

**REPORT ON LEGISLATION MONITORED
BY THE SAN FRANCISCO DEPARTMENT OF PUBLIC HEALTH
IN YEAR ONE OF THE 2001-2002 CALIFORNIA LEGISLATIVE
SESSION**

**SAN FRANCISCO DEPARTMENT OF PUBLIC HEALTH
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REPORT ON LEGISLATION
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I. INTRODUCTION

A. LEGISLATIVE ADVOCACY AND THE STRATEGIC PLAN

The Department's Strategic Plan identified increased local, State and federal advocacy as a key strategy to achieving partnerships with communities that assess, develop, implement and advocate for health funding, policies, programs and services. The Department's activities are coordinated in the Office of Policy and Planning, which, through legislative analysis, participation in statewide coalitions, and collaboration with community partners and colleagues from other counties, reviews and analyzes health-related legislation for the City. The Department works closely with the Mayor's Office of Legislative Affairs to impact those policies that will affect the health of San Franciscans. As set forth in the Strategic Plan, the Department's advocacy objectives are to:

- increase funding for core public health;
- support the costs of caring for the safety-net populations;
- address unnecessary eligibility disparities in categorical funding; and
- increase revenues and reimbursement rates consistent with the Department's other Strategic Planning goals and objectives.

B. OVERVIEW OF THIS REPORT

This document provides a review and final status report for health-related legislation tracked by the Department of Public Health (the Department) in the first year of California's 2000-2001 legislative session, which began on January 3, 2001 and ended on September 14, 2001.

The appendix provides summary information on the legislative process as well as two legislative matrices of enacted, failed and pending bills – one by bill number and the other by key phrase. Enacted bills are those that have been “chaptered” and failed bills are those that have been “vetoed.” Bills with a status of “active” or “inactive” are still pending and will be taken up before the State Legislature when it reconvenes for the second year of its two-year session on January 7, 2002. Two-year bills, however, must be voted out of their house of origin by January 2002 to continue to be active in the Legislature. The Legislature will also introduce additional bills when it reconvenes in January.

C. OVERVIEW OF THE LEGISLATIVE SESSION

In this first year of the session, lawmakers introduced more than 3,300 bills in regular and special sessions and sent 1,135 of those to the Governor's desk. Of these, 965 became law and 170 were vetoed. The Governor convened two special Legislative sessions in 2001 to address the State's energy crisis. The Department monitored 520 health-related bills in 2001. Of those, 165 were signed by the Governor and 30 were vetoed.

The 2001 Legislative year was marked by fiscal uncertainties. The State's energy crisis, the economic downturn, and the terrorist attacks of September 11, 2001 have all contributed to lower than anticipated revenue projections for the current fiscal year (2001-02) as well as for the next fiscal year (2002-03). As a result, the Governor's actions on legislation were in large part

dictated by the State's financial capacity to carry out the policies proposed in those bills. Notwithstanding significant cuts in health services in the state budget process, many of the Department's highest State legislative priorities were retained in the final budget: increased funding for Laguna Honda Hospital and funding for trauma care centers.

1. Trauma Services

AB 430 (Cardenas), the budget trailer bill for health programs, included one-time funding of \$25 million to be allocated to trauma centers like San Francisco General Hospital's trauma center and provides \$5 million to establish a statewide trauma plan. Department staff and the City's lobbyist worked closely with the Save California Trauma Centers coalition in support of this legislative and budget initiative.

2. Skilled Nursing Care

AB 430 also established a program to allow public distinct part nursing facilities to match their local general fund contribution with federal Medicaid dollars. For Laguna Honda, this will mean an additional \$5 million in Medicaid revenue in 2001-02. Once again, Assemblywoman Migden sponsored the distinct part nursing facility budget item on behalf of the Department and we are extremely grateful for her continued support of Laguna Honda Hospital.

3. Health Insurance Expansion

With limited State resources available for health insurance expansions, AB 495 (Diaz) allows local jurisdictions to use their general fund to draw down a federal funding at a match rate of three to one from the State Children's Health Insurance Program. Once the plan is approved by the federal Centers for Medicare and Medicaid Services, counties such as Santa Clara and San Francisco will be able to access federal funding to help subsidize the cost of health insurance for children in families up to 300 percent of the federal poverty level.

4. Aging with Dignity

Introduced in January 2000, the Governor's Aging with Dignity initiative is designed to expand community-based alternatives to inpatient care, enhance the quality of nursing home care and improve enforcement of state and federal regulations. Much of the focus of this initiative has been on nursing home reform. In 2001, the Legislature passed AB 1075 (Shelley), which requires the State to establish staffing ratios for direct caregivers in skilled nursing facilities, and AB 828 (Cohn), which establishes a centralized unit within the State Department of Health Services to respond to consumer concerns about the quality of care and the quality of life in long-term care facilities. Certainly, the Department is also interested in expansions in the community-based care component of the Governor's Aging with Dignity Initiative and will continue to advocate for these programs in the future.

5. Seismic Safety

Unfortunately, due to the State's fiscal outlook, the Legislature did not pass any significant legislation that would provide relief or assistance for hospitals subject to the requirements established by SB 1953. The Legislature will continue to consider a number of bills related to seismic safety in the upcoming year and the Department will continue to pursue this assistance.

II. 2000 LEGISLATIVE SUMMARY

A. SUMMARY OF SELECTED HEALTH-RELATED BILLS ENACTED IN 2001

1. Children/Youth

SB 19 (Escutia) – Student Health CCSF Watch

In an effort to combat childhood obesity, SB 19 increases the reimbursement elementary and middle schools receive for free and reduced-price meals and establishes various limitations and prohibitions on the sale of beverages and foods to students in these schools. As submitted to the Governor, the bill also provided \$5.5 million in grants for local school districts that establish local committees to adopt a school district policy on child nutrition and physical activity. However, Governor Davis vetoed this appropriation citing the possible availability of federal funds for this purpose.

SB 255 (Speier) – Unattended Children in Vehicles CCSF Watch

SB 255 makes it an infraction to leave a child under the age of six unattended in a motor vehicle, and creates a fund for an educational campaign regarding the dangers of leaving a child in a vehicle.

2. Communicable Disease

AB 1452 (Cox) – Meningococcal Disease CCSF Watch

AB 1452 requires the State Department of Health Services to develop information about meningococcal disease, and requires public colleges that provide on-campus housing to provide the information to each incoming freshman.

SB 212 (Oller) – Meningococcal Disease CCSF Watch

SB 212 requires the State Department of Health Services, in consultation with the Department of Education, local public health agencies, and colleges, to develop a Meningococcal Disease Strategic Prevention Plan.

3. Dental

AB 564 (Lowenthal) – Oral Sedation CCSF Watch

AB 564 requires licensed dentists to report incidents involving oral sedation that require medical assistance to the Dental Board of California, which shall have the authority, upon receipt of an incident report, to conduct an inspection of the dental office.

4. Emergency Medical Services

AB 1432 (Corbett) – Emergency Services CCSF Watch

AB 1432 allows funding of local agency personnel costs, equipment costs, and the cost of supplies and materials used during disaster response activities, incurred as a result of a state of emergency proclaimed by the Governor, excluding the normal hourly wage costs of employees engaged in emergency work activities. The bill also authorizes the State Office of Emergency Services to implement mitigation measures for public facility projects that are cost effective and that substantially reduce the risk of future damage, hardship, loss or suffering in any area where a state of emergency has been proclaimed by the Governor.

