



ACHD
ASSOCIATION OF CALIFORNIA
HEALTHCARE DISTRICTS

ACHD Advocate

Follow Up October 2023

In this follow up:

- End of Session Legislative Outcomes

CEO MESSAGE

As promised, ACHD is following up with a **second installment of the ACHD October Advocate** in order to provide you with the final results of high-priority legislation following the Governor's October 14th deadline to act on bills that made it to his desk. Below, [Sarah Bridge, Sr. Director at Strategies 360](#), provides a summary of those outcomes, as well as an additional document detailing the fate of all bills seeking Governor Newsome's signature.



Cathy Martin
Chief Executive Officer

Be sure to save the date for our **New Laws in 2024 Webinar**, scheduled for **Monday, December 4th at 11:00 AM**, to hear from Sarah about what healthcare districts need to know moving ahead in 2024.

LEGISLATIVE UPDATE

Governor Newsom's bill signing deadline closed at midnight on October 14, 2023. Strategies 360, ACHD's lobbying firm, has put together an end-of-session report, [available here](#), that gives a broad overview of the political landscape in California. Below, are updates on high-priority bills for healthcare districts. Additionally, ACHD will host a **New Laws in 2024 webinar in December**. This is an opportunity for your district to learn more about bills that will take effect in the coming year and what to expect politically in the next year of the legislative session.

ACHD actively positioned on **35 bills**, while also monitoring and engaging informally on over **240 bills**. ACHD sponsored **SB 784 (Becker)**, which would allow all district hospitals to employ physicians directly. **ACHD was also the lead opposition or support on nearly ten measures**. This is a remarkable increase in the Association's visibility in the Capitol. We look forward to January when the legislature returns and we can pick up our work on several high-priority bills that were stalled or stopped this year. The [upcoming legislative calendar can be found here](#).

High Priority Bills Signed by the Governor

[ACA 1 \(Aguiar-Curry\): Local government financing: affordable housing and public infrastructure](#) – ACHD Position: **Support**

ACA 1 finally reached the Governor's office and received a signature. The constitutional amendment would create a new voter approval mechanism with a vote threshold of 55% for approval of local general obligation bonds and special taxes related to certain affordable housing and infrastructure projects. The measure will now go to the voters for approval on the November 2024 ballot.

[AB 40 \(Rodriguez\): Emergency medical services](#) – ACHD Position: **Neutral**

The controversial AB 40, which seeks to address ambulance patient offload times, was signed into law. The final version reflects several rounds of amendments, however, it still establishes a statewide 30-minute standard for patient offload times.

[AB 242 \(Wood\): Critical Access Hospitals Physician Employment](#) – ACHD Position: **Support**

AB 242 makes permanent the pilot program that allowed California's critical access hospitals to directly employ physicians. Without the bill, the program would have sunset (expired) in 2024. **ACHD members were lead testimony in support of this bill.**

[AB 557 \(Hart\) Open meetings: local agencies: teleconferences](#) – ACHD Position: **Support**

AB 557 eliminates the sunset (expiration date) on the emergency remote meeting procedures and adjusts the resolution timeframe to allow public agencies 45 days between approvals for remote participation.

[AB 918 \(Garcia\) Health care district: County of Imperial](#) – ACHD Position: **Concerns**

AB 918 establishes a county-wide district in the Imperial Valley. In doing so, it dissolves both the Pioneers Memorial Health Care District and the Heffernan Memorial Healthcare District. The bill has an urgency clause, so it will take effect immediately.

[AB 1484 \(Zbur\): Temporary public employees](#) – ACHD Position: **Neutral**

AB 1484 requires public employers to join temporary employees in any relevant collective bargaining units. **Amendments, successfully negotiated by ACHD,** ensure that this does not extend to staffing agency employees so long as PERB has not made any determination on the issue.

[SB 525 \(Durazo\): Minimum wages: health care workers](#) – ACHD Original Position: **Oppose, then neutral after amendments**

In the final days of the signing period, the Governor signed SB 525, which creates a statewide healthcare worker minimum wage. The bill, in its final version, is the result of stakeholder negotiations led by the hospital association and sponsors of the bill, including conversations with the Administration. These negotiations were helpful to some of our members, and therefore, once a deal was struck ACHD moved to a neutral position.

The Administration struggled with signing the measure as it has significant state costs. The Governor's signature means we will see a "clean-up", early-action bill in January to ensure the impact to the state's general fund remains covered. We expect this conversation to occur between stakeholders, the Department of

Finance, and high-ranking members of the Newsom Administration. While the final version provides some predictability and stability with regard to healthcare worker minimum wage moving ahead, ACHD remains concerned about a lack of clarity for our non-hospital healthcare district members and looks forward to working with stakeholders and others on improved clarity.

The minimum wage is broken into three categories by entity type. Those categories are outlined below.

Tier one:

Covered employers with 10,000 or more full time employees, Dialysis Clinics, and any County with a population over 5 million.

- June 1, 2024: \$23 per hour
- June 1, 2025: \$24 per hour
- June 1, 2026: \$25 per hour

Tier two:

Primarily rural health and community clinics as specified in the bill.

- June 1, 2024 - May 31, 2026: \$21 per hour
- June 1, 2026: \$22 per hour
- June 1, 2027: Adjusts by 3.5% until \$25

Tier three:

Rural hospitals and providers with a high government payer mix (at least 90% for a system/ 75% for an acute hospital), or a county with a population of less than 250,000.

- June 1, 2024 - May 31, 2033, \$18 per hour, with 3.5% adjuster annually.

Other important considerations:

- Applies to contracts, contractors, and subcontractors of a covered employer. Must directly or indirectly have control over wages, hours or working conditions.
- Exempt employee's salary shall be no less than 150% of the health care worker minimum wage or 200% of the applicable minimum wage, whichever is greater.
- Once \$25 is reached, adjustments shall be made annually by 3.5% or CPI-W whichever is lower.

[SB 770\(Weiner\): Health care: unified health care financing](#) – ACHD Position: **Watch**

SB 770 (Wiener) which directs the California Health and Human Services agency by June 1, 2025, to have researched and developed a waiver framework with the federal government with the objective of a comprehensive medical coverage system, reminiscent of a single-payer framework. The bill advances the concept of federal financing as a potential option to fund a universal care delivery system.

Vetoed Bills:

[SB 799 \(Portantino\): Unemployment Insurance](#) – ACHD Position: **Oppose**

In the first rounds of signatures and vetoes, the Governor vetoed SB 799, which would make employees striking for more than two weeks eligible for

unemployment insurance. The bill was sponsored by the Labor Federation and was their number one priority. We will likely see a re-introduction of this legislation next session.

The Association of California Healthcare Districts (ACHD) represents Healthcare Districts throughout the state's urban, suburban and rural areas. California is home to 76 Healthcare Districts that play a profound role in responding to the specialized health needs of local communities by providing access to essential health services to tens of millions of Californians while also having direct accountability to the communities that Districts serve. In many areas, Healthcare Districts are the sole source of health, medical and well-being services in their communities.

Learn more at www.achd.org.

Association of California Healthcare Districts
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