



*Established in 1991, UCC serves as the representative voice for state legislative advocacy for high-population counties in California. Initially composed of seven counties, the association has grown to 14 today. Nearly 80 percent of the state's population reside in UCC counties. Consequently, urban counties carry out critical programs and services to the state's most vulnerable populations. For more information, including details on our Board of Directors, please visit [our website](#).*

**February 25, 2022**

### **Newsom Rolls Back Additional COVID-Related Executive Orders**

Today, Governor Gavin Newsom announced lifting COVID-related Executive Orders, while maintaining critical measures that support the state's ongoing response and recovery efforts, including maintaining California's testing and vaccination programs and protecting hospital capacity. Under the order signed by the Governor, 19 of the remaining provisions are terminated immediately, with an additional 18 to be lifted on March 31 and 15 to expire on June 30 to ensure that impacted individuals and entities have time to prepare for the changes.

Seventeen of the executive actions still in effect remain critical to preventing potential strain on the health care delivery system and bolstering the state's COVID-19 testing and vaccination programs, including:

- **COVID Testing** – There are four provisions that provide key support to the state's testing programs;
- **Vaccinations and Boosters** – There are two provisions that provide flexibility to support the state's vaccination and booster programs;
- **Protecting Hospital Capacity and Vulnerable Populations** – There are 11 provisions that are necessary to protect both capacity in the health care delivery system and vulnerable populations, particularly during COVID surges.

These remaining provisions include authorizing expanded scopes of practice for pharmacists and pharmacy technicians to conduct COVID tests; allowing health care workers from out of state to provide services in California and enabling certain medical personnel and emergency medical technicians to

continue supporting the state's response, including administering vaccines; and enabling the Department of Developmental Services to provide remote and expanded nonresidential services for more clients.

The other 13 remaining provisions ensure COVID workplace safety standards remain aligned with the most current public health guidance and evidence, and provide important flexibility to state and local agencies to administer the emergency response while the state of emergency remains open.

Governor Newsom today also signed a proclamation terminating 12 open states of emergency related to various fires, heat waves, and other incidents dating back to 2015. Read the Governor's full release [here](#).

### **Attorney General Announces Opioid Settlement Agreement**

Today, Attorney General Rob Bonta **announced** approval of the \$26 billion opioid settlement agreement with three major pharmaceutical distributors – Cardinal, McKesson, and AmerisourceBergen, as well as Johnson & Johnson. The settlement, if approved by the court, will begin providing funds to the state and participating local agencies in California as early as the second quarter of 2022.

The agreement marks the culmination of three years of negotiations to resolve more than 4,000 claims of state and local governments across the country. It is the second largest multistate agreement in U.S. history, second only to the Tobacco Master Settlement Agreement. The agreement includes 52 states and territories and thousands of local governments across the country. In California, 56 eligible counties and 361 cities have signed on to the agreement. As a result, California will receive more than \$2.05 billion from the settlement. Eighty-five percent of these funds will go directly to California's local communities to support treatment, recovery, harm reduction, and other strategies to address the opioid epidemic.

Additional information about the opioid settlements is available [here](#).

### **Special Election Results; New Assembly Member Sworn In; Changes to Assembly Committee Chairs**

As our readers are aware, several members of the state Assembly recently have resigned, leaving five vacancies. As of last week, the number of vacancies in the Assembly is down to four given that the special primary election held in Assembly District 49 – to fill the seat vacated by now Superior Court Judge Ed Chau – produced an outright winner in Mike Fong. He beat his sole opponent by a 34-point margin (67-33). Newly elected Assembly Member Fong previously served on the Los Angeles Community College Board and the City of Alhambra Transportation Commission; he was sworn into his Assembly

seat on Tuesday. He will serve on the Assembly Appropriations, Banking, Privacy, and Rules committees.

In Assembly District 17, a seat formerly occupied by David Chiu (now the City Attorney in the City and County of San Francisco), a special primary election also was held last Tuesday. The top two vote getters – David Campos and Matt Haney, who both have served (Campos) or are serving (Haney) on the San Francisco Board of Supervisors – will face off in the special general election on April 19. Note that three more special primary elections are set for April 5, with general elections to follow (if necessary) on June 7. The April 5 ballots will be cast to fill vacancies in Assembly Districts 11 (former Assembly Member Frazier), 62 (former Assembly Member Burke), and 80 (former Assembly Member Gonzalez).

In other news this week, Assembly Speaker Anthony Rendon announced changes to committee chairs, necessitated by the departure of Assembly Member Autumn Burke. Assembly Member Jacqui Irwin will take over for Ms. Burke as the Assembly Revenue and Taxation Committee chair. In turn, Assembly Member James Ramos has been appointed Chair of the Assembly Military and Veterans Affairs Committee, a role formerly held by Assembly Member Irwin.

