arguments in opposition:**

The California Association of Health Plans (CAHP), the Association of California Life and Health Insurance Companies (ACLHIC), and America’s Health Insurance Plans (AHIP) write in opposition: “Health plans, insurers, and their contracted pharmacy benefit managers (PBMs) design pharmacy networks with the consumer in mind. They contract with chain, independent, and mail order pharmacies to provide consumers with the choice of services that best fit their needs. They design preferred networks that allow patients to have access to high performing, lower cost options. All of this is done with the consumer’s safety in mind – the pharmacy programs created by health plans, insurers, and PBMs are able to look across all of the patients’ pharmacy activity to flag potential interactions, provide counseling for patients with chronic conditions, and suggest lower-cost alternatives. By focusing on pharmacies that provide cost-effective and high-quality care, health plans and insurers are ensuring consumers receive the best value for their health care dollars. SB 524 threatens these safety and cost saving measures. We are concerned that this bill would eliminate the use of “preferred” networks that provide patients with additional cost saving measures.”

Kaiser Permanente writes in opposition unless the bill is amended: “Unfortunately, as written SB 524 would interfere with this extremely efficient and popular model of our care for our members. We understand that is not the intent of the bill, and we look forward to future conversations with the author and sponsor to ensure that the KP model and the 9.5 million KP members in California are not negatively impacted by this measure.”

The Pharmacy Care Management Association (PCMA) writes with concerns: “SB 524 eliminates the ability of health service plans and insurers to develop plan designs that lower costs for their members. Further, it would restrict communications to members informing them about access to lower cost medicines. Health service plans and insurers design networks of independent, chain and mailorder pharmacies to provide patients with access to a range of high-quality pharmacies, while balancing savings for patients and payers. To achieve this goal, PBMs require pharmacies to compete on service, price, convenience, and quality to attract consumers within a particular health plan. This competition helps keep the rising costs of prescription drugs down, while also prioritizing patient’s health and wellbeing. By building networks of pharmacies, patients have convenient access to prescriptions at discounted rates.”

Pharmacy benefit managers (PBMs) contract with insurers and health plans in order to design pharmacy networks with the intent of stabilizing increasingly high drug costs for consumers. The designs are intended to reduce pharmaceutical costs while allowing consumers to choose how to best access their medications – whether it be through a mail in, chain, or independent pharmacy. **SB 524’s** provisions would put an end to these preferred networks, eliminating cost-efficient benefit design approaches, likely resulting in increased drug costs for consumers.

Additionally, while we appreciate the amendments made to **SB 524**, the bill still intends to regulate federally controlled self-insured employer plans.

**Support: (Verified 6/13/2021)**

*California Pharmacists Association (sponsor)  
AIDS Healthcare Foundation  
APLA Health*

*California Chronic Care Coalition  
California Pharmacists Association  
Consumer Attorneys of California*

**Opposition: (Verified 6/13/2021)**

*America’s Health Insurance Plans  
Association of California Life and Health Insurance  
Companies*

*California Association of Health Plans  
California Chamber of Commerce  
Pharmaceutical Care Management Association*

**Status:** Passed to Assembly –referred to Health, Business & Professions

**Votes** (preliminary): **AYE:** Jones, Melendez, Ochoa-Bogh, Roth

<b>Legislative Item #12</b>	<b>Action</b>
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[SB 637, as amended, Newman. Health facility reporting:-equipment and staffing.](#)

**Recommended action:** **OPPOSE**  
**Presentation:** Gene Wunderlich

**Summary:**

Burdensome Reporting Requirements. Would burden hospitals with unnecessary and redundant reporting requirements regarding staffing and COVID-19 positivity rates.

Requires hospitals to report weekly during a health-related state of emergency, and monthly at all other times, information on whether the hospital is experiencing a staffing shortage of nurses, or has experienced any layoffs, furloughs, or repeated shift cancellations of nurses. Requires hospitals to report weekly during a health-related state of emergency, and monthly at all other times, until January 1, 2025, information regarding COVID-19-positive staff, including number of staff and facility personnel who have tested positive, or are suspected positive, and total number of deaths of staff who are positive or suspected positive for COVID19. Additionally, requires a licensed health facility to post any approval granted by the California Department of Public Health for program flexibility immediately adjacent to the health facility's license.

### **Description:**

**Existing law** provides for the licensure and regulation of certain health facilities, including general acute care hospitals, by the State Department of Public ~~Health (department). Existing law requires the department to establish guidelines for procurement, management, and distribution of PPE from the department, including the various types of PPE that may be required during a pandemic or other health emergency.~~ *Health.*

**This bill** would require a general acute care hospital to report specified information to the department on a ~~daily~~ *weekly* basis during any health-related state of emergency in California proclaimed by the President of the United States or by the Governor, and on a ~~weekly~~ *monthly* basis at all other times. The bill would require that the reports contain information on ~~PPE, testing, and~~ staffing, ~~including~~ *including, until January 1, 2025,* on matters relating to ~~shortages and~~ COVID-19 cases. The bill would require the department to publicly post the information and update it based on the same timeframes.

If the hospital fails to comply with the above requirement, the bill would authorize the department to impose fines or other penalties, and to suspend, revoke, or refuse to renew the license of, the hospital, as specified.

