

“Under the Dome” – Take a Deep Breath

By CASA Lobbyist Bryce Docherty

The Legislature is racing toward their month-long Summer Recess, which begins on July 17, 2021. But not a moment too soon as the Legislature and Governor Newsom just reached a “final” [agreement](#) on a \$262.6 billion state [budget](#) late last month, just three days before FY 2021-2022 began. Now it’s time to take a deep breath.

CASA has been very active so far this year on several key pieces of legislation. Below is a summary and status update of those priority bills.

AB 370 (Arambula): Cardiology

California is one of only a handful of states that do not explicitly allow ASCs to perform diagnostic and interventional cardiology procedures recently approved by Medicare. After passing out of the Assembly Health Committee with unanimous and bipartisan support, this bill was unfortunately held on the Suspense File in the Assembly Appropriations Committee due to implementation cost pressures on the state general fund. Effectively killing the bill.

After narrowing the bill to only 50 eligible facilities and expanding the support coalition and all the engagement with California Department of Public Health (CDPH) and addressing opposition from organized labor, this is a disappointment.

CASA once again secured the authorship of Assembly Member Joaquin Arambula, M.D. and led an impressive coalition that included industry support from the American College of Cardiology (ACC), Society for Cardiovascular Angiography and Interventions (SCAI), California Medical Association (CMA), California Chapter – American College of Cardiology (CA-ACC), Philips, and AdvaMed; and CASA also secured the support of consumer and community groups such as the California Chronic Care Coalition (CCCC), Latino Coalition for a Healthy California, Mixteco Indigena Community Organizing Project (MICOP), and the American Heart Association (AHA).

Click [here](#) for the CASA sponsor letter, fact sheet and other background materials.

CASA will next be pursuing a Legislative Counsel Opinion, also sponsored by Asm. Arambula, to confirm the California Department of Public Health (CDPH) interpretation that legislation is necessary for these cardiology procedures given the fact they are low risk and do not require deep sedation or general anesthesia.

CASA POSITION: SPONSOR

STATUS: Held in the Assembly Appropriations Committee – DEAD

AB 1130 (Wood): Office of Health Care Affordability

This bill originally established the Office of Health Care Affordability (OHCA) to analyze the health care market for cost trends and drivers of spending, develop data-informed policies for lowering health care costs for consumers, set and enforce cost targets, and create a state strategy for controlling the cost of health care and ensuring affordability for consumers and purchasers. CASA submitted a [“Letter of Concern”](#) to the author, Assembly Health Committee Chair Jim Wood.

CASA also solicited input and received feedback from several of our members on the downstream impacts this bill would have on the ASC industry in California. These comments helped to inform our thinking on the bill.

Governor Newsom indicated in his budget proposal that creation and funding for the OHCA was a priority. Therefore, final language has been negotiated between Assembly Member Wood and the governor's office and these provisions will now be included in a Budget Trailer Bill (BTL). There is little opportunity to amend the final draft language, but CASA will be asking our corporate partners to help us assess the applicability of this bill to ASCs and what administrative burdens the bill may create in reporting quality and financial information.

Ultimately, many of the provisions are still vague but may provide CASA the long sought-after pathway to generate the independent third-party data necessary to make the case on why ASCs are less expensive options for many services and that the quality of care provided in ASCs is commensurate, if not exceeds, that of care provided in other sites of service.

Creating the OHCA has been described as the most important thing currently happening in California health policy besides the budget. However, AB 1130 passed off the Assembly Floor on a party-line, 51-14 vote on June 3, 2021. The new office would evaluate state health care spending and produce policy solutions to reduce health care costs.

[Supporters say](#) the office is critical in addressing increasing health care costs in the state and reflects public desire to see action on reducing costs. Opponents believe it would disrupt too much of the current health insurance market in California.

CASA POSITION: WATCH/CONCERN

STATUS: Held in the Senate Health Committee – DEAD

[AB 1132 \(Wood\): Health Care Consolidation/M&A](#)

Similar to SB 977 (Monning) from last year, this bill would have originally prohibited a contract issued, amended, or renewed on or after January 1, 2022, between a health care service plan or health insurer and a health care provider or health facility from containing terms that, among other things, restrict the plan or insurer from steering an enrollee or insured to another provider or facility or require the plan or insurer to contract with other affiliated providers or facilities. As introduced, SEC. 3. Section 5931 of the Corporations Code would have specifically included ASCs. CASA was able to secure an amendment limiting the application of the bill to only certain ASCs but was pursuing a blanket exemption from the bill entirely. Negotiations were ongoing until CASA learned from Assembly Member Wood that he was abandoning this bill concept for the year, and it was "gutted and amended" into a bill dealing with Medi-Cal and an issue completely unrelated to ASCs.

CASA POSITION: WATCH

STATUS: Pending in the Senate Health Committee

[AB 1400 \(Kalra\): Single-Payer](#)

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. Current law provides for the regulation of health insurers by the Department of Insurance. Current law provides for the Medi-Cal

program, which is administered by the State Department of Health Care Services, under which qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions. This bill, the California Guaranteed Health Care for All Act, would create the California Guaranteed Health Care for All program, or CalCare, to provide comprehensive universal single-payer health care coverage and a health care cost control system for the benefit of all residents of the state. This bill never received a hearing in the Assembly Health Committee in time to meet the policy committee deadline of Friday, April 30, 2021. Therefore, it now becomes a “two-year bill” meaning it cannot be acted upon this year but would need to move out of committee sometime between January 1, 2022, and January 31, 2022.

CASA POSITION: OPPOSE

STATUS: Held in the Assembly Health Committee – Two-Year Bill

If you miss a day “Under the Dome” – you miss a lot!