### **Budget Highlights: This Week's Budget Subcommittee Hearings**

#### **> Senate Budget Subcommittee No. 3 Holds Marathon Hearing on Department of Health Care Services**

The **February 24 agenda** for the Department of Health Care Services' (DHCS) budget issues was packed with 38 separate discussion items. At least the plan was to cover 38 items, until Issue 34-Managed Care Procurement and Alternative Health Care Service Plan Contract (Kaiser contract) was pulled and not discussed. The hearing did include discussion of the California Advancing and Innovating in Medi-Cal (CalAIM) Implementation. Among the CalAIM updates, DHCS mentioned that behavioral health payment reform is on track for July 1, 2023. There were several other behavioral health issues discussed, including the Behavioral Health Continuum Infrastructure Program (BHCIP) and Bridge Housing Proposal as well as a Community Mental Health Overview.

The existing BHCIP program has been broken-down into six separate rounds of funding:

- Round 1: Mobile Crisis - \$205 million,
- Round 2: County and Tribal Planning Grants - \$16 million,
- Round 3: Launch Ready - \$518.5 million,
- Round 4: Children and Youth - \$480.5 million,

- Round 5: Behavioral Health Needs Assessment Phase One - \$480 million, and
- Round 6: Behavioral Health Needs Assessment Phase Two - \$480 million.

The Governor's January Budget proposes to add a Bridge Housing component to the program with an additional \$1.5 billion. The Legislative Analyst's Office noted the new proposal has merit and is focused on a key gap in the continuum. But they also cautioned it is unclear what will happen when the limited term state funds expire because it is unknown whether counties have the existing resources to operate the bridge housing without state assistance.

Senators Eggman and Pan engaged in an interesting discussion on the Community Mental Health Overview item. Both Senators questioned whether it is time to consider another Realignment centered on mental health. They generally expressed concern about whether existing Realignment revenues have kept pace with mental health services demand and significant programmatic changes over time. Senator Pan, however, did acknowledge that opening Realignment is a very daunting task.

#### **> Senate Budget Subcommittee No. 5 Discusses Proposed Public Safety Investments Targeting Organized Retail Theft**

This week, the Senate budget subcommittee No. 5 on public safety and corrections took up several of the Governor's proposed investments intended to address organized retail theft. The members' questions of state officials presenting the Governor's funding proposals revealed a healthy amount of skepticism about the value, purpose, and presumed efficacy of these investments. Much of the feedback echoed the findings of the Legislative Analyst's Office (LAO) **assessment** released last week. No votes were taken on any of the justice-related items **up for hearing** this week.

#### **Healthy California for All Commission Discusses Key Issues as They Near Issuing Final Report**

On February 23, the Healthy California for All Commission met for the last time prior to developing their draft report, which is expected to be shared with commissioners and the public by March 15. After incorporating comments and survey results, the report will be finalized – and the commission will have its final meeting – in late April. Health and Human Services Secretary Mark Ghaly indicated that he felt this February meeting was necessary to circle back on a few important issues prior to drafting the report, including cost sharing and the role of coordinating entities under unified financing.

Relative to cost sharing, the key question posed to the group was: when, if at all, should patients be asked to share part of the cost of care? The

Commission received a presentation on the pros and cons of a cost-sharing model and made it clear that the ideal single-payer system does not have cost-sharing, but all single-payer systems must at least consider it at some point. Additionally, differing levels of cost sharing will affect the amount of new tax revenues needed for financing.

The second issue – the role of coordinating entities, or health plans, under unified financing – focused on how roles and responsibilities would be aligned in a unified financing system. The presumption was made that a government entity would take the role of a Unified Financing Authority with the primary responsibilities of benefits, eligibility, payment rates, data, and appeals. There would also be a clear role for Physicians/Institutions/Health Care Providers with the responsibility of clinical care for individual patients and data reporting. But the heart of the conversation is whether there is a “coordinating entity,” or health plan, between the two with a focus of quality improvement, care coordination, population health improvement, and disparities reduction. Commissioners discussed the key questions of if health plans are used, how can they be reimaged, but if they aren’t used, who fulfills the role?

### **New Leaders at SEIU California**

The Service Employees International Union (SEIU) California **announced** the appointment of Tia M. Orr as Executive Director, as well as the appointment of Rene Bayardo as Government Relations Director. A longtime advocate for SEIU, Ms. Orr was elevated this week to Executive Director after having served in the role in an interim capacity since late 2021. Rene Bayardo replaces Ms. Orr as Director of Government Relations after joining SEIU in 2011 as a legislative advocate, having previously worked as staff in the California legislature.

SEIU also announced the election of David Huerta as President of SEIU, which represents over 40,000 mostly private sector janitors, security officers, airport workers, and other property services workers across California.