



NEWS

New laws: California at forefront of health policy innovation



Gov. Gavin Newsom speaks at a podium during a press conference with state lawmakers. (Photo: Rich Pedroncelli, AP)

BY **SAMANTHA YOUNG and ANGELA HART, California Healthline** POSTED 10.02.2020

Though COVID-19 forced California leaders to scale back their ambitious health care agenda, they still managed to enact significant new laws intended to lower consumer health care spending and expand access to health coverage.

When Democratic Gov. Gavin Newsom concluded the chaotic legislative year Wednesday — his deadline to sign or veto bills — what emerged wasn't the sweeping platform he and state lawmakers had outlined at the beginning of the year. But the dozens of health care measures they approved included first-in-the-nation policies to require more comprehensive coverage of mental health and addiction, and thrusting the state into the generic drug-making business.

“We had less time, less money and less focus, but COVID makes the causes of expanding coverage and trying to control health care costs that much more important,” said Anthony Wright, executive director of Health Access California, a Sacramento-based consumer advocacy group.

The governor also signed into law a raft of COVID-related bills intended to address the biggest public health emergency in a century, such as measures to stockpile protective gear for health care workers.

This year's legislative season took place against the backdrop of an unprecedented pandemic that sparked a statewide stay-at-home order, back-to-back [emergency legislative recesses](https://californiahealthline.org/news/in-legislative-emergency-legislative-recesses) (<https://californiahealthline.org/news/in-legislative-emergency-legislative-recesses>)

Among the most controversial changes Newsom signed into law was the largest expansion of the state's family leave program (http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200SB1383) since it was enacted in 2014.

[shuffle-california-prioritizes-safety-gear-and-sick-leave-during-crisis/](#)), the Capitol's first foray into remote voting and a projected \$54 billion (<https://californiahealthline.org/news/another-coronavirus-casualty-californias-budget/>) budget deficit.

Among the most controversial changes Newsom signed into law was the largest expansion of the state's family leave program (http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200SB1383) since it was enacted in 2014, an upgrade opposed by the state's business interests. The tobacco industry also took a hit when Newsom approved a measure banning retail sale of flavored (http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200SB793) tobacco products, including menthol, with exceptions made for flavored hookah products. And Newsom bucked the powerful doctors' lobby by granting nurse practitioners the ability to practice without physician supervision.

But several contentious health bills stalled in the legislature and never made it to Newsom's desk, including measures that would have given the state attorney general more authority to reject hospital consolidations (<https://californiahealthline.org/news/california-ag-seeks-more-power-to-battle-merger-hungry-health-care-chains/>), expanded the state's Medicaid program, called Medi-Cal, to unauthorized (http://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201920200SB29&search_keywords=status) immigrants ages 65 and up, and capped consumers' out-of-pocket costs for insulin (http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200AB2203).

Mental health parity is already enshrined in state and federal law, but advocates say insurers regularly don't cover the critical care (<https://californiahealthline.org/news/despite-quick-fixes-kaiser-permanente-mental-health-care-still-lags/>) that patients need.

Among Newsom's vetoes (<https://www.gov.ca.gov/wp-content/uploads/2020/09/AB-2164.pdf>) were a pair (<https://www.gov.ca.gov/wp-content/uploads/2020/09/AB-2360.pdf>) of bills that sought to expand telemedicine, as well as legislation to adopt (<https://www.gov.ca.gov/wp-content/uploads/2020/09/SB-980.pdf>) patient privacy protections for COVID-19 genetic testing.

"I think we all wish we'd had more opportunities to move more things forward," said Assembly member Jim Wood (D-Santa Rosa), who chairs the Assembly Health Committee. "Under the circumstances, I think we did a good job."

Here's a look at some of the major health measures Newsom signed into law this year. Most will take effect on Jan. 1.