5. Environmental Health

AB 284 (Jackson) – Fungal Contamination in Indoor Environments CCSF Watch

AB 284 requires the California Research Bureau, which is part of the California State Library, in consultation with the State Department of Health Services, to perform a study of fungal contamination in indoor environments. The bill requires the California Research Bureau to submit the findings of the study to the Legislature and the State Department of Health Services by January 1, 2003.

AB 945 (Wright) – Childhood Lead Poisoning Prevention Program CCSF Support

AB 945 allows certified industrial hygienists to be eligible to provide environmental investigative services as a part of the Childhood Lead Poisoning Prevention Program.

SB 633 (Murray) – Mercury CCSF Support

SB 633 establishes the California Mercury Reduction Act of 2001, which:

- bans the manufacture, sale or supply of mercury fever thermometers;
- bans the sale of novelty items (e.g., toys, games, figurines, shoes) containing mercury;
- prohibits the purchase of specified forms of mercury or mercury-containing devices for K-12 schools;
- subjects any removal or release of mercury-containing motor vehicle light switches to be managed as hazardous waste;
- requires the State Department of Toxic Substances Control to coordinate with local agencies and others regarding the removal and recycling of mercury-containing light switches; and
- requires the State Department of Toxic Substances control to report to the Legislature by January 1, 2004 on the success of removing mercury-containing light switches.

SB 702 (Escutia) – Environmental Health Surveillance System CCSF Support

SB 702 declares legislative intent to establish an Environmental Health Surveillance System to establish ongoing surveillance of the environmental exposures and diseases affecting Californians, with a focus on prevalence and determinants of chronic diseases.

SB 732 (Ortiz) – Mold CCSF Watch

SB 732 enacts the Toxic Mold Protection Act to protect the public from adverse health effects related to the presence of molds in residential and commercial properties. Among other things, this bill:

- requires landlords and sellers of property to disclose the presence of mold to tenants and prospective buyers;
- exempts sellers and landlords from disclosure if the mold was remediated in accordance with guidelines adopted by the State Department of Health Services;
- requires the State Department of Health Services to consider the feasibility of adopting permissible exposure limits; and
- requires the State Department of Health Services to adopt practical guidelines to assess the health threat posed by the presence of mold in an indoor environment and determine whether the presence of mold constitutes mold infestation.

6. Environmental Justice

AB 1553 (Keeley) – Environmental Justice Guidelines CCSF Watch

AB 1553 requires the Governor's Office of Planning and Research, when it adopts the next general plan guidelines, or no later than July 1, 2003, to adopt guidelines for addressing environmental justice matters in city and county general plans.

SB 828 (Alarcon) – Interagency Environmental Justice Working Group CCSF Watch

SB 828 amends current law that requires the Secretary of Environmental Protection to convene a working group to develop an interagency environmental justice strategy by placing interim deadlines and milestones for the working groups tasks. The working group must be convened by before January 1, 2002, must assist the California Environmental Protection Agency in developing an agencywide strategy by July 1, 2002, and examine data, make recommendations, and hold public meetings, among other things, on or before April 1, 2002. The bill additionally requires each board, department, and office within California Environmental Protection Agency to review its programs and identify gaps that may impede achievement of environmental justice by December 31, 2003.

7. Hazardous Waste

AB 1158 (Knight) – Disposal of Aerosol Cans CCSF Watch

AB 1158 allows the "universal waste" rule to apply to onsite treatment of aerosol can hazardous waste and establishes a new process for handling used aerosol cans.

8. Health Care Facilities

SB 751 (Speier) – Hospitals: Surrogate Decisionmakers CCSF Watch

SB 751 requires a hospital to make reasonable efforts to contact a family member or other person with authority to make health care decisions on behalf of the patient when someone arrives in the emergency department who is unconscious or otherwise unable to communicate.

9. Health Insurance Expansion

AB 25 (Migden) – Domestic Partners CCSF Support

AB 25 expands the group of individuals who may register as domestic partners to include opposite sex couples where one member of the couple is over 62 years of age. AB 25 also confers various new legal rights on all registered domestic partners, including the right to receive continued health care coverage as a surviving beneficiary of the deceased employee or annuitant and the right to make health care decisions for an incapacitated partner.

AB 495 (Diaz) – Children's Health Initiatives CCSF Support

AB 495 permits a county agency, a local initiative, or a county organized health system to, through an intergovernmental transfer, access federal matching funds for the purpose of providing comprehensive health insurance coverage to children who are ineligible for other publicly-funded healthcare programs and whose income is at or below 300% of the federal poverty level.

10. Health Professionals

AB 87 (Jackson) – Nursing Education CCSF Support

AB 87 requires the Chancellor of the California Community Colleges to award grants to community college districts to develop curricula and pilot programs that provide training to licensed nurses, including training in the nursing specialty areas of critical care, emergency, obstetrics, pediatrics, neonatal intensive care, and operating room nursing.

AB 487 (Aroner) – Continuing Medical Education Requirements CCSF Watch

AB 487 requires all physicians to complete a mandatory continuing education course in pain management and the treatment of terminally ill and dying patients, and requires the Medical Board of California to develop standards assuring the competent review in cases concerning the under-treatment and under-medication of a patient's pain.

AB 652 (Horton) – Health Professions Education and Outreach CCSF Watch

AB 652 requests the Regents of the University of California, on or before January 15, 2003, to report to the Legislature concerning the University's existing and planned efforts to recruit students to its medical and dental school programs from medically and dentally underserved communities and medically and dentally underserved populations. The bill requests that the University use existing resources to establish dental and medical health professions outreach and exposure programs for elementary, high school, and undergraduate students, including community college students.

SB 664 (Poochigian) – Nursing Education CCSF Watch

SB 664 requires the California Commission on Postsecondary Education to conduct a review and analysis of California community college districts' admission procedures and attrition rates for their 2-year associate degree nursing programs. The Commission is required to submit the findings of the review and analysis, along with relevant recommendations, to the Governor and the Legislature on or before January 10, 2003. As submitted to the Governor, the bill appropriated \$130,000 to conduct this study, however, citing the State's failing economy, the Governor vetoed the appropriation and instructed the Commission to conduct the study using existing resources.

11. Healthy Families/ Medi-Cal for Children

AB 59 (Cedillo) – Express Lane Eligibility CCSF Support

AB 59 establishes express lane eligibility to make it easier for families to enroll their children in Medi-Cal and Healthy Families. Specifically, the bill:

- establishes a statewide pilot project to expedite Medi-Cal enrollment for children receiving free lunches through the National School Lunch Program, effective July 1, 2002;
- creates a process to authorize consent for the release of information on free lunch applications to county welfare departments, and authorizes county welfare departments to quickly enroll children in Medi-Cal upon receipt of such information from school districts;
- authorizes immediate Medi-Cal enrollment of children who are in families with incomes less than 100 percent of the federal poverty level
- requires simplified additional information to determine if children in families over 100 percent of the federal poverty level are eligible for either Medi-Cal or the Healthy Families Program; and
- requires county welfare departments to assist Food Stamp applicants with applying for Medi-Cal and provide information on the Healthy Families program to families that do not qualify for Medi-Cal.

SB 493 (Sher) – Express Lane Eligibility CCSF Support
SB 493 requires the State Department of Health Services, in conjunction with the State Department of Social Services, to implement a simplified eligibility process as part of the Food Stamp Program to expedite Medi-Cal and Healthy Families enrollment. Specifically, SB 493

- requires county welfare departments to develop a data list of individuals on food stamps who are eligible but not enrolled in Medi-Cal or Healthy Families and send a notice to the individuals at the time of annual recertification;
- requires county welfare departments to make a Medi-Cal eligibility determination by utilizing the information in the food stamp recipient's case file, upon return of a signed and dated notice requesting application to Medi-Cal;
- requires information pertinent to the food stamp recipient's eligibility for the Healthy Families Program to be forwarded to the Healthy Families Program administrator for processing, if the food stamp recipient is determined to be eligible for Medi-Cal with a share of cost or ineligible for Medi-Cal.

