



Date: June 24, 2021
To: Board of Directors
From: Afomeia Tesfai
Re: Detailed Policy Update for Review

This document provides an update on emerging and major policy matters facing our health centers, and an overview of our actions to address these issues. The first page is a summary of pertinent legislation and advocacy actions that AHC is involved in to advance our policy agenda.

Detailed Policy Update for Review:

I. Federal Updates:

A. President's FY 2022 Budget Proposal

As you know, President Biden a few months ago presented the American Jobs Plan (\$2.3 trillion) & American Families Plan (\$1.8 trillion). Subsequently, the President put forth his budget request, \$5.6 trillion to Congress, which includes:

- i. American Jobs Plan - \$2.3 Trillion
- ii. American Families Plan - \$1.8 Trillion
- iii. Appropriations/Discretionary Funding = \$1.5 Trillion

Multiple negotiations between Republicans and the Biden Administration has delayed consensus on the infrastructure package. It's unclear whether the Administration will continue with negotiations to reach a bi-partisan deal or consider using the budget reconciliation process to advance Biden's American Families Plan and Americans Jobs Plan, with provisions to address and improve health care, social services, and climate change.

Congress will make the final decision on spending budget by September 30th.

B. Future of Telehealth

Senate Finance Committee held a hearing on 5/19; Senators shared their support for continuing the current telehealth components and flexibilities when the public health emergency measure is lifted. The Government Accountability Office still hasn't committed yet to making a decision whether telehealth should continue, concerns remain regarding program integrity, patient's health and safety and expansion cost.

Representative Smith & Representative Gottheimer recently introduced, the Permanency for Audio-Only Telehealth Act to preserve the current Medicare reimbursement rate for telephonic-only services after the pandemic ends.

C. 340B Drug Program

The June 1st deadline set by HHS to resume immediate shipment of 340B-priced medication to contracted pharmacies passed with strong resistance from manufactures. None of the six manufactures responded with plans to resume 340B drug shipments. HHS will have to consider imposing Civil Monetary Penalties if manufacturers continue to defy their demand.

D. Rescinding Trump-era Dangerous Policies

- i. Efforts to remove Trump-era regulations continue by restoring Family Planning support services and removing the insulin/epi-pen regulation:

- Family Planning: AHC supported the Notice of Proposed Rulemaking, Title X proposed rules to return to the 2000 regulations, restoring quality and affordable family planning for patients,

[Click for Title X Support Letter](#)

- insulin/Epi-pen Regulation: The Office of Management and Budget completed their review of Bureau of Primary Health Care's request to rescind insulin and epipens rules. NACHC expects the "Notice of Proposed Rulemaking" will be available for CHCs to review and comment on soon.

E. Legislation

- i. HR 3 (Rep. Cummings) – Lower Drug Costs Now Act: Reintroducing this bill from last year, to require HHS to negotiate Medicare drug prices, without the 340B provisions and put a cap on out of pocket spending to \$2000.
- ii. H.R.1027 (Rep. Stabenow & Capito) – Hallways to Health Act: This legislation seeks to invest in school-based health centers to provide comprehensive health care to students. The bill specifically calls for the following investments:
 - \$200 million to help school-based health centers provide comprehensive health care to students
 - \$50 million to expand behavioral health care
 - \$100 million for the construction of new clinics and improvements of clinics
 - Expand programs and embed telehealth services as part of services offered
 - Technical assistance support

II. State Updates

A. Governor's May Revised Budget

Governor Newsom presented his May Revised Budget with excitement and positive outlook for the future of Californians. The unexpected, one-time surplus of \$100 billion in the May Revised Budget gives the Administration an opportunity to make structural changes by

pouring into households, addressing homelessness and granting undocumented individuals the right to access benefits. The Governor's revised budget proposes key investments that will be negotiated to produce the final budget:

- i. Direct Economic Assistance for Families – \$8 billion
- ii. COVID-19 Response & Recovery – \$12.3 billion
 - Vaccine Distribution
 - Pandemic Response Review
 - Support for Public Hospitals and Health Systems Recovery
- iii. Expanding Health Care Coverage and Enrollment Services – \$1.16 billion
 - Expansion of Medi-Cal Eligibility to Seniors Aged 60 Years and Over Regardless of Immigration Status
 - Medi-Cal Extension of Coverage to Postpartum Individuals
 - County Administration Funding for Post-Public Health Emergency Redeterminations
- iv. CalAIM Implementation- \$1.6 billion
- v. Student Access to Behavioral Health Services – \$400 million
- vi. Housing and Homelessness – \$12 billion
- vii. Broadband Access – \$7B

B. Day at the Capitol

AHC hosted a series of virtual meetings for Day at the Capitol with Senators and assemblymembers. Meetings were used to convey our COVID-19 response and recovery efforts and our priority legislation. Policymakers were impressed and commended our health centers for their role and achievements to control the pandemic.

C. Legislation

The following list summarizes the bills that AHC has supported:

- i. AB 650 COVID-19: Hazard Pay Retention Bonuses (Muratsuchi): Establishes hazard pay retention bonuses for health care workers. CHCs are considered a covered entity by definition.
 - i. Pay rate of \$5 dollars per hour for each hour worked
 - ii. Expected to go into effect 1/1/2022
 - iii. Includes retroactive pay for any hours worked starting 1/1/2021

Status: Placed on Inactive File, no vote was taken on the bill and this bill will not move forward this year.

- ii. AB 32 (Aguiar-Curry): Mandates health plans and insurers to reimburse providers for audio-video, audio-only and other forms of virtual communications at the same PPS rate as in-person visits until 1/1/2025.

Status: Passed the Assembly and referred to Senate Health Committee

- iii. AB 4 (Arambula) & SB 56 (Durazo): Health4 All – Expand Medi-Cal Coverage to the undocumented 65 years of age or older.
Status: Passed the Assembly, referred to Senate Health Committee
- iv. SB 316 (Eggman): Allow same-day Medi-Cal billing for mental health visits.
Status: Passed the Senate Floor
- v. AB 368 (Bonta): Pilot Food Prescription Program to Improve Access and Equity in 3 counties, including Alameda County.
Status: Placed on Appropriations' Suspense File, maybe be reintroduced in 2022.
- vi. AB 1358 (Bonta): Establish standards to collect and share disaggregated data for communities of color by health departments.
Status: Referred to Committee on Governmental Organization, Committee on Health and Committee on Judiciary

[Click for Legislative Tracker](#)

D. Special Primary Election for District 18

Alameda County will be holding a Special Primary Election on June 29th to fill the vacant, Assembly Seat District 18 seat, formerly held by Rep. Bonta. The candidate who garners majority votes (more than 50%) in the special primary election will be announced the winner. However, if a candidate doesn't receive a majority, a general election will have to be held in August.