Behavioral Health

Lawmakers made significant changes to mental health coverage, and perhaps the most consequential is a mental health parity bill. [SB-855](https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201920200SB855) (https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201920200SB855) requires state-regulated health insurers in California to cover all treatment deemed medically necessary for mental health and substance abuse disorders, from depression to opioid addiction. Health insurers opposed the bill, arguing it would drive up health care spending.

Mental health parity is already enshrined in state and federal law, but advocates say insurers regularly don't cover the critical care (<https://californiahealthline.org/news/despite-quick-fixes-kaiser-permanente-mental-health-care-still-lags/>) that patients need.

Julie Snyder, a lobbyist for the Sacramento-based Steinberg Institute, which advocates for mental health care policy changes, called the new law a model for the rest of the country.

“There’s no other state that has anything this comprehensive,” Snyder said.

SB-852 is a first-in-the-nation law that will put the state government in direct competition with private drug manufacturers.

Another bill, [SB-803](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200SB803) (https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200SB803), will allow peer providers (<https://californiahealthline.org/news/state-lawmakers-eye-federal-dollars-to-boost-mental-health-counseling-by-peers/>) — people with their own histories of mental illness or substance abuse who help other Californians navigate behavioral health issues — to be certified by the state. Once certified, they can bill Medi-Cal for their services.

Scope of Practice

Newsom gave nurse practitioners, who are nurses with advanced training and degrees, the power to practice independently, after years of failed attempts (<https://californiahealthline.org/news/long-fought-nurse-practitioner-independence-bill-heads-to-newsom/>) and despite major opposition from the California Medical Association, which represents doctors. Supporters say [AB-890](https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201920200AB890) (https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201920200AB890) will help address health care provider shortages, especially in rural and underserved communities.

Certified nurse-midwives will also be allowed to attend low-risk pregnancies in both hospital and home settings without a physician’s supervision under [SB-1237](https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201920200SB1237) (https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201920200SB1237).

Cutting Health Care Costs

California will enter the highly competitive generic drug market as a result of [SB-852](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200SB852) (https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200SB852), a first-in-the-nation law that will put the state government in direct competition with private drug manufacturers.

“The cost of health care is way too high,” Newsom said in a statement upon signing the bill.

Newsom also signed legislation cementing into state law key provisions in the Affordable Care Act.

By January, California must forge partnerships with one or more drug companies to make or distribute a broad range of generic and biosimilar drugs (<https://californiahealthline.org/news/california-rx-state-may-dive-into-generic-drug-market/>) that are cheaper than brand-name products. The bill specifically calls for the production of the diabetes medicine insulin, because makers have hiked prices sharply in recent years.

Newsom also approved an under-the-radar health care transparency measure (<https://oshpd.ca.gov/data-and-reports/cost-transparency/healthcare-payments/>) requiring the state to collect data on the amount state-regulated health insurers pay for specific medical services, from knee replacements to asthma treatments. The data could help policymakers identify excessive spending on certain treatments and provide fodder for proposals to control health care costs.

“While the examination of cost has slowed down, it hasn’t ended,” said state Sen. Richard Pan (D-Sacramento), who chairs the Senate Health Committee.

Newsom also signed legislation cementing into state law key provisions in the Affordable Care Act, a move guaranteeing Californians will not lose coverage protections should the U.S. Supreme Court strike down the law.

Certain employees who have been exposed to the virus will also have more paid sick leave time.

SB-406 (https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201920200SB406) will ban health insurers in California from imposing annual or lifetime limits on coverage, and also requires health insurers to cover a range of preventive care services, from cholesterol and blood pressure screenings to immunizations, without charging patients copays or deductibles.

COVID-19

As California continues to grapple with the highest COVID-19 case counts in the country, lawmakers approved a suite of bills in response to the pandemic, largely intended to protect essential workers.

Employers will have to provide written notice within one business day to employees who may have been exposed to the COVID-19 virus at their worksite. They must also report the details of workplace outbreaks (<https://www.cdph.ca.gov/Programs/CID/DCDC/Pages/COVID-19/Workplace-Outbreak-Employer-Guidance.aspx>) to local public health authorities within 48 hours. **AB-685** (http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200AB685) was prompted by major outbreaks this year at food-processing plants.