12. HIV/AIDS

AB 1263 (Migden) – Rapid HIV Test Research Program CCSF Support
AB 1263 authorizes the State Department of Health Services to participate in a rapid HIV Test research program conducted with the federal Centers for Disease Control and Prevention.

13. Injury Prevention

AB 35 (Shelley) – Handgun Safety Certificate CCSF Watch
A companion bill to SB 52, AB 35 establishes a statewide handgun safety certificate program that requires any person who wants to purchase or otherwise transfer a concealable firearm to obtain a Handgun Safety Certificate.

AB 1046 (Migden) – Sharps Injury Control Program CCSF Watch
AB 1046 requires the State Department of Health Services to maintain a Sharps Injury Control program that shall, among other things, maintain a continuously updated list of existing needleless systems and needles with engineered sharps injury prevention.

SB 52 (Scott) – Handgun Safety Certificate CCSF Watch
A companion bill to AB 35, SB 52 provides that effective January 1, 2003, no person may purchase, receive, transfer, or sell a handgun, without a valid Handgun Safety Certificate.

14. Long-Term Care

AB 828 (Cohn) – Long-Term Care Facilities CCSF Watch
AB 828 requires the State Department of Health Services to establish a centralized consumer response unit to respond to consumer inquiries and complaints in long-term health care facilities. The bill requires the response unit to offer assistance to consumers in resolving concerns about the quality of care and the quality of life in long-term health care facilities.

AB 1075 (Shelley) – Nursing Home Staffing Ratios CCSF Watch
AB 1075 requires the State Department of Health Services to develop regulations that establish staff-to-patient ratios for direct caregivers working in a skilled nursing facility. The regulations must be in effect by August 1, 2003 and the State Department of Health Services is required to

submit to the Legislature status reports on the implementation of these ratios on April 1, 2002, April 1, 2003, and April 1, 2004.

AB 1347 (Pescetti) – Dementia CCSF Watch

AB 1347 requires Certified Nursing Assistants working in skilled nursing facilities and intermediate care facilities to complete at least two-hours of dementia-specific training. The bill requires that facilities add this training as a component to their existing orientation program, to be implemented no later than July 1, 2002.

SB 370 (Ortiz) – Senior Wellness CCSF Support

SB 370 establishes within the State Department of Aging, the Senior Wellness Program that includes the Stay Well Program, which focuses on educating California's seniors about the importance of living a healthy lifestyle, and the Program for Injury Prevention in the Home Environment, which provides grants of up to \$150,000 each to local entities for injury prevention information and education programs.

15. Managed Care

AB 1503 (Nation) – Mental Health CCSF Watch

AB 1503 provides a process by which an enrollee of a health care service plan may receive continuing mental health care from a non-participating provider when an employer changes health plans.

16. Medi-Cal

SB 344 (Ortiz) – Medi-Cal Information CCSF Watch

SB 344 requires, commencing March 1, 2002, the State Department of Health Services to post specified information (such as Medi-Cal data tables and program applications) on its Internet web site in a manner that does not require downloading, and is likely to be understood by the general public.

SB 613 (Alarcon) – Managed Care Redetermination of Eligibility CCSF Watch

SB 613 requires the State Department of Health Services to prospectively notify a Medi-Cal managed care plan of the date of the regularly scheduled annual redetermination of a Medi-Cal beneficiary in a disabled aid category who is enrolled in that plan and where eligibility redetermination is the responsibility of DHS.

17. Mental Health

AB 328 (Salinas) – Mental Health CCSF Watch

AB 328 requires the State Department of Mental Health to work cooperatively with the California Mental Health Directors Association and other relevant parties to report to the Legislature by April 1, 2002 on the current and historical structure and financing of county mental health programs.

AB 334 (Steinberg) – Homeless Mentally Ill CCSF Support

AB 334 expands and makes various changes to last sessions AB 34 and AB 2034 community-based treatment programs for persons with mental illness who are homeless or at risk of becoming homeless. In particular, AB 334 includes specific provisions for early intervention clients and requires them to be served in a manner that is designed to meet their needs. The bill defines the training, consultation, and technical assistance that the State Department of Mental Health is required to provide to counties.

AB 590 (Vargas) – Older Adult Systems of Care CCSF Watch

AB 590 encourages the State Department of Mental Health to provide a mental health care provider with training and experience in geriatrics to oversee, monitor, and provide advice to counties providing mental health services under the Adult and Older Adults Mental Health Systems of Care Act.

AB 1424 (Thomson) – Involuntary Commitment CCSF Watch

AB 1424 makes various changes to the Lanterman-Petris-Short Act to increase family involvement in the involuntary commitment process and prohibits health plans from using the voluntary or involuntary status of a psychiatric inpatient admission in determining eligibility for claim reimbursement.

SB 639 (Ortiz) – Alzheimer’s Disease CCSF Watch

SB 639 requires the State Health and Human Services Agency to develop a strategic plan for improving access to mental health services by persons with Alzheimer’s disease or related disorders.

18. Pharmacies/Pharmaceuticals

AB 536 (Bates) – Pharmacy Technicians CCSF Watch

AB 536 increases the current one-to-one ratio of pharmacist technicians to pharmacists to two technicians for each additional pharmacist in pharmacies with more than one pharmacist. The bill permits a pharmacist to refuse to supervise a second technician if the pharmacist determines that a second technician would interfere with the effective performance of the pharmacist’s responsibilities.

AB 826 (Cohn) – Pharmaceutical Practice CCSF Watch

AB 826 permits pharmacists to initiate the drug regimen of a patient pursuant to a patient-specific protocol, and eliminates restrictions on where a pharmacist is permitted to provide clinical advice or patient consultation by eliminating a requirement that these services only be provided in licensed settings.

SB 340 (Speier) – Preferential Pricing CCSF Support

SB 340 allows health care clinics to participate in the 340B federally-subsidized discounted drug program and to contract with pharmacies without having to obtain a wholesaler’s license from the State Board of Pharmacy. Further, SB 340 extends the authority pharmacists currently possess to substitute generic drugs to also substitute a different form of the prescribed medication when it will improve the patient’s ability to comply with the drug therapy.

19. Seismic Safety

AB 832 (Corbett) – OSHPD CCSF Support

AB 832 requires all regulatory submissions made to the California Building Standards Commission by the Office of Statewide Health Planning and Development (OSHPD) to be deemed emergency regulations. It revises specified seismic evaluation requirements, and clarifies provisions of law relating to OSHPD’s ability to grant flexibility to hospitals in meeting seismic safety requirements by limiting these provisions to only those seismic safety provisions relating to new state responsibilities and hospital owner responsibilities.

20. School Health

SB 231 (Ortiz) – Medi-Cal/Schools CCSF Watch

SB 231 provides that schools receive Medicaid reimbursement for all eligible services they provide and authorizes the State Department of Health Services to undertake all necessary activities to recoup matching funds from the federal government for reimbursable services that have already been provided in the State's public schools.

21. Standard and Regulations

AB 1311 (Goldberg) – Patient Records CCSF Watch

AB 1311 entitles any patient to a copy, at no charge, of the relevant portion of the patient's medical records, upon presenting to the provider a written request and proof that the records are needed to support an appeal regarding eligibility for public benefit programs. Health care providers are required to transmit copies within 30 days of receiving the request. The bill permits hospitals or health care providers, if the patient's appeal is successful, to bill the patient for the copies of the medical records previously provided free of charge.