**Existing law** requires certain building standards and regulations to prescribe standards of adequacy, safety, and sanitation of the physical plant, of staffing with duly qualified licensed personnel, and of services, based on the type of health facility and the needs of the persons served. Existing law requires the regulations to permit program flexibility using alternate methods, procedures, or other specified means, based on a written request and supporting evidence submitted by the applicant or licensee to the department.

**This bill** would require a health facility to post any approval for program flexibility granted by the department immediately adjacent to the facility's license, as specified.

### **Arguments in support"**

According to the author, this bill ensures that nurses have the resources and appropriate staffing to care for their patients in safe hospital environments. In response to unprecedented demand for emergency healthcare services during the pandemic, California has permitted hospitals to apply for a number of emergency health and safety waivers. These waivers often resulted in an increase in the number of patients under a nurse's care at ratios higher than allowed by existing rules. Ensuring manageable nurse-to-patient ratios remains crucial to the safety and welfare of patients, nurses and other critical staff. Healthcare workers and community members at-large should have ready access to information about the hospital in which they are working or seeking care.

This bill is sponsored by the California Nurses Association (CNA), which states that safe staffing standards are vital components in patient and worker safety, and sound public policy requires accurate real-time information on these critical elements. CNA states that this bill will require hospital to report vital information on hospital staffing, which will give us crucial information for enforcing nurse-to-patient ratios. CNA states that this bill also requires hospital to post all program flexibility exceptions granted by CDPH next to their license rather than in binders in administrative offices.

According to CNA, during the pandemic emergency declaration, hospitals have created artificial nurse shortages in order to take advantage of the Governor's temporary waiver of California's nurse-to-patient ratios. However, CNA states that even before the emergency declaration, hospitals were taking advantage of program flexibility approvals by CDPH, and then hiding this critical information in binders inaccessible to staff. The California Labor Federation states in support that during the pandemic, the issuance of staffing waivers

resulted in increases in the workload of already overburdened nurses. The California Labor Federation states that health care workers, as well as the community at large, should have ready access to all relevant information on nurse-to-patient ratios in the hospitals in which they are working or seeking care.

**Arguments in opposition:**

**SB 637** will require general acute care hospitals to comply with extremely burdensome weekly reporting requirements during a declared state of emergency and monthly reporting requirements after the state of emergency ends. While the bill is well intentioned, the current state of emergency is evolving rapidly, meaning **SB 637's** provisions will be rendered largely irrelevant by the time the bill would be enacted. Additionally, many state and federal requirements already address the concerns contained within **SB 637** and saddling these facilities with overbearing reporting mandates is unnecessary.

Furthermore, should **SB 637** be passed into law, the provisions would not take effect until January 2022. Health care workers have been eligible to receive the COVID-19 vaccine since December 2020. Thus, the bill's COVID-19 testing and positivity reporting requirements for facility personnel could be rendered obsolete due to vaccination rate by the time this bill takes effect.

The administrative undertaking this bill requires would prove overwhelming for many facilities and could be rendered obsolete due to the evolving nature of the COVID-19 pandemic.

The California Hospital Association (CHA) is opposed to this bill unless amended to remove the reporting of nurse layoffs, furloughs, or repeated shift cancellations, to apply COVID-19 positive staff reporting to newly positive COVID-19 staff and not the total number, and to sunset this COVID-19 positive staff reporting on January 1, 2023 rather than January 1, 2025. Additionally, CHA states that CDPH or the hospitals electronically posting flexibility waivers, or sending electronically to staff, would be more effective than hospitals printing them to post in their buildings.

With regard to reporting layoffs and furloughs, CHA states that hospitals have never reported this data before, and that unlike information such as bed capacity, the information required by this bill has nothing to do with caring for patients, but appears to be about contract negotiations. CHA states that labor/management discussions are where conversations around personnel decisions should occur, not in public health reporting. With regard to the COVID-19 positive staff reporting, CHA notes that community transmission is the primary source of COVID-19 infections of health care personnel, and that there is no clear association between workplace contact with patients who are COVID-19 positive and antibody positivity. However, if hospitals are required to report cases of COVID-19 positive staff, it should apply to newly positive staff, which would better track the trend in cases, rather than a cumulative total from the beginning of the pandemic. CHA additionally notes that other COVID-19 related bills have carried a January 1, 2023 sunset date, and this bill should be consistent with that date. Tenet Healthcare opposes this bill unless amended for similar reasons to CHA.

**Support: (Verified 6/12/2021)**

*California Nurses Association/ National Nurses United  
(sponsor)*

*California Labor Federation*

**Opposition: (Verified 6/12/2021)**

*California Chamber of Commerce*

*California Hospital Association (unless amended) Tenet  
Healthcare (unless amended)*

**Status:** Passed to Assembly –pending referral

**Votes** (preliminary): **AYE:** Ochoa-Bogh, Roth **NOES:** Jones **NVR :** Melendez



**2021 Meeting Schedule  
w/ Guest speakers**

~~1/25 Open~~

~~2/20 Open~~

~~3/15 Open~~

~~4/19 Open — DA Mike Hestrin —~~

~~5/17 Open — Juan Perez, Sonia Perez (Fr. Valley tower), Bill Blankenship (redistricting)~~

6/21 Open

7/19 Open - Matt Jennings, RivCo Treasurer/Tax Collector

8/16 Open

9/20 Open

10/18 Open

11/15 Closed

12/16 Dark