



*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](#).*

**January 6, 2023**

**Happy New Year!**

### **New Year, New Legislature; Governor Inaugurated for Second Term**

The newly constituted houses of the Legislature returned to Sacramento for a quick two days of meetings to start off the 2023 legislative year. The houses held floor session on Wednesday and Thursday before returning to their districts for the weekend. Up to this point, fewer than 200 bills have been introduced – 103 on the Assembly side and 94 on the Senate side. These totals include all manner of proposals – routine bills, special session bills, house resolutions, and constitutional amendments. That number will, of course, increase as we approach the February 17 bill introduction deadline. Capitol observers noted with great interest newly announced committee chairs in both houses. In several instances, a change to a committee chair was necessitated by the departure of previous chair, while in other cases inquiring minds were left to wonder why certain members were no longer occupying the chair's seat. We note the following policy committee assignments of consequence:

#### ***New Senate Policy Committee Chairs***

- **Health Committee** – Senator Susan Talamantes-Eggman (representing portions of Sacramento, San Joaquin, and Stanislaus Counties)
- **Public Safety Committee** – Senator Aisha Wahab (newly elected, representing portions of Alameda and Santa Clara Counties)
- **Human Services Committee** – Senator Marie Alvarado-Gil (newly elected, representing all or portions of Alpine, Amador, Calaveras, El Dorado, Inyo,

Madera, Mariposa, Merced, Mono, Nevada, Placer, Stanislaus, and Tuolumne Counties)

- **Natural Resources and Water Committee** – Senator Dave Min (representing portions of Orange County)

***New Assembly Policy Committee Chairs***

- **Aging and Long-Term Care Committee** – Assembly Member Jasmeet Bains, MD (newly elected, representing portions of Kern County)
- **Human Services Committee** – Assembly Member Corey Jackson (newly elected, representing portions of Riverside County)
- **Rules Committee** – Assembly Member James Ramos (representing portions of San Bernardino County)
- **Joint Legislative Audit Committee** – Assembly Member David Alvarez (representing portions of San Diego County)

No changes were made to the respective budget committee chairs – Senator Nancy Skinner and Assembly Member Ting remain in place – but there will be some new faces among budget subcommittee chairs, including:

- Senator Caroline Menjivar as chair of Senate Budget and Fiscal Review subcommittee #3 on health and human services issues,
- Senator Steve Padilla as chair of Senate Budget and Fiscal Review subcommittee #4 on general government,
- Assembly Member Steve Bennett as chair of Assembly Budget subcommittee #3 on resources, and
- Assembly Member Mia Bonta as chair of Assembly budget subcommittee #5 on public safety.

For additional details on committee assignments, see Assembly committee appointments [here](#) (chairs/vice chairs only given that Assembly Speaker Rendon has yet to specify the full membership of his house’s committees); and Senate committee appointments announced by Speaker pro Tempore Atkins are [here](#).

Governor Gavin Newsom’s inauguration was held today at noon where he was sworn in for his second term. On Tuesday of next week, the Governor will unveil his fifth state budget proposal. Stay tuned for more budget news; as is customary, HBE will release a comprehensive summary of the Governor’s spending plan that same day.

**Big City Mayors Seek Additional Homelessness and Infrastructure Funds**

On December 23, the coalition of “Big City Mayors” made up of the state’s 13 largest cities wrote a letter to Governor Newsom identifying their 2023-24 state budget homelessness request. The coalition of mayors is seeking as their top

priority the extension and expansion of the Homeless Housing, Assistance and Prevention (HHAP) program. The Big City Mayors are requesting HHAP be funded at \$2 billion per year in 2023-24 through 2025-26 (for a total of \$6 billion). Recall last year's state budget agreement earmarked \$1 billion per year for 2022-23 and 2023-24 but included no funding for the program beyond 2023-24. Therefore, the Big City Mayor's request would increase that previous commitment by \$1 billion in 2023-24 and commit the state to an additional two years at that higher amount.

Additionally, the Big City Mayors are requesting \$1.5 billion for Project Homekey, additional funding for behavioral health facilities like board and care and acute care facilities, and \$150 million for the largest 13 cities through the Californians for All Youth Jobs Corps initiative.

With a looming budget deficit, it is unclear at this point what the Administration will propose relative to the funding cliff for HHAP and Project Homekey; we will know more with the release of the Governor's January Budget next Tuesday.

### **Governor Newsom Appoints New Cal OES Director**

On the last day of 2022, Governor Newsom **announced** the appointment of Nancy Ward as Director of the California Governor's Office of Emergency Services (Cal OES). Ward, the first woman to hold the Cal OES director position, has served in multiple positions at Cal OES over the last eight years in addition to decades of leadership in emergency management, including approximately 15 years in various positions at the Federal Emergency Management Agency (FEMA). She replaces Director Mark Ghilarducci who served in the role for nearly a decade prior to his retirement.

### **Medi-Cal Managed Care Plan Updates**

The Department of Health Care Services (DHCS) announced an agreement on December 30 to settle disputes with commercial health plans over the Medi-Cal managed care plan reprocurement. Several plans had submitted appeals to DHCS over the awarding of Medi-Cal managed care contracts in August. The announcement settles – effective January 2024 – the question of the counties in which the following plans will operate: Blue Cross of California Partnership Plan (“Anthem”), Blue Shield of California Promise Health Plan, CHG Foundation d.b.a. Community Health Group Partnership Plan, Health Net Community Solutions, Inc. and Molina Healthcare of California. See details on the plans and the counties they will serve [here](#).

In other Medi-Cal managed care plans news, DHCS announced in December sanctions on Medi-Cal managed care plans for failing to meet Minimum Performance Levels (MPLs), which are being used to measure quality. Twenty-two of the 25 Medi-Cal managed care plans are being sanctioned for a

total of \$2.3 million. The sanctions on individual plans are relatively modest – ranging from \$25,000 to \$437,000. The three plans that met the performance levels are CenCal Health, Kaiser North and Kaiser South.

Under their contract with DHCS, Medi-Cal managed care plans are required to meet or exceed the performance levels DHCS established for each required performance measure. In calendar year 2021, according to validated performance measures from the External Quality Review Organization, more than half of the plans fell below performance levels for immunization rates, well-infant and well-child visits, breast cancer screenings, and cervical cancer screenings, leaving significant room for improvement in children’s and women’s preventive services. The majority of Medi-Cal managed care plans performed above MPL for the management of chronic conditions, including controlling high blood pressure and diabetes care.

All managed care plans failing to meet Minimum Performance Levels are required by January 31, 2023, to:

- Submit a revised comprehensive quality strategy, including new interventions designed to meet or exceed the required 2023 milestones.
- Detail how the plan intends to devote adequate resources and staff to quality improvements.
- Work closely with DHCS’ quality team on data-driven improvement efforts that will address disparities experienced throughout the state on an ongoing basis.

DHCS grouped plan performance into green, yellow and red tiers. Plans in the red tier (weakest performance) include Aetna, Anthem Blue Cross, California Health and Wellness, Health Net, Kern Health Systems, Molina Health Plan, and Partnership Health Plan.