SB 456 (Speier) – HIPAA CCSF Watch

SB 456 establishes a statutory framework to meet the federal requirements of the Health Insurance Portability and Accountability of 1996, and specifies the responsibilities of the statewide Office of HIPAA Implementation within the State Health and Human Services Agency to ensure statewide HIPAA compliance.

22. State Budget

AB 430 (Cardenas) – Budget Trailer Bill for Health CCSF Support

AB 430 was the omnibus budget trailer bill that implemented the health-related provisions contained in the 2001-02 State budget. Included among the specific budget provisions enacted by AB 430 were:

- \$25 million for trauma centers;
- Establishment of a public distinct part nursing facility supplemental Medicaid match program;
- \$61.8 million to expand Healthy Families to parents of enrolled children up to 250% of the federal poverty level;
- \$10 million increase for AB 34 and AB 2034 mental health programs;
- \$5 million decrease for supportive housing;
- full funding of the AIDS Drug Assistance Program;
- \$4 million decrease for HIV prevention;
- flat funding for public health subvention; and
- \$9.5 million to adopt a federal option to provide breast and cervical cancer treatment to low-income women.

23. Substance Abuse

AB 98 (Zettel) – Controlled Substances CCSF Watch

AB 98 makes the possession of a benzodiazepine drug (a “date rape” drug) without a prescription a misdemeanor or an infraction.

AB 258 (La Suer) – Controlled Substances CCSF Watch

AB 258 revises the controlled substance scheduling of gamma hydroxybutyrate (GHB, a “date rape drug”) from Schedule II for all forms of the drug to Schedule I for unlawful use or sale of the drug and Schedule III for FDA approved medical use of the drug.

AB 289 (Oropeza) – Narcotic Treatment Programs CCSF Watch

AB 289 exempts narcotic treatment programs regulated by the Department and Alcohol and Drug Programs from restrictions on the employment of licensed physicians and surgeons and podiatrists by a corporation or other artificial legal entity, provided that the program does not interfere with, control, or otherwise direct the professional judgment of a physician and surgeon.

SB 223 (Burton) – Proposition 36 CCSF Support

As submitted to the Governor, SB 223 appropriated \$18 million to the State Department of Drug and Alcohol Programs to provide money for urinalysis testing of participants in Proposition 36 drug treatment programs. The Governor vetoed the \$9.6 million General Fund appropriation, leaving \$8.4 million in federal Substance Abuse Prevention and Treatment block grant funds. In his veto message, the Governor stated that \$8.4 million is estimated to be sufficient to provide drug testing for Proposition 36 participants and, in addition, cited the “rapid decline of our economy and a budget shortfall of \$1.1 billion through the first three months of this fiscal year alone,” as additional reasons for his budget veto.

SB 322 (Ortiz) – Tobacco CCSF Watch

SB 322 prohibits the sale, distribution or importation of the tobacco product commonly referred to as bidis or beedies.

SB 757 (Ortiz) – Tobacco Sales to Minors CCSF Watch

SB 757 authorizes the State Department of Health Services to make targeted sting inspections of retail sites where minors are being sold tobacco products. The bill expands these investigations to include telephone, mail and Internet tobacco sales to minors and expands the crime against providing tobacco products to minors.

24. Women’s Health

AB 1025 (Frommer) – Breast Feeding CCSF Watch

AB 1025 requires employers to provide reasonable unpaid break time and to make reasonable efforts to provide the use of an appropriate room for an employee to express breast milk for the employee's infant child.

SB 1169 (Alpert) – Emergency Contraception CCSF Support

SB 1169 permits pharmacists to initiate emergency contraception, under a physician-approved program, after completing an accredited training program or a program approved by the State Board of Pharmacy.

B. SUMMARY OF SELECTED HEALTH-RELATED BILLS THAT FAILED IN 2001

1. Children/ Youth

AB 1147 (Thomson) – MCH Allocations Vetoed CCSF Support

AB 1147 would have appropriated \$2.6 million General Fund for county Maternal and Child Health programs, which received a cut of this amount in the 2001-02 State budget. Because the State restored these cuts through internal accounting procedures without the need for further legislation, the Governor vetoed AB 1147.

Veto Message: Given the rapid decline in California's economy I was forced to make difficult choices and reduce funding to many worthwhile programs. However, recognizing the importance of the MCH program, when I vetoed the funds from the budget I directed the Department of Health Services to use its administrative authority to redirect existing funds to ensure that MCH services are maintained to the greatest extent possible and that federal funds are maximized. DHS has assured me that the funds being temporarily redirected from other programs are available for this purpose without harming or curtailing those programs.

While I appreciate the desire of the Legislature to restore these funds, doing so would only make the difficult choices ahead even more difficult given the state of our economy and the anticipated budget shortfall in the next fiscal year.

SB 101 (Brulte) – Abandonment of Newborns Vetoed CCSF Watch

SB 101 would have appropriated \$1 million to establish a social marketing campaign targeted at populations that are likely to abandon their newborn infants in order to articulate the options that are available to them, including legally abandoning a newborn infant pursuant to SB 1368 of last year. Though this bill was vetoed, the Governor directs the several departments to work collaboratively to address this issue in a cost-effective manner.

Veto Message: This bill would appropriate \$1 million from the General Fund to the California Department of Social Services to implement a media campaign that would inform persons, likely to abandon their newborn infants, about other options available to them under recently enacted legislation known as "Safe Arms for Newborns". While I am highly supportive of the intent of this bill, it would result in the expenditure of General Fund dollars that were not included in the Budget Act of 2001.

Since the enactment of "Safe Arms" the Department of Social Services (CDSS) has been working with local agencies, as well with State agency partners, to increase public awareness about the provisions of the law. I am directing the Department of Social Services to pursue further collaborative efforts with the Department of Health Services, the Department of Education, and the Office of the Attorney General to develop an outreach plan that would address this issue in a cost-effective manner.

2. Dental

SB 1041 (Ortiz) – Donated Dental Services Program Vetoed CCSF Watch

SB 1041 would have appropriated \$125,000 to establish the Donated Dental Services Program to increase access to dental services for special populations by encouraging the delivery of volunteer dental services for the disabled and elderly by California's practicing dentists.

Veto Message: This bill would establish, within the Department of Developmental Services, the Donated Dental Services Program (DDSP). The DDSP would increase

AB 1477 (Hertzberg) – 311 Non-Emergency System Vetoed CCSF Watch

AB 1477 would have allowed cities, counties, and certain joint powers authorities to establish a 311 non-emergency system and would have authorized a telephone service surcharge increase of up to 0.25% in those locales which opt to provide the non-emergency system.

Veto Message: This bill would authorize every local public agency to establish a 311 non-emergency telephone system. This 311 system would be funded by a state-imposed surcharge of 1/4 of 1% (0.25%) on intrastate telephone communication services.

The bill would require the Department of General Services (DGS) to develop technical and operational standards for the development of a coordinated 311 system, review locally submitted plans and monitor such plans for compliance. DGS would determine if an increase to the surcharge is needed, and it would also be responsible for the disbursement of collected funds from the surcharge to public agencies and communications equipment suppliers for costs associated with the 311 system. While I agree with the author that the 911 emergency system is overburdened in some jurisdictions, I believe that the solution provided by AB 1477 is unnecessary at this time.

First, DGS has conducted research on the implementation of non-emergency pilot projects and has recommended that the State not invest in a 311 system without conclusive information regarding the relative benefits of such a program. Because this bill would authorize an additional surcharge on telephone users to support this program, there should be ample justification to support the proposed level of the increase. However, none of the pilot studies authorized by previous legislation have been able to provide this justification. In addition, local governments are already authorized to impose telephone surcharges on users within their jurisdictions, and may use those revenues to establish non-emergency telephone systems. To the extent that individual communities determine a 311 program to be beneficial, local jurisdictions may implement such programs under existing law and I would encourage such a local initiative.