Newsom also signed legislation making it easier for firefighters, health care workers and other front-line workers infected with the coronavirus to get workers' compensation. [SB-1159](https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=201920200SB1159) (https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=201920200SB1159) took effect Sept. 17, the day the governor signed it.

Nursing homes, which have been at the epicenter of COVID-19 deaths, will be required to have a full-time “infection preventionist.”

State law now presumes these front-line workers were infected with the virus on the job unless their employers prove otherwise.

Certain employees who have been exposed to the virus will also have more paid sick leave time. Under [AB-1867](https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=201920200AB1867) (https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=201920200AB1867), food-processing companies with at least 500 workers must provide two weeks of paid sick leave to workers who have been exposed to COVID-19 or have been advised to quarantine.

The law also grants health care workers and emergency responders two weeks of paid sick leave, closing a loophole in a COVID-relief bill Congress approved this spring.

Two new laws will address another major challenge exposed by the coronavirus pandemic: the lack of adequate personal protective gear for health care workers. [AB-2537](https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=201920200AB2537) (https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=201920200AB2537) will require hospitals to stockpile a three-month supply of protective gear by April, while [SB-275](https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=201920200SB275) (https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=201920200SB275) mandates that the California Department of Public Health establish an additional stockpile for health and other essential workers to last 90 days during a pandemic.

Nursing homes, which have been at the epicenter of COVID-19 deaths, will be required to have a full-time “infection preventionist” on staff to help stem the spread of disease. The bill, [AB-2644](http://leginfo.ca.gov/faces/billTextClient.xhtml?bill_id=201920200AB2644) (http://leginfo.ca.gov/faces/billTextClient.xhtml?bill_id=201920200AB2644), also will require nursing homes to report deaths from a communicable disease to the state within 24 hours during an emergency related to that disease.

And California's roughly 40,000 licensed pharmacists will be allowed to administer COVID-19 vaccines that have been approved by the Food and Drug Administration under [AB-1710](http://leginfo.ca.gov/faces/billTextClient.xhtml?bill_id=201920200AB1710) (http://leginfo.ca.gov/faces/billTextClient.xhtml?bill_id=201920200AB1710).

—
Editor's Note: California Healthline is independently published by Kaiser Health News (<http://www.kaiserhealthnews.org/>) (KHN) for the California Health Care Foundation (<http://www.chcf.org/>). California Healthline is part of the Foundation's commitment to important issues affecting health care policy, delivery and financing in California. KHN is an editorially independent program of the nonprofit Kaiser Family

Foundation (<https://www.kff.org/>), based in San Francisco. Samantha Young can be reached at syoung@kff.org (<mailto:syoung@kff.org>), [@youngsamantha](http://twitter.com/youngsamantha). (<http://twitter.com/youngsamantha>). Angela Hart can be reached at ahart@kff.org (<mailto:ahart@kff.org>), [@ahartreports](http://twitter.com/ahartreports) (<http://twitter.com/ahartreports>).

ALSO ON CAPITOL WEEKLY

Facing COVID-19 on California's rural ... 3 months ago • 1 comment Rural counties' populations are less dense and the infection levels lower ...	Link eyed between 'qualified immunity,' ... 3 months ago • 1 comment The central purpose of affording public officials qualified immunity is to ...	Those linked to stem cell board received ... a month ago • 2 comments Eight out of every ten dollars the agency has dispensed have gone to 25 ...
---	--	--

0 Comments Capitol Weekly Disqus' Privacy Policy Rachel Mason ▾

Recommend Tweet Share Sort by Best ▾



Be the first to comment.

Subscribe Add Disqus to your site [Add DisqusAdd](#) Do Not Sell My Data

Support for Capitol Weekly is Provided by:

