

Memo

To: Board Members
From: Christian Wallis
Date: September 6, 2024
Subject: Government, Legal & Legislative Relations Committee Minutes – **July 18, 2024**

The Committee met on Thursday, July 18, 2024, at 1:00 p.m. Members of the public were able to participate by telephone, Zoom, or in-person at the Grossmont Healthcare District Conference Center, located at 9001 Wakarusa Street, La Mesa, CA.

Attendees: Director Virginia Hall, Chair
Gloria Chadwick, Member
Christian Wallis, Chief Executive Officer
Amy Abrams, Chief Community Health Officer
Tim Madden, Madden + Quinonez Advocacy (via Zoom)
Elly Maienschein, Sharp Healthcare (via Zoom)
Ryan Purdy, Sharp Grossmont Hospital (via Zoom)

- A. Call to Order** – The meeting was called to order by Director Hall at 1:05 p.m.
- B. Approval of Agenda** – The agenda was approved as posted.
- C. Public Comment** – There was no public comment.
- D. Reports/Discussion/Possible Action Items**

- 1. Legislative Update – Tim Madden

Mr. Madden gave the Committee a legislature update, which is currently in summer recess (July 3 – August 3), with the legislative year and legislative 2-year session almost coming to an end. Prior to the recess, policy committees were required to hear bills in the second house. For those bills that passed, the next step is to move to the Appropriations Committee to review the fiscal impact of the bills on California.

The California budget recently passed with a substantial shortfall, which had drastic changes from the original proposed budget.

2. 2024/2025 May Budget Revise – MCO Tax & Song Brown Funding

In January, the Governor proposed to use his original structure of the Management Care Organization (MCO) tax, which would generate \$1.3B. This money would provide Medi-CAL healthcare provider payment increases. In the Governor's May budget revise, he decided to instead use the funds to backfill the State's General Fund (\$6.7B) over a 3-year period. The legislature negotiated a portion of the MCO tax for provider rate increases.

Within the MCO funds, \$75M in funds was originally designated towards graduate medical education programs, but has since largely been removed.

The Song Brown grant was reviewed by legislature committees and after negotiations, funding was preserved for any existing programs. The \$10M portion of the Song Brown grant budget (for the new and expanding residency programs), will be split between the two categories, but it is unknown what the final budget amount will be for the new residency programs. An information sheet will be published in the coming days with more detailed grant information. A timeline with deadlines and upcoming events, as well as a relative discussion with Assemblymember Weber, was shared with the Committee.

3. Propositions 5 and 35

Proposition 5 is regarding the lowering of the 55% threshold for affordable housing and infrastructure projects. This includes local hospital construction. If it passes, it would apply to future bonds, as well as any on the November ballot.

Proposition 35 is related to the MCO tax and protects Medi-CAL funding, as well as aims to increase the funding. If this Proposition passes, it would go into effect January 1, 2025, and what is contained within it will take precedence over the budget negotiations. The Committee suggested planning an information session (some time in October) for local constituents on this proposition and others to discuss the pros and cons and what it means to vote. The District would be unable to take a stance on any bill or proposition and the session would strictly be informational. Ms. Maienschein suggests inviting California Medical Association as a potential speaker or representative.

4. SB 1432 – 2030 Seismic

This bill is sponsored by the California Hospital Association regarding seismic standards. The original bill was to extend the seismic requirement deadline to 2038. However, after negotiations and coming after the Senate Health Committee, the bill has been amended (and approved) to revise the extended deadline from 2038 to 2033 (with 5 "option" years so as long as certain criteria is met). Amendments were

made relative to small, rural hospital programs and placed into the bill. This bill passed out of the Assembly Health Committee and continues into the Appropriations Committee. Sharp Hospital successfully met the 2020 seismic deadline, but is in favor of the extension.

5. SB 1238 – Involuntary Hold/Substance Abuse Disorder

This bill is a follow-up to SB 43 that was signed last year. SB 43 allowed for involuntary holds on those individuals who were already diagnosed with a mental health disorder, currently having a substance abuse crisis for the gravely disabled. However, due to a lack of space within emergency departments, SB 1238 allows for counties to designate additional facilities to accept patients that are on a 5150 hold for severe substance abuse. This bill is currently in the Appropriations Committee. The Governor's office is likely open to this bill, per Mr. Madden. If this bill does not pass, more patients will be delivered to local hospitals, causing overcrowding.

6. SB 895 – BSN Pilot at Community College (AB 2104 Mirrored Bill)

This bill is similar to AB 2104. It allows for the state to appoint up to 15 community colleges in order to conduct a bachelor's degree nursing pilot program. It is expected that the number of colleges will be reduced from 15 down to 10 for SB 895, since the same was done for AB 2104. Both bills are in the Appropriations Committee.

7. SB 963 – Human Trafficking

This bill would require medical facilities to establish a process in order to report patients with potential human trafficking or domestic violence. This bill is currently in the Appropriations Committee.

Ms. Maienschein shared that two new Sharp employees have been hired in the government relations department and will be introduced to the Committee soon. Additionally, Tori Floyd will be the new Assistant Director of Community Relations for UCSD Health with a focus on the east county campus.

E. Next Meeting – The next regularly scheduled meeting is on calendar for Wednesday, August 7, 2024, at 1:00 p.m.

F. Adjournment – There being no further business, the meeting adjourned at 2:00 p.m.