5. Healthy Families/ Medi-Cal for Children

SB 833 (Ortiz) – Medi-Cal Eligibility Vetoed CCSF Support

SB 833 would have established the definition of unemployment for purposes of Medi-Cal eligibility on the net nonexempt earned income of the principal wage earner only, and would have increased the income level to 200 percent of the federal poverty level.

Veto Message: This bill would expand Medi-Cal eligibility by allowing more two-parent families to enroll. From the beginning of my administration, I have made providing health coverage for children a major priority. In my first two budgets, I launched an aggressive outreach campaign, expanded eligibility and dramatically simplified the application process. Medi-Cal eligibility has been expanded to provide no-cost benefits to low-income families with incomes at or below 100 percent of the federal poverty level (FPL); to aged, blind, and disabled persons with low income below 133 percent FPL; and to working disabled individuals up to 250 percent FPL. Medi-Cal has provided additional coverage by simplifying the complex eligibility process through the elimination of quarterly status reporting, providing continuous eligibility for children, and continuing coverage eligibility for persons leaving CalWORKS until their annual Medi-Cal redetermination date.

California has made progress in reducing the number of uninsured persons in the state. These Healthy Families and Medi-Cal Program enhancements are estimated to provide affordable health insurance for an additional 1.1 million California citizens in 2001.

However, due to the rapid decline in the economy and a budget shortfall of \$1.1 billion through the first three months of this fiscal year alone, I have no choice but to oppose additional General Fund spending, including the \$1 million cost of this bill.

6. HIV/AIDS

AB 916 (Keeley) Vetoed CCSF Support
AB 916 would have specified that the requirement for health instruction must include HIV/AIDS and sexually transmitted infections.

Veto Message: This bill would expand the scope of currently mandated AIDS prevention instruction to include instruction in the prevention of sexually transmitted infections (STIs), thereby increasing the cost of an existing state-mandated program.

On the merits, I agree with greater inclusion of STI prevention information in the course curriculum. However, the vast majority of voluntary sex education instruction offered by school districts in the state already includes information on STIs. Imposing specific requirements for instruction would create a state-mandated program of \$3.1 million General Fund and require the state to pay even if a school district is already voluntarily providing such instruction. Given the rapid decline of our economy and a budget shortfall of \$1.1 billion through the first three months of this fiscal year alone, I have no choice but to oppose additional General Fund spending.

For these reasons, I cannot sign this bill.

AB 937 (Koretz) – HIV/AIDS Medi-Cal Managed Care Rates Vetoed CCSF Support
AB 937 would have required the State Department of Health Services to develop risk-adjusted, capitated, Medi-Cal reimbursement rates for the treatment of HIV infected enrollees. Additionally, this bill would have required managed care plans to consider specified factors, (such as efficiency, cost effectiveness, quality of care, and access to care) when developing rates for the reimbursement of providers and primary case management programs for the treatment of enrollees infected with HIV. While the Governor vetoed AB 937, his veto message instructs the State Department of Managed Health Care to develop a definition of “HIV Specialist.”

Veto Message: This bill would require health care service plans to consider various factors when developing rates by July 1, 2002 for the reimbursement of providers for the treatment of HIV-positive enrollees. This bill would also require that the Department of Health Services develop such risk-adjusted rates, subject to independent review by an outside 3rd party, to be applicable to managed care plans and primary care case management programs, for the treatment of HIV-positive Medi-Cal recipients.

This legislation improperly places an outside entity in the position of determining Medi-Cal rates which would set a bad precedent for other Medi-Cal rate adjustments. Requiring a particular rate-setting methodology would also limit DHS' ability to negotiate capitation rates with managed care plans in the future.

I am, however, very concerned about ensuring access to specialists for HIV/AIDS patients, which is why I signed AB 2168 last year designed to provide HIV/AIDS patients with access to standing referrals with specialists. I have been disturbed to find that due to a lack of board certification for such physicians (there is no definition of an HIV/AIDS specialist) it has been difficult for the Department of Managed Health Care to fully implement AB 2168.

Therefore, I am directing the Director of the Department of Managed Health Care to develop and adopt a regulation, to take effect as soon as possible, that defines an

HIV/AIDS specialist for the purposes of this law. I believe that this approach will ensure that HIV-positive patients achieve increased access to HIV/AIDS specialists.

I have also proposed expanding continuity of care laws to ensure that people with HIV whose doctors group becomes insolvent or whose contracts are terminated with HMOs have access to the same doctor until the next open enrollment period.

I am very hopeful that these changes will increase access to the best care possible for persons with HIV.

7. Managed Care

AB 142 (Richman) – Vaccines **Vetoed** **CCSF Watch**

AB 142 would have prohibited a health care service plan contract from requiring or allowing a health care service provider to assume or be at any financial risk for any specified medications and adult vaccines, when covered under the applicable plan contract.

Veto Message: This bill would prohibit a contract between a health care service plan and a health care provider from requiring or allowing the provider to accept financial risk for certain medications. This bill also requires the plans to reimburse providers on a fee-for-service basis for the medications the provider acquires pursuant to this bill.

This bill interferes with the private contractual relationships between plans and providers on many levels. Not only does it limit a plan and provider's ability to contract for the provider to assume the risk for certain medications, it sets the reimbursement rates for those services. Moreover, this bill effectively eliminates a plan's ability to use its strong purchasing power to buy medications in bulk at discounted rates. Not only is it bad public policy for the government to dictate the contractual relationships of private parties, this bill will lead to higher costs for consumers and employers.

Two years ago I signed SB 260, which created the Financial Solvency Standards Board within the Department of Managed Health Care. The FSSB has been working diligently with the Department to implement the provisions of SB 260 and meets monthly to continue its goal of providing comprehensive recommendations that address the complex issue of provider solvency of the State's managed health care system. The Department and the FSSB should be allowed to continue its important work before new legislation in this area is considered.

8. Mental Health

SB 30 (Chesbro) – Realignment Review Task Force **Vetoed** **CCSF Watch**

SB 30 would have established a Realignment Review Task Force to examine the relationship between the state and counties as it relates to the delivery of mental health services, health services, and social services and related programs, with a goal of improving the ability of counties to provide these services. It would have required the task force to present these options to the Governor and the Legislature on or before April 1, 2003.

Veto Message: This bill would require the Health and Human Services Agency (HHSA) to establish a Realignment Review Task Force (RRTF) to examine the relationship between the State and counties in the delivery of mental health, health, social services and related programs. The RRTF would be required to submit a report, outlining options for improving the ability of counties to improve these services, and potential funding sources, to the Legislature before April 1, 2003.

This bill, while well-intentioned, is largely duplicative of a study completed by the Office of the Legislative Analyst earlier this year. Realignment, for all its complexities, has

provided a stable and fairly predictable funding source for public health and indigent health programs at the local level. I have also just signed Assembly Bill 328 (Salinas) which requires the Department of Mental Health to collect data on the current structure and status of community mental health financing. I will use both reports to consider any future changes to realignment.

9. Pharmacies/Pharmaceuticals

SB 1000 (Johannessen) – Triplicate Prescriptions Vetoed CCSF Watch

SB 1000 would have allowed a practitioner eligible to obtain triplicate prescription forms for Schedule II controlled substances or a pharmacist to request the history of controlled substances dispensed to an individual under his or her care based on data contained in the Controlled Substance Utilization Review and Evaluation System (CURES).

