



County of Los Angeles
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Chief Administrative Officer

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First District

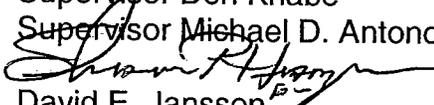
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Third District

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Fourth District

MICHAEL D. ANTONOVICH
Fifth District

May 4, 2005

To: Supervisor Gloria Molina, Chair
Supervisor Yvonne B. Burke
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: David E. Janssen
Chief Administrative Officer

SACRAMENTO UPDATE

Senate Budget Subcommittee Action

On Thursday, April 28, 2005, Senate Budget and Fiscal Review Subcommittee #3 on Health and Human Services voted to reject the Governor's proposal to pass through to counties any future penalties resulting from the State's failure to meet Federal Child Welfare System performance standards. This is not a current budget year issue because the State will not know if it will incur any penalties until the fall of 2006 which is after the close of the 2005-06 budget year.

Senate Budget Subcommittee Hearing on Hospital Financing

On May 2, 2005, Senate Budget and Fiscal Review Subcommittee No. 3 further discussed the Administration's Medi-Cal Hospital Financing Waiver. A representative from the State Department of Health Services indicated that the State is in final discussions with the Federal government on a five-year waiver package worth \$671 million. Representatives from public and private hospitals testified in support of the State's request for full Federal funding, but cautioned subcommittee members that the waiver dollars must be dedicated exclusively to public and private safety net hospitals which are on the brink of collapse. They also stated that there are a number of concerns that still need to be addressed, such as specific distribution of waiver dollars, and long-range stability for public and private safety net hospitals. Service Employees International Union expressed opposition to the waiver proposal unless, among other concerns, the package contains hospital-specific hold-harmless provisions guaranteeing hospitals at least their current level of Federal funding.

While the State negotiations with the Federal government may be nearing resolution, the details over implementing the waiver could take several months. Subcommittee Chair, Senator Denise Ducheny, along with Senator George Runner, expressed concerns about how the Legislature could agree on the State's 2005-06 budget without knowing specific details about how the waiver would ultimately impact the State and, more importantly, public and private safety net hospitals.

Status of County-Interest Bills

County-supported SB 57 (Alarcon), which would augment the Emergency Medical Services Fund by allowing counties to collect an additional \$2 penalty assessment on every \$10 penalty for all criminal offenses and moving violations, passed the Senate Public Safety Committee on May 3, 2005, by a vote of 4 to 1. Senator Alarcon made a commitment to counties to amend the bill to allow them to recoup up to 10 percent of their administrative costs, which is consistent with existing law, rather than the 5 percent which is currently in the bill. SB 57 now proceeds to the Senate Rules Committee for further assignment.

County-supported AB 613 (Mountjoy), which would require that compensable workers' compensation injuries be demonstrated by a preponderance of the evidence to be predominantly caused by job-related activities, was to be heard by the Assembly Insurance Committee today. Because the sponsor's witness was unavailable, the author made AB 613 a two-year bill.

County-opposed AB 1331 (Umberg) would exempt most safety member employees from last year's workers' compensation reforms relating to apportionment of permanent disability and to certain presumptions, was placed on the Assembly Appropriations Committee Suspense File today and will be considered after the May Revise.

County-opposed SB 521 (Torlakson), which would change redevelopment law relating to transit villages, and divert local tax revenues from the County, was placed on the Senate Appropriations Committee Suspense file on April 25, 2005 and will be considered after the May Revise.

County-sponsored SB 945 (Soto), which would change California's HIV reporting system from code-based to names-based, was held in the Senate Judiciary Committee on May 3, 2005. Dr. Jonathan Fielding, the County's Public Health Officer, testified on behalf of the County, indicating that if California does not change to a names-based system, it stands to lose a minimum of \$50 million annually in Federal Ryan White CARE Act funds. Dr. Fielding stressed that California State and local health departments have stringent privacy safeguards already in place, and that California has been reporting AIDS cases by name, for over 24 years without a single breach of confidentiality. Senator Sheila Kuehl strongly opposed the bill, stating that there is insufficient documentation from the Federal government that California will lose any

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CARE Act funding. She, along with her democratic colleagues, Senators Dunn and Cedillo, made a commitment to pursue a names-based reporting bill if there is clear indication from the Federal government that California would otherwise lose Federal funding. Supporters responded that effective October 2006, the Centers for Disease Control will accept only HIV cases by names as the basis for allocating Federal CARE Act dollars.

We will continue to keep you advised.

DEJ:GK
MAL:JF:MS:RM:ib

c: Executive Officer, Board of Supervisors
County Counsel
Local 660
All Department Heads
Legislative Strategist
Coalition of County Unions
California Contract Cities Association
Independent Cities Association
League of California Cities
City Managers Associations
Buddy Program Participants