

LEGISLATIVE UPDATE



Week of March 3, 2025

State Issues

New Bill Introductions

This week, more than 2500 bills have been introduced. Many are still spot bills, awaiting amendments before they can be heard in their respective policy committees, but there are more than a few health care bills that will get a great deal of attention this year. In some good news, the California Nurses Association agreed to not sponsor a single payer health care bill, and no hospital community benefit bill is moving forward (we will, however, watch for budget trailer bill language from the Newsom Administration next month).

There are many bills this year that seek to regulate how health plans manage the **prior authorization** process, which is often a delay or roadblock to patient's accessing care. These bills include:

- **AB 384 (Connolly)**: Prohibits health plans from requiring prior authorization for behavioral health care.
- **AB 510 (Addis)**: Requires prior authorizations to be conducted by a licensed physician and within 2 business days.
- **AB 512 (Harabedian)**: Shortens the timeline for prior authorization requests — from within five business days to no more than 48 hours for standard requests or from 72 hours to 24 hours for urgent requests
- **SB 530 (Richardson)**: Eliminates the sunset for Medi-Cal network adequacy timely access standards and adds more transparency and accountability to the process for plans to use alternative access standards.
- **AB 539 (Schiavo)**: Requires prior authorizations to last for one year.
- **AB 682 (Ortega)**: Requires reporting of health insurance claims denial information.
- **SB 306 (Becker)**: Eliminates the need for prior authorization for certain services for physicians who have a 90% approval rate for those services.
- **SB 363 (Weiner)**: Requires health plans to report treatment denial information.

There also are several bills related to **labor and delivery** services in California. With the reports of hospitals closing services, legislators are taking different tactics to stop the development of "birthing desserts:"

- **AB 1386 (Bains)**: Requires perinatal services to be included as a basic (mandatory) service for hospitals.
- **SB 32 (Weber Pierson)**: While still a spot bill, it is expected to be amended to create new requirements that health plans must ensure there is adequate labor and delivery coverage in each region in which they operate.
- **SB 669 (McGuire)**: Creates a pilot program for certain rural hospitals to develop innovative labor and delivery staffing models that tailor services to the needs of those communities.

Included below are other key health care bills that are making their way through the Legislative process, that may be of interest to the Catholic health ministry:

- **AB 40 (Bonta)**: Clarifies current law that emergency hospital services include emergency reproductive health care.
- **AB 290 (Bauer-Kahan)**: Would increase fines for hospitals that do not provide required emergency care and allow local District Attorneys to bypass the state Department of Public Health's investigatory process.

(more)

<p>New Bill Introductions (continued)</p>	<ul style="list-style-type: none"> ▪ SB 403 (Blakespear): Spot bill related to the End of Life Option Act; author is considering a gambit of policies from a study on the Act, to greatly expanding eligibility criteria for participation, to removing the law’s sunset provision. ▪ AB 224 (Bonta) and SB 62 (Menjivar): Will redefine California’s Essential Health Benefit – which is the minimum level of coverage a health plan must have to be sold in the state (see report below). ▪ AB 278 (Ransom): Creates a patient advisory committee at the Office of Health Care Affordability Board. Interestingly, both Health Access and health plans are quietly opposing this bill before it even gets a hearing. ▪ AB 447 (Mark Gonzalez): Allows patients in the emergency department to take home any unused medications, such as inhalers. ▪ AB 577 (Wilson): Prohibits health plans and pharmacy benefit managers from directing patients to a specific pharmacy. ▪ AB 849 (Soria): Requires health care facilities to provide medical chaperones for sensitive services. ▪ AB 910 (Bonta): Spot bill on pharmacy benefit managers. ▪ AB 1460 (Rogers): Restricts certain practices within the 340B drug program. ▪ SB 41 (Weiner): Seeks to regulate the practices of pharmacy benefit managers, including requiring them to obtain a license to operate in the state and report certain data and prohibits certain practices that make it harder for patients to access needed medications. ▪ SB 351 (Cabaldon): Sets restrictions on hedge funds when purchasing physician practices, ensuring the hedge fund is not directing the practice of medicine. ▪ SB 530 (Richardson): Creates permanent requirements for time and distance standards for access to health care and clarifies that telehealth services do not absolve a plan from ensuring access to local care, transportation services, etc. ▪ SB 596 (Menjivar): Requires hospitals to maintain on-call lists of at least 10% of the registered nursing staff. <p>Policy bill hearings will begin in earnest in the next week or two. The deadline for policy bills keyed fiscal to get out of policy committee is May 2.</p>
<p>DMHC Announces Proposed Additions to Essential Health Benefits</p>	<p>The State is continuing its process of updating the Essential Health Benefits benchmark plan. The Affordable Care Act requires individual and small group plans to cover ten broad categories of “essential health benefits,” including primary care, hospital services, prescription drugs, and emergency and urgent care service. Within these ten broad categories, a state can decide what specific services plans must cover in order to be sold in the State.</p> <p>As part of that work, California worked with consultants and held public stakeholder meetings to review what types of services stakeholders feel should be included as a minimum for health plans. They have preliminarily identified the following benefits to California’s current benchmark plan:</p> <ul style="list-style-type: none"> ▪ Hearing aids for children and adults. ▪ Additional durable medical equipment (DME), including mobility devices (such as power wheelchairs and scooters), augmented communication devices, portable oxygen, and CPAP machines. ▪ Infertility services, including egg and sperm retrieval and storage, embryo creation and storage, invitro fertilization, and medical costs related to surrogacy. <p>California must submit the final proposal for a new benchmark plan to the federal government for approval by early May. If approved the new benefits will be available in 2027.</p> <p>Prior to submission, the DMHC will share the draft proposal with stakeholders and will hold a written comment period during which stakeholders may submit additional comments and feedback, which should begin in late March.</p>