Veto Message: This bill would require the Attorney General to report on the feasibility for the Controlled Substance Utilization Review and Evaluation System (CURES) to become a stand-alone system. It would also state legislative intent to eliminate the triplicate prescription requirement for Schedule II controlled substances once a secure stand-alone electronic monitoring system is in place.

This report is unnecessary as existing annual reports, including one due on January 1, 2002, are required to (1) assess the ability of CURES to provide complete, accurate and timely data on Schedule II controlled substances, (2) make recommendations regarding the replacement of the existing triplicate prescription process with CURES and (3) analyze funding alternatives for ongoing system support.

10. Standards and Regulations

AB 745 (Runner) – State Mandated Local Programs Vetoed CCSF Watch

AB 745 would have made several changes to the administration of local mandate claims, regarding audits, filing of reimbursement claims, claiming instructions and payment authorization.

Veto Message: This bill would (1) add an alternate public member to the Commission on State Mandates, (2) limit the Commission from representing itself in court actions, (3) extend the time period by which local government agencies and school districts can file a claim for reimbursement, (4) reduce the time period by which the State Controller's Office can audit a claim, (5) change the way claims are reimbursed through the State Mandates Claims Fund, and (6) change the way claims are removed from the State Mandates Apportionment System.

I believe that the existing timeframes for filing reimbursement claims with the state are quite generous and provide sufficient opportunity for local entities to submit reimbursement claims, therefore the changes proposed by this bill are unnecessary. In addition, by restricting the time period for the State Controller's Office to audit claims, this bill exposes the state to higher mandate claim costs. Further, while the state is required to reimburse local entities for costs mandated by the state, it should not be the State's responsibility to monitor the submission of claims by local governments and school districts to ensure claims are filed by the statutory timeframes. Accordingly, I am returning AB 745 without my signature.

11. Substance Abuse

SB 537 (Vasconcellos) Vetoed CCSF Watch

SB 537 would have required the Department of Consumer Affairs to conduct an occupational analysis of persons providing substance abuse counseling. It would have required the

Department of Alcohol and Drug Programs to review its quality assurance mechanisms and licensing responsibilities and to survey programs to identify the type and number of counselors who currently work in each program licensed by the Department. Both Departments would have been required to report to the Legislature by July 1, 2002 on standards for licensure of alcohol and drug abuse counselors. While the Governor vetoed SB 537, his veto message directs the Department of Alcohol and Drug Programs to require counselors in drug and alcohol treatment facilities to be certified.

Veto Message: SB 537 would require the Department of Consumer Affairs (DCA) to initiate a review of the need for licensing substance abuse counselors and to conduct an occupational analysis (current range of skills, tasks, work settings and scope of practice issues) of persons providing substance abuse counseling by July 1, 2002. The bill appropriates \$175,000 to the Department of Consumer Affairs for the occupational analysis.

Given the rapid decline of our economy and a budget shortfall of \$1.1 billion through the first three months of this fiscal year alone, I have no choice but to oppose additional General Fund spending. In addition, many of the best counselors may not be eligible for licensure but are certified to provide services in drug and alcohol treatment programs. For this reason, I am directing the Department of Alcohol and Drug Programs to promulgate regulations to require that counselors in drug and alcohol treatment facilities be certified for quality assurance purposes.

SB 1134 (Escutia) – Drug Overdose Deaths

Vetoed CCSF Support

SB 1134 would have required the State Emergency Medical Services Authority to adopt regulations that will allow Emergency Medical Technician-I's to be trained in the administration of naloxone hydrochloride for the treatment of heroin overdose. The bill would have required the State Health and Human Services Agency to convene a working group to develop guidelines for county medical examiners and coroners to, among other things, uniformly report fatal drug overdose cases. SB 1134 would have also established the Drug Overdose Prevention, Recognition, and Response Program to develop educational materials and curricula on the prevention of fatal and nonfatal drug overdoses.

Veto Message: This bill would establish the Drug Overdose Prevention, Recognition, and Response Program within the Health and Human Services Agency composed of grants to local agencies and development of prevention literature. This bill would also require the Emergency Medical Services Authority to adopt regulations that authorize local emergency medical services directors to implement programs to allow Emergency Medical Technician-I's (EMT-I's) to carry and administer naloxone hydrochloride (naloxone) for the treatment of heroin overdose.

While this bill has merit, it would result in General Fund costs not included in the 2001 Budget Act of \$537,000 in 2001-02 and \$491,000 in 2002-03. This estimate does not include grant costs to local organizations for drug overdose prevention. Given the rapid decline of our economy and a budget shortfall of \$1.1 billion through the first three months of this fiscal year alone, this is not the right time to initiate a new program no matter how meritorious, therefore, I have no choice but to oppose additional General Fund spending.

12. Workers' Compensation

SB 71 (Burton)

Vetoed CCSF Watch

SB 71 would have increased Workers' Compensation benefits and made reforms in the administration of the Workers' Compensation system.

Veto Message: I believe strongly that it is time to increase the level of compensation benefits offered to injured workers. It is also time to make significant improvements to the system so it better serves both the injured workers and all Californians. A comprehensive bill to improve the system should have four goals:

1) Providing a significant benefit increase for injured workers; 2) Promoting early and sustained return to work within the person's medical and work restrictions; 3) Implementing effective medical cost containment measures while assuring the quality of care provided; and 4) Targeting benefit dollars to achieve the best outcomes for injured workers.

I am concerned about the net economic impact of SB 71 and AB 1176 in these shaky economic times since I do not believe the two bills taken together adequately address the final three goals listed above.

Since there is a general agreement about the need to increase benefits for injured workers, I believe that if we work together, the legislature, my staff and the interested parties can craft a comprehensive bill reaching all four goals before the 2002 legislative session begins. For the above reasons, I must veto this bill.

C. DISPOSITION OF 2001 STATE LEGISLATIVE PRIORITIES

For the first year of the 2001-02 legislative session, the Department identified several health-related issues as priorities. This section of the report provides the disposition of those priorities. It is important to note that the priorities can be resolved through the legislative process, the budget process, or the regulatory process. The Department works closely with other organizations on bills of common interest. In several cases, another organization or locality will sponsor a bill that addresses a Statewide issue that San Francisco supports. The disposition of the legislative priorities outlined below reflects the strong advocacy work of many agencies and not just the Department of Public Health.

The disposition of the Department’s 2001 legislative priorities is as follows:

Topic	Issue	Disposition
Children & Youth	<ul style="list-style-type: none"> Ensure children and youth have access to needed health services in clinical settings and explore potential for school health services exposure. 	<ul style="list-style-type: none"> AB 495 (Diaz), which was signed by the Governor, provides a mechanism for counties to match local funds with federal funds to insure children in families with incomes up to 300 percent of the federal poverty level who are ineligible for other public health insurance programs. AB 59 (Cedillo) and AB 493 (Sher), which were both signed by the Governor, implement express lane eligibility for Medi-Cal and Healthy Families
Community-Based Services	<ul style="list-style-type: none"> Expand community-based services in the areas of: <ul style="list-style-type: none"> substance abuse mental health long-term care 	<ul style="list-style-type: none"> AB 334 (Steinberg) will expand on the success of the AB 34 and AB 2034 programs for mentally ill who are homeless or at risk for becoming homeless
Emergency Medical Services	<ul style="list-style-type: none"> Pursue legislation to provide ongoing funding for local health departments to address public health threats from the use of chemical, biological and radioactive agents by terrorists 	<ul style="list-style-type: none"> Though the Legislature did not focus on emergency preparedness in 2001, it is likely that in light of the terrorist attacks of September 11, 2001, there will be greater interest in addressing these issues.
HIV/AIDS	<ul style="list-style-type: none"> Expand Medi-Cal to cover persons with HIV who are not disabled Pursue legislation that would enable pharmacy-based syringe sales without a prescription 	<ul style="list-style-type: none"> The Department has been actively involved in the development of AB 1292 (Aroner), a two-year bill, which would authorize pharmacists to furnish or sell hypodermic needles or syringes without a prescription or permit.
Health Insurance Expansion	<ul style="list-style-type: none"> Expand purchasing pools for small employers Pursue “universal health 	<ul style="list-style-type: none"> AB 495 (Diaz), which was signed by the Governor, provides a mechanism for counties to match local funds

