



Special Legislative Update ■ August 10, 2020

Notable Notes from Newsom's Noon Presser

The Governor covered a potpourri of topics at his noon press conference today, including unemployment insurance, public health data delays, commitment of additional resources for assistance with quarantine and isolation efforts, and the usual COVID data update, as detailed below:

- **Unemployment Insurance (UI).** The Governor made the case for the federal government to fully fund any new extension of unemployment benefits. The Newsom Administration's analysis of the Executive Order signed by the President over the weekend indicates that California would be required to provide \$700 million per week – or \$2.8 billion per month — to fund the state's 25 percent share of an additional \$400 per week in UI. California, through the state budget, has already allocated more than 75 percent of its CARES Act funding and consequently does not have the resources to backfill \$700 million per week, absent significant new cuts to state services with potential impacts on businesses and individuals.
- **Public Health Data Delays.** The Governor acknowledged that CalREDIE, the state's infection disease reporting database is outdated and incapable of handling the volume of data related to the pandemic. Secretary Ghaly announced that the 300,000 records backlog was resolved over the weekend; he acknowledged the delay affected county efforts to combat the diseases and to keep various business sectors on hold.

In related news, Dr. Sonia Angell, the state's public health officer and Director of the Department of Public Health (CDPH), announced her immediate resignation late last evening. While no specific reason was provided in her statement, the Governor's remarks today suggest that her departure is related to the revelations that the state's disease reporting portal had failed. She had been on the job since November 2019. Sandra Shewry, currently at the California Health Care Foundation and previously the director of the Department of Health Services under former Governor Arnold Schwarzenegger, will be the acting director until a permanent replacement can be found. Additionally, Dr. Erica Pan, the state epidemiologist, will be the acting health officer for the CDPH.

- **Philanthropic Commitments to Aid in COVID-19 Response.** The Governor also reported today that \$81.8 million in additional financial commitments have been made by private and philanthropic partners to assist in supporting individuals in need of isolation or quarantine.

Contributing partners include Kaiser Permanente, Conrad N. Hilton Foundation, Ballmer Group, The James Irvine Foundation, The California Wellness Foundation, Weingart Foundation, Sierra Health Foundation, Blue Shield of California Foundation, California Health Care Foundation, Heising-Simons Foundation, The California Endowment and the Skoll Foundation. This new initiative builds on the previously announced \$499 million in grant funding from the Centers for Disease Control and Prevention. More details on today's announcement about philanthropic contributions are available [here](#).

- **COVID Data Update.** The Governor provided the following details on key data elements in the context of the COVID-19 pandemic and response. On August 9, there were 7,751 confirmed cases and 5,596 COVID-19 positive hospitalizations. Further, approximately 8 percent of ICU capacity is currently being used by COVID positive patients.

California's Section 1115 Waiver Update

The Department of Health Care Services (DHCS) recently began holding public webinars to receive comments on its July 22 [document](#) to request an extension of California's Section 1115 waiver for one year. The first webinar was held on August 7, and the second webinar was held this afternoon.

Release of the extension request document prompts a 30-day public comment period required by the Centers for Medicare and Medicaid Services (CMS). Generally, stakeholders expressed support for the one-year extension and for individual elements of the waiver extension – the Global Payment Program, Whole Person Care, the Drug Medi-Cal Organized Delivery System waiver. The main concern raised by stakeholders is the exclusion of Domain Four from the Dental Transformation Initiative.

The DHCS comment period closes August 21. DHCS will review the comments from stakeholders and plans to update and submit the extension document to CMS by September 15, 2020. Once the federal government receives the document, it starts a federal timeline. CMS will have 15 days to review the document. Then CMS will publicly post the waiver extension for a 30-day public comment period. Negotiations between CMS and DHCS will resume at the conclusion of the public comment period, which should be approximately 45 days post-submission (likely, early November). DHCS anticipates that if waiver negotiations are not concluded before the expiration of the waiver that CMS will grant one-month extensions until the request is finalized. When asked if there is a concern about CMS not approving the request, DHCS leadership responded, "Not at this time."

Nurse Practitioner Bill Advances

At its hearing this past Saturday, the Senate Business, Professions and Economic Development Committee approved Assembly Member Jim Wood's [AB 890](#) – a measure to allow nurse practitioner to practice independently, as they do in 23 other states – on a 7-1 vote. Senator Pan voted no, and Senator Galgiani abstained. Senator Glazer, the committee chair, made extensive remarks about the improvements to the bill and the guardrails put into place to ensure safety,

including amendments to: 1) address the quality of training and accreditation requirements, 2) review the examination process and if there are gaps, require the Board of Registered Nursing to address the gaps, 3) address patient notification and how to file complaints, 4) provide further clarity about the prohibition on nurse practitioners practicing beyond their education and training, and 5) clarify the process for addressing disciplinary issues through the proposed Nurse Practitioner Advisory Committee.

Senator Chang previously voted against earlier nurse practitioner scope efforts but noted that she voted for AB 890 because the pandemic changed everything, forcing renewed attention on creating more access and affordability. Senator Wilk also acknowledged that the pandemic caused him to reconsider and vote for the measure. AB 890 is headed next to the Senate Appropriations Committee.

Governor’s Office Announces Private Investment in Homekey Projects

The California Department of Housing and Community Development (HCD) announced that the Governor’s Office has secured an additional \$45 million in funding to support operations for Project Homekey. The additional resources come from philanthropic partners and will be included with the state’s \$50 million in General Fund contributions to Homekey for operational support for Homekey projects. Applicants are still required to guarantee five years of operational funding, but the hope is that these additional resources can provide the first two years of operational support for all projects. Additional details will be discussed during required pre-application consultations. (To request a pre-application consultation, email Homekey@hcd.ca.gov.)

Reimbursement for County Jail Costs Associated with Stoppage of State Prison Intake

As part of the state’s response to COVID, intake into state prisons has been suspended for the better part of four months. Note the timeline below, summarized based on information provided on [CDCR’s COVID information page](#):

March 24	Intake into state prison suspended for 30 days
April 14	Inmates leaving a state prison facility for more than one day for court hearing not accepted back into prison until intake restored
April 24	Intake suspended an additional 30 days (to May 25)
May 25	Intake resumed in limited, controlled manner from four counties to two reception centers
June 29	Intake suspended to July 29
July 23	Intake suspension extended to August 9

Consistent with existing provisions in Penal Code [Section 4750](#), the state has authorized payments totaling \$14.3 million statewide to reimburse counties for various costs associated with holding individuals in jail awaiting transfer during stoppage of intake into the state’s

institutions. While \$5.74 million in [April](#) and \$8.59 million in [May](#) in reimbursements have been authorized, payments to individual counties have not yet been issued. It is our understanding that county-by-county remittances are being prepared now and should be forthcoming shortly.