



*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](#).*

**July 1, 2022**

### **Publication Note**

Given the Legislature's recess and staff travel, we will **not be publishing our weekly updates during the month of July**. Please look for your next update on Friday, August 5. We will remain available to you throughout the month, so do not hesitate to reach out to UCC staff or advocacy team with any questions.

### **Happy Fiscal New Year! Legislature on Recess; Budget Put to Bed (Mostly); Much Work Ahead in August**

As you are undoubtedly aware, the Legislature has adjourned as of yesterday afternoon for the entire month of July. It was a rather eventful week beginning with the announcement on Sunday night of a final budget package followed by extraordinarily lengthy policy committee hearings throughout the week given today's deadline for policy committees to meet and take action on bills. Once the members return on August 1, they will focus on Appropriations Committee hearings for all fiscal bills that moved out of policy committees. The last two and a half weeks of session will be solely dedicated to floor session during which the houses will debate measures and determine which will head to the Governor's desk for his consideration.

- ***In the meantime, read our detailed summary of the final budget package [here](#).***

### **Bills of Note**

#### **SB 1338 – CARE Act Clears Final Policy Hurdle**

On Tuesday, the Assembly Health Committee held the final policy committee discussion of **SB 1338** (Umberg and Eggman), the measure that would

implement the Governor's Community Assistance, Recovery, and Empowerment (CARE) Act Program.

CSAC First Vice President Supervisor Chuck Washington, Riverside County, provided testimony on the outstanding county concerns – which continue to be primarily centered around sufficiency of resources, a phased-in implementation, and the needed revisions to the sanctions provisions.

Assembly Health Committee members generally expressed bipartisan enthusiasm with the CARE Act framework. To give a flavor of the nature of members' sentiments, we offer the following:

- Assembly Member Aguiar-Curry: "I can't wait."
- Assembly Member Waldron: "When I first heard the proposal, I was really excited. This [plan] may come to fruition if it's done right. It's not a perfect proposal by any means. But it provides a first step to make actionable change."
- Assembly Member McCarty: "The status quo is not working."
- Assembly Member Mayes: "I see this as one of the most monumental pieces of public policy that the Legislature has proposed in the last eight years. I do think this is an instance that we got it just about right [as far as balancing] civil liberties and the obligation to serve."
- Chair Wood: "No doubt that the behavioral health system has to be more effective. Too often our efforts fail those we attempt to serve. There is a lack of housing, lack of psych beds, lack of care coordination. At the heart of this bill, we are asking counties to prioritize and get services to people who need them the most... There is always a desire for more. I have never heard a county or city say they have enough resources."

Legislators did acknowledge the concerns they were hearing – the need for resources, a thoughtful phased-in implementation, housing resources, penalties reserved for those who truly fail.

Chair Wood, mindful of his rural district, did push the Administration to consider county preparedness and a phased-in approach. He recognized that not all counties are created equal, and the state needs to focus on a strong and effectively coordinated program. He urged the Administration to reach out to counties during the July legislative break to develop and refine an implementation plan. He noted that rural counties are woefully unprepared, lacking technical expertise and workforce. Finally, he noted that sanctions and receiverships contemplated in the measure could undermine the good that counties are doing.

Assembly Health Committee passed the measure 14-0, with Assembly Member Bigelow not voting. The Assembly Appropriations Committee will hear the measure in August.

Note that a new set of substantive amendments were incorporated into SB 1338 as of this morning; more to come on counties' ongoing efforts to seek additional refinements and amendments in the weeks ahead.

**SB 443 (Hertzberg) – Emergency medical services (EMS): prehospital EMS**

**SB 443** was gutted and amended on June 16 to make sweeping changes to the emergency medical services system. Assembly Health Committee was scheduled to hear the bill with its new content on June 28, but the measure was pulled from the agenda. Because the bill did not receive a hearing prior to the policy committee deadline of July 1, the measure is effectively dead for the year. However, it is likely the sponsor – California Fire Chiefs Association – will revisit this issue in 2023.