Topic	Issue	Disposition
Expansion	<p>coverage”</p> <ul style="list-style-type: none"> Pursue a State program to fund indigent health care at the local level 	<p>with federal funds to insure children in families with incomes up to 300 percent of the federal poverty level who are ineligible for other public health insurance programs.</p>
Managed Care	<ul style="list-style-type: none"> Pursue county organized health system model of Medi-Cal managed care (note federal legislation needed first) 	<ul style="list-style-type: none"> The Department is continuing to work with our federal delegation to enable California to address this issue.
Medi-Cal Funding and Program	<ul style="list-style-type: none"> Revise distinct part nursing facility rate-setting methodology Preserve cost-based reimbursement for federally qualified health centers (FQHCs) Increase Medi-Cal reimbursement for health care services 	<ul style="list-style-type: none"> AB 430 (Cardenas) implemented the State’s 2001-02 budget and established a program whereby public distinct part nursing facilities could access federal Medicaid supplemental payments by matching those funds with local general funds allocated to Medicaid-eligible skilled nursing care. The Department will continue to monitor the progress of the State Plan Amendment that implements this supplemental matching program. Pursuant to federal law, the State has drafted their State Plan Amendment implementing a prospective payment system (PPS) for FQHCs. The Department participated individually and in coalition with the California Association of Public Hospitals and the County Health Executives Association, in discussions with the State Department of Health Services on implementation of PPS. The Department will continue to monitor the progress of the State Plan Amendment.
Prevention	<ul style="list-style-type: none"> Support legislation that addresses prevention in the following areas: <ul style="list-style-type: none"> environmental, including air, soil and water quality, toxics and transportation childhood development and education behavioral risk factor reduction, including smoking 	<ul style="list-style-type: none"> AB 945 (Wright), by allowing certified industrial hygienists to be eligible to provide environmental investigative services, will increase the ability of the Childhood Lead Poisoning Prevention Program to respond to the dangers of lead poisoning. SB 732 (Ortiz) and AB 284 (Jackson) were both enacted in 2001

Topic	Issue	Disposition
	<p>cessation, exercise, and nutrition</p> <ul style="list-style-type: none"> • violence and injury prevention, such as controls for firearms and pedestrian safety • occupational health, including occupational health advocacy and prevention programs for garment workers, sex workers and day laborers • socio-economic/social equality issues 	<p>and are aimed at protecting the public from the adverse health effects of mold and fungal contamination, respectively.</p> <ul style="list-style-type: none"> • SB 702 (Escutia) establishes a statewide environmental health surveillance system to track the prevalence and determinants of chronic disease. • AB 35 (Shelley) and SB 52 (Scott) create a statewide handgun safety certificate program and require that no individual can purchase a handgun without a certificate.
Public Health Infrastructure Funding	<ul style="list-style-type: none"> • Increased funding and program support for core public health activities and, in the event of increased funding, pursue a more equitable allocation formula • Pursue new State funding to support the infrastructure for core immunization programs 	<ul style="list-style-type: none"> • The Legislature's budget contained an additional \$2 million for public health subvention. However, in the final budget, the Governor removed this augmentation. The Department will seek an increase for counties in this area in 2002.
Seismic Safety	<ul style="list-style-type: none"> • Pursue funding opportunities to meet SB 1953 seismic safety requirements. • Pursue legislation or other authority to facilitate regional planning for compliance with SB 1953 seismic safety requirements to ensure that local hospitals can coordinate their compliance efforts in a way that does not destabilize acute care services. 	<ul style="list-style-type: none"> • AB 832 (Corbett) was passed in 2001 and made modifications to the seismic safety mandate pertaining to the role of OSHPD. • The Department will continue to track and advocate for bills such as AB 1156 (Aroner), SB 717 (Speier), and SB 928 (Dunn), which would authorize bond measures to be allocated for seismic retrofit projects, and SB 842 (Speier), which would make modifications to the compliance milestones required by SB 1953.
State Budget	<ul style="list-style-type: none"> • In addition to the other Legislative Priorities discussed herein that may include a budget component, the Department will specifically support the following budget initiatives: <ul style="list-style-type: none"> • State General Fund backfill for any Vehicle License Fee reductions that support 	<ul style="list-style-type: none"> • Included among the specific budget provisions enacted by AB 430 were: <ul style="list-style-type: none"> • \$25 million for trauma centers; • Establishment of a public distinct part nursing facility supplemental Medicaid match program;

Topic	Issue	Disposition
	<p>health, mental health and social services realignment</p> <ul style="list-style-type: none"> • continuation of Proposition 99 funding for indigent health care services • adequate funding for mental health services • increased funding for substance abuse services • funding for children and youth services and programs • reduction of the State administrative fee in the Disproportionate Share Hospital Program • funding for compliance with SB 1953 seismic safety requirements 	<ul style="list-style-type: none"> • \$61.8 million to expand Healthy Families to parents of enrolled children up to 250% of the federal poverty level; • \$10 million increase for AB 34 and AB 2034 mental health programs; • \$5 million decrease for supportive housing; • full funding of the AIDS Drug Assistance Program; • \$4 million decrease for HIV prevention; • flat funding for public health subvention; and • \$9.5 million to adopt a federal option to provide breast and cervical cancer treatment to low-income women.
Workers' Compensation	<ul style="list-style-type: none"> • Monitor anticipated Workers' Compensation reform legislation 	<ul style="list-style-type: none"> • SB 71 (Burton), which was vetoed by the Governor, would have significantly increased Workers' Compensation benefits. It is likely that these issues will again be raised in 2002 and possible that they may also be pursued as a ballot initiative.

III. STATE LEGISLATIVE AND BUDGET PRIORITIES FOR 2002

As the Legislature continues its two-year session in 2002 and we continue to track the two-year bills of interest to the City and County, many of the Department's priorities remain the same. However, the events of September 11, 2001, the legislative and budget outcomes in 2001, and the State's fiscal outlook necessitate some modifications to last year's priorities. Following are the State Legislative and Budget Priorities for 2002:

Topic	Issue	Rationale
Children & Youth	<ul style="list-style-type: none"> Ensure children and youth have access to needed health services in clinical settings and explore potential for school health services exposure. 	<ul style="list-style-type: none"> Expanding health care access for children will ensure early access to preventive care and treatment and improve health outcomes for our City's children.
Community-Based Services	<ul style="list-style-type: none"> Expand community-based services in the areas of: <ul style="list-style-type: none"> substance abuse mental health long-term care 	<ul style="list-style-type: none"> Community-based services are a proven, cost-effective way to improve health status. Ensuring that individuals who need services have access to the most appropriate level of care will reduce costs related to unnecessary institutionalization.
Emergency Medical Services	<ul style="list-style-type: none"> Pursue legislation to provide ongoing funding for local health departments to address public health threats from the use of chemical, biological and radioactive agents by terrorists 	<ul style="list-style-type: none"> San Francisco is a highly visible city nationally and internationally and is considered a potential target to terrorist activity. The terrorist activities of September 11, 2001 and the subsequent cases of anthrax underscore our need to ensure that San Francisco is well prepared to respond to threats to our public health. Current grant funding for response activities cover only start-up costs. Ongoing funding sources are needed to cover the high costs of pharmaceutical maintenance, supplies and personnel training.
HIV/AIDS	<ul style="list-style-type: none"> Expand Medi-Cal to cover persons with HIV who are not disabled Pursue legislation that would enable pharmacy-based syringe sales without a prescription 	<ul style="list-style-type: none"> Early treatment for HIV infection is successful in delaying the progression from HIV infection to AIDS. Yet, because Medicaid does not define individuals with early HIV infection as disabled, many low-income persons with HIV are unable to receive HIV-related drugs and health care through the program. Pharmacy-based syringe sales would reduce barriers to clean needles, provide an opportunity for prevention education,

