



# Legislative Bulletin

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*A Publication of the County Executive Office/Legislative Affairs*

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January 14, 2020  
Item No. 35

## **County of Orange Positions on Proposed Legislation**

The Legislative Bulletin provides the Board of Supervisors with analyses of measures pending in Sacramento and Washington that are of interest to the County. Staff provides recommended positions that fall within the range of policies established by the Board. According to the County of Orange Legislative Affairs Procedures adopted by the Board of Supervisors on November 25, 2014, staff recommendations for formal County positions on legislation will be agendized and presented in this document for Board action at regular Board of Supervisors meetings. When the Board takes formal action on a piece of legislation, the CEO will direct the County's legislative advocates to promote the individual bills as approved by the Board. The Legislative Bulletin also provides the Board of Supervisors with informative updates on State and Federal issues.

The 2019-2020 Legislative Platform was adopted by the Board of Supervisors' on December 4, 2018.

On January 14, 2020, the Board of Supervisors will consider the following actions:

### **RECOMMENDED ACTIONS**

- 1. SUPPORT – HR 4004 (Bustos): The “Social Determinants Accelerator Act of 2019”**
- 2. Receive and File Legislative Bulletin**

**RECOMMENDED ACTIONS**

**1. SUPPORT – HR 4004 (Bustos): The “Social Determinants Accelerator Act of 2019”**

**CEO/Office of Legislative Affairs**

**Bill Analysis**



<b>BILL NUMBER:</b>	House Resolution (HR) 4004	<b>INTRODUCED/AMENDED DATE:</b>	<u>Introduced:</u> July 25, 2019
<b>AUTHOR:</b>	Rep. Cheri Bustos (D-IL)		
<b>SUBJECT:</b>	The “Social Determinants Accelerator Act of 2019”		
<b>CO-SPONSORS:</b>	Rep. Tom Cole (R-OK), Rep. James McGovern (D-MA), Rep. Cathy McMorris Rodgers (R-WA), Rep. Bobby Rush (D-IL), Rep. Nanette Diaz Barragan (D-CA), Rep. Eliot Engel (D-NY), Rep. G.K. Butterfield (D-NC), Rep. Tony Cardenas (D-CA), Rep. Joseph Morelle (D-NY), Rep. Brian Fitzpatrick (R-PA), Rep. Kurt Schrader (D-OR), Rep. Darren Soto (D-FL), Rep. Michael Doyle (D-PA), Rep. Lisa Blunt Rochester (D-DE), Rep. Ann Kuster (D-NH), Rep. John Rutherford (R-FL), Rep. Jackie Walorski (R-IN), Rep. Vincente Gonzalez (D-TX), Rep. John Moolenaar (R-MI), Rep. David Cicilline (D-RI), Rep. Ben McAdams (D-UT)		
<b>STATUS:</b>	House Committee on Energy & Commerce		
<b>REQUESTING DEPARTMENT/AGENCY:</b>	Orange County Health Care Agency		
<b>DEPARTMENT/AGENCY RECOMMENDED POSITION:</b>	<b>SUPPORT</b>		
<b>CEO RECOMMENDED POSITION:</b>	<b>SUPPORT</b>		