**AB 2724 (Arambula) – Kaiser Medi-Cal Contract – TO GOVERNOR**

**AB 2724** passed off the Senate and Assembly Floors on the evening of June 29. The measure is headed to the Governor for action (since the Administration acted as a sponsor of the bill, the Governor is expected to sign the measure soon). This measure would implement the direct Medi-Cal contract between the Department of Health Care Services and Kaiser Permanente.

**AB 32 (Aguiar-Curry) – Telehealth**

Senate Health Committee heard **AB 32**, by Assembly Member Aguiar-Curry, on June 30. The measure is intended to comprehensively address California's telehealth policies for Medi-Cal and commercial insurance. The measure is being sponsored by the California Association of Public Hospitals and Health Systems, the CommunityHealth+ Advocates (which is affiliated with the California Primary Care Association), Essential Access Health, and Planned Parenthood Affiliates of California.

AB 32, as amended on June 20, does the following:

- Expands the definition of synchronous interaction for purposes of telehealth to include audio-video, audio only, such as telephone, and other virtual communication.
- Extends telehealth payment parity to Medi-Cal managed care and allows remote eligibility determinations, enrollment, and recertification for Medi-Cal and specified Medi-Cal programs.

- Requires the Department of Health Care Services to conduct an evaluation of the benefits of telehealth.
- Makes other policy changes related to telehealth reimbursement and policy for federally qualified health centers, rural health centers, other Medi-Cal enrolled clinics, Drug Medi-Cal and other providers.
- Allows for telehealth as part of a Medi-Cal managed care alternative access request with respect to time and distance standards. Extends the sunset on time and distance standards to January 1, 2026.

We anticipate more amendments to AB 32 to address potential clean up to the Administration's telehealth language in the health omnibus trailer bill (see [SB 184](#)).

**SB 1416 (Eggman) – Mental Health Services: Gravely Disabled Persons**

[SB 1416](#) would expand the definition of “gravely disabled” in the Lanterman-Petris-Short (LPS) Act for individuals with a mental health disorder to include the inability of an individual to provide for their basic personal needs for medical care in addition to being unable to provide for their basic personal needs for food, clothing, and shelter. The bill was double referred to Assembly Health Committee, which passed the measure last week, and Assembly Judiciary Committee. Assembly Judiciary Committee did not hear the measure before the deadline for policy bills to be heard in the second house, so it will not be advancing this year.

**AB 1608 (Gipson) – Deconsolidation of Coroner and Sheriff Functions**

[AB 1608](#), by Assembly Member Mike Gipson, passed the Senate Governance and Finance Committee this week with a commitment by the author to amend the bill to clarify the timing of its implementation. Sponsored by various civil rights and justice reform groups along with several organizations representing physicians, the bill's stated intent is to eliminate any possible bias for autopsies associated with law enforcement-involved deaths. This bill, however, takes a very broad approach by eliminating counties' ability to consolidate the coroner-sheriff function, an organizational structure currently employed in 48 counties. The bill passed out of the Senate Public Safety this week.

Amendments now in print clarify that the governance change will go into effect once the term of newly elected sheriffs (those taking office in January 2023) ends. With the incorporation of these changes, the bill now is keyed fiscal meaning that it will be referred to the Senate Appropriations Committee for an August hearing.

**AB 1972 (Ward) – Grand Juror Pay Increase**

**AB 1972**, by Assembly Member Chris Ward, would – among other provisions – increase the daily rate paid to grand jurors from \$15 per day to 70 percent of individual counties’ median income. The stated objective of the rate increase is to recruit a more diverse set of grand jurors; counties are solely responsible for grand jury costs. The bill applies to civil and criminal grand juries.

The statewide county associations – CSAC, UCC, and RCRC – are jointly opposed to the measure because of the considerable fiscal impact. Although AB 1972 is non-specific as to the process for determining individual counties’ median income, one [source](#) (U.S. Department of Commerce, Bureau of Economic Analysis) suggests that AB 1972 would increase the current rate anywhere from 620 percent (\$108/day) at the low end to 2,513 percent (\$392/day) in the highest cost-of-living regions of our state. Our collective research also indicates that civil grand jurors meet frequently – often at least once if not multiple times per week, a factor that drives the overall cost impact considerably higher than the Legislature’s assessment has reflected.