Topic	Issue	Rationale
Health Insurance	<ul style="list-style-type: none"> • Ensure continued health care coverage to workers laid off as a result of the economic downturn since September 11, 2001 • Expand purchasing pools for small employers • Pursue “universal health coverage” • Pursue a State program to fund indigent health care at the local level • Expand access to health insurance for the uninsured by accessing California’s unspent SCHIP funds 	<p>and reduce HIV infection.</p> <ul style="list-style-type: none"> • Many Californians have lost their jobs as a result of changes in the economy since the terrorist attacks of September 11, 2001. Though options for maintaining health care coverage exists through COBRA and independent plans, these options are likely to be cost-prohibitive for persons who are unemployed. • The Centers for Medicare & Medicaid Services estimates that California will spend only 14% of its 2002 SCHIP allocation and by 2006, will still only reach spending at 30% of its total allocation. The recent Health Insurance Flexibility and Accountability Initiative provides states with greater flexibility in expanding their SCHIP programs in order to access these unspent funds. • Reducing the number of uninsured individuals receiving health care services from the City will reduce general fund costs and will increase access to critical health care services.
Managed Care	<ul style="list-style-type: none"> • Pursue county organized health system model of Medi-Cal managed care (Note: federal legislation needed first) 	<ul style="list-style-type: none"> • San Francisco currently operates Medi-Cal managed care under the State’s two-plan model. However, due to overestimated projections, the actual number of Medi-Cal eligibles in San Francisco is 36,000, far below the threshold for the two-plan model. This calls into question the viability of two competing health plans in an area with a low number of Medi-Cal eligibles. It is believed that the county organized health system model may be more appropriate for San Francisco.
Medi-Cal Funding and Program	<ul style="list-style-type: none"> • Revise distinct part nursing facility rate-setting methodology • Ensure that the State’s implementation of a prospective payment system for federally qualified health centers (FQHCs) provides for 	<ul style="list-style-type: none"> • Due to a change in the rate-setting methodology that was later deemed arbitrary and unjust by the court, the distinct part nursing facility Medi-Cal rate has been frozen since 1995. Implementation of a revised methodology would ensure more equitable reimbursement for the more

Topic	Issue	Rationale
	<p>adequate reimbursement</p> <ul style="list-style-type: none"> • Increase Medi-Cal reimbursement for health care services 	<p>than 1,000 aged and disabled residents of Laguna Honda Hospital.</p> <ul style="list-style-type: none"> • The Benefits Improvement and Protect Act of 2000 (BIPA) requires states to implement a prospective payment system (PPS) for reimbursement of FQHCs. The State has submitted its State Plan Amendment to the Centers for Medicare and Medicaid Services and is awaiting a response. The State Plan Amendment provides for two reimbursement methodologies: PPS and an alternative methodology. There are currently 20 FQHCs in the City, 13 of which are operated by the Department. The State's implementation of these methodologies upon approval by CMS is critical to the health care services San Francisco's clinics provide to the City's most vulnerable and at-risk populations. • California ranks 47th out of 50 states in its contributions to Medicaid. Though the 2001-02 State budget included limited Medi-Cal rate increases, additional increases in the areas of specialty care and ancillary services.
Prevention	<ul style="list-style-type: none"> • Support legislation that addresses prevention in the following areas: • environmental, including air, soil and water quality, toxics and transportation • childhood development and education • behavioral risk factor reduction, including smoking cessation, exercise, and nutrition • violence and injury prevention, such as controls for firearms and pedestrian safety • occupational health, including occupational health advocacy and prevention programs for garment workers, sex workers and day laborers 	<ul style="list-style-type: none"> • Health data indicate that on an annual basis, over half of the deaths in San Francisco are premature and preventable. Many of the deaths in San Francisco can be attributed to well-known factors. The prioritization of prevention activities is consistent with the Department's Strategic Plan.

Topic	Issue	Rationale
Public Health Infrastructure Funding	<ul style="list-style-type: none"> • socio-economic/social equality issues • Increased funding and program support for core public health activities and, in the event of increased funding, pursue a more equitable allocation formula • Pursue new State funding to support the infrastructure for core immunization programs 	<ul style="list-style-type: none"> • Funded at \$1 million statewide, San Francisco is projected to receive only \$20,155 in FY 2002 for core public health activities. Increased funding for communicable disease control and surveillance at the local level is necessary to provide appropriate and adequate population-based public health and prevention activities. • Federal funding for the infrastructure of immunization programs has decreased 60% over the last five years and the State has added very little to make up for this decrease. Increased State funding for immunization infrastructure activities will allow San Francisco to expand its current immunization services to focus on adult immunization needs and develop its childhood programs beyond the minimum requirements.
Seismic Safety	<ul style="list-style-type: none"> • Pursue funding opportunities to meet SB 1953 seismic safety requirements. • Pursue legislation or other authority to facilitate regional planning for compliance with SB 1953 seismic safety requirements to ensure that local hospitals can coordinate their compliance efforts in a way that does not destabilize acute care services. 	<ul style="list-style-type: none"> • San Francisco will need to replace or significantly retrofit SFGH to meet SB 1953 seismic safety requirements. The cost estimated to achieve merely the interim level of compliance is \$19.3 million. The cost of full compliance has not yet been estimated. • Current anti-trust laws forbid regional planning among hospitals. However, issues critical to the availability of services and the public health require a coordinated approach to ensure adequate availability of acute care services during periods of retrofit or rebuild.
State Budget	<ul style="list-style-type: none"> • In addition to the other Legislative Priorities discussed herein that may include a budget component, the Department will specifically support the following budget initiatives: • State General Fund backfill for any Vehicle License Fee 	<ul style="list-style-type: none"> • The Governor's proposed 2002-03 State budget will be released in early January 2001. The budget summarizes the Governor's policy issues and provides his proposals for State funding levels for various health programs. Depending on program initiatives and changes proposed by the Governor, the Department will likely weigh in on these

Topic	Issue	Rationale
	<p>reductions that support health, mental health and social services realignment</p> <ul style="list-style-type: none"> • continuation of Proposition 99 funding for indigent health care services • adequate funding for mental health services • increased funding for substance abuse services • funding for children and youth services and programs • reduction of the State administrative fee in the Disproportionate Share Hospital Program • funding for compliance with SB 1953 seismic safety requirements 	<p>issues by working with the Mayor's Office and the City's lobbyist. The Department will closely monitor the State budget and advocate for increased funding for prevention and treatment services that will improve the public health of San Francisco.</p>
Workers' Compensation	<ul style="list-style-type: none"> • Monitor anticipated Workers' Compensation reform legislation 	<ul style="list-style-type: none"> • As the City and County of San Francisco is self-insured for Workers' Compensation through the Department of Public Health, significant reform will impact level of care provided and the costs associated therewith.