<b><u>Current Law and Background:</u></b>	The Centers for Medicare and Medicaid Services (CMS) has been researching life factors that impact access to
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	<p>health care and can cause greater risk of developing chronic health conditions. According to CMS:</p> <p><i>“Individuals with inadequate access to food or stable housing are at greater risk of developing chronic conditions and managing these conditions. They also face increases to health care costs and services that might otherwise be avoidable. These conditions are known as social determinants of health and minority populations tend to be disproportionately affected by them.</i></p> <p><i>Social determinants of health can include housing, transportation, education, social isolation, and more. These factors affect access to care and health care utilization as well as outcomes. As we seek to foster innovation, rethink rural health, find solutions to the opioid epidemic, and continue to put patients first, we need to take into account social determinants of health and recognize their importance.</i></p> <p><i>Addressing the social determinants of health begins with identifying a patient’s needs and measuring their impact. Organizations may measure these factors using a number of existing tools that can help in the identification process. Data collection will help us strengthen our understanding of the relationship between social determinants of health and health care use across diverse populations, allowing us to develop solutions and better connect patients to much needed services.”</i></p>
<p><b><u>Proposed Law:</u></b></p>	<p>The bill would do the following:</p> <ul style="list-style-type: none"> <li>• The Secretary of Health and Human Services would convene an inter-agency Technical Advisory Council on Social Determinants of Health. The Council would include program experts from across the federal government, including the Department of Housing and Urban Development, the Department of Labor and the United States Department of Agriculture, as well as state and local government officials, the private sector and community-based organizations.</li> <li>• The Centers for Medicare and Medicaid Services (CMS), in consultation with the Council, would make available up to \$25 million in grants to state, local and Tribal governments to develop Social Determinants Accelerator Plans. Plans would: <ul style="list-style-type: none"> <li>○ Target a group of high-need Medicaid patients, like homeless individuals, older workers with arthritis, nursing home patients,</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>○ or mothers diagnosed with post-partum depression;</li> <li>○ Identify the key outcomes to be achieved through improved coordination of health and non-health services and use of evidence-based interventions; and</li> <li>○ Include a plan for linking data across programs measuring the impact of the new approach on the health of participants and the return-on-investment for taxpayers.</li> </ul> <ul style="list-style-type: none"> <li>● The Council would provide technical assistance to grantees to help them implement their plans by identifying federal authorities, opportunities and strategies for braiding and blending funds and designing rigorous evaluations. To ensure all jurisdictions can benefit, the Council will broadly disseminate best practices and opportunities for cross-program coordination.</li> </ul> <p>According to NACo, <i>“The Social Determinants Accelerator Act will help states and communities devise strategies to better leverage existing programs and authorities to improve the health and wellbeing of those participating in Medicaid. The legislation will provide planning grants and targeted technical assistance to communities to develop and design innovative, evidence-based approaches to coordinate health and social services – with the ultimate goal of improving health outcomes and cost-effectiveness. The legislation also encourages improvements in cross-sector information exchange, allowing for greater coordination and accountability.</i></p> <p><i>In addition to local-level leadership, the federal inter-agency technical advisory council created by the Act would identify key learnings and best practices, allowing for the scaling and replication of effective approaches, and facilitate a national dialogue around barriers to success of these initiatives.”</i></p>
<p><b><u>Support and Opposition:</u></b></p>	<p><b><u>Support:</u></b></p> <ul style="list-style-type: none"> <li>● Aligning for Health Coalition</li> <li>● American Hospital Association</li> <li>● Amida Care</li> <li>● Anthem Blue Cross/Blue Shield</li> <li>● Blue Cross/Blue Shield Association</li> </ul>

	<ul style="list-style-type: none"> <li>• CareSource</li> <li>• Centene Corporation</li> <li>• Health Care Services Corporation (HCSC)</li> <li>• Humana</li> <li>• Molina Health Care</li> <li>• <b>National Association of Counties (NACo)</b></li> <li>• Solera Integrated Health Network</li> <li>• Signify Health</li> <li>• UPMC</li> <li>• WellCare Health Plans</li> </ul>
<b><u>Impact on Orange County:</u></b>	If passed, this bill would provide the County the opportunity to apply for grants that could fund additional resources for an identified target population such as those experiencing homelessness. It is anticipated that impacts could extend countywide.
<b><u>Policy Platform References:</u></b>	<p><u>Health &amp; Wellness:</u> “Support measures that protect the public against disease and disability, and promote health.” Page 15</p> <p><u>Substance Use Disorder &amp; Mental Health services:</u> “Support efforts to increase accessibility and funding for quality substance abuse and/or mental health services for children, adults and families.” Page 17</p>
<b><u>Staff Contact:</u></b>	Richard Sanchez, Director, OC Health Care Agency

### **INFORMATIONAL ITEMS**

#### 1. County Position Matrix: CEO-LA

The tables below list active bills the County has taken positions on in 2019-20.

State Legislation

*As of Thursday, January 9, 2020*

Bill Number	Author	Subject	Position	Date of Board Action	Status	Notes
<b><u>AB 132</u></b>	<u>Cooper</u>	Trial Costs: Joseph James DeAngelo, Jr.	<b>Support</b>	2.26.19	Assembly Public Safety	
<b><u>AB 141</u></b>	<u>Cooper</u>	County Reimbursement: Joseph James DeAngelo, Jr. Costs	<b>Support</b>	4.9.19	Assembly Appropriations – Suspense File	
<b><u>AB 516</u></b>	<u>Chiu</u>	Authority to Remove Vehicle	<b>Oppose</b>	6.4.19	Senate Appropriations – Suspense File	

<b><u>AB 517</u></b>	<u>Chen</u>	Orange County Property Crime Task Force	<b>Support