Despite broad county opposition, the Senate Judiciary Committee approved the measure this week. The county coalition will continue to press for resolution of the cost impacts in advance of the August hearing in the Senate Appropriations Committee.

#### **SCA 10 (Atkins and Rendon) – Right to Abortion and Contraception**

This week, the Legislature approved **Senate Constitutional Amendment 10**, a measure that would, upon voter approval, enshrine the right to abortion and contraception in the state Constitution. The measure is authored by Senate President pro Tempore Toni Atkins and Assembly Speaker Anthony Rendon. Specifically, SCA 10 adds to the state Constitution:

*The state shall not deny or interfere with an individual’s reproductive freedom in their most intimate decisions, which includes their fundamental right to choose to have an abortion and their fundamental right to choose or refuse contraceptives. This section is intended to further the constitutional right to privacy guaranteed by Section 1, and the constitutional right to not be denied equal protection guaranteed by Section 7. Nothing herein narrows or limits the right to privacy or equal protection.*

Voters will consider the measure on the November 2022 ballot.

#### **SB 54 (Allen) – Recycled Plastics Compromise Legislation – SIGNED INTO LAW**

Thursday morning, just in the nick of time, the Legislature sent **SB 54** (Allen) to Governor Newsom, marking a years-long end to the debate over how to address the proliferation of single-use plastics. Following agreement on a

legislative solution, proponents of a ballot measure that sought to impose a fee on the use of single-use plastic packaging and foodware announced that they would pull their proposal from the November ballot. In late-breaking news, Governor Newsom **announced** last night that he signed the plastics measure into law.

SB 54 enacts the Plastic Pollution Prevention and Packaging Producer Responsibility Act (Act), which imposes minimum content requirements for single-use packaging and food service ware and source reduction requirements for plastic single-use packaging and food service ware, to be achieved through an extended producer responsibility (EPR) program.

### **DOF Monthly Finance Bulletin: Revenues Close to Estimates**

The Department of Finance monthly **Finance Bulletin** was released late last week, indicating that revenues for the first eleven months of the 2021-22 fiscal year were pretty much spot-on with the 2022-23 May Revision estimates. Total cash receipts were \$200 million above the forecast, while cash receipts for the month were \$1.106 billion above the forecast, due to higher proceeds from the sales and use tax and corporation tax.

Personal income tax receipts to the General Fund for the fiscal year were \$1.124 billion below the forecast of \$131.488 billion. Cash receipts for May were \$86 million below the forecast of \$6.409 billion. Sales and use tax revenues for the first eleven months of the fiscal year were \$463 million above the forecast of \$29.878 billion. Cash receipts for May were \$460 million above the forecast of \$3.955 billion. Corporation tax cash receipts for the first eleven months of the fiscal year were \$592 million above the forecast of \$34.841 billion. Most of the \$592 million above forecast, or \$363 million, was due to Pass-Through Entity (PTE) elective tax payments. Cash receipts for May were \$487 million above the month's forecast of \$857 million. PTE elective tax payments were \$370 million above the forecast of \$0. (Since final 2021 tax year PTE elective tax payments were due in March and the first 2022 tax year PTE elective tax payments are not due until June, the forecast assumed no payments would be made in May.)

### **Feds Approve Phase-In of Medi-Cal Asset Test Elimination**

On June 29, 2022, the Department of Health Care Services received federal approval of California's two-phased approach to increase, and eventually eliminate, asset limits for certain Non-Modified Adjusted Gross Income (Non-MAGI) Medi-Cal populations through the CalAIM Section 1115 Demonstration waiver amendment. The changes will affect the Non-MAGI Medi-Cal beneficiary population who have historically been limited in the amount of property they can own and retain, and still be eligible for Medi-Cal.

Effective July 1, 2022, asset limits will be increased to \$130,000 per person and \$65,000 for each additional household member. The prior asset limits were \$2,000 per person and \$3,000 for two people. This increase in asset limits will make Medi-Cal coverage accessible to a larger number of potentially vulnerable Californians, including elderly and disabled individuals. The eventual elimination of the asset limit will be implemented no sooner than January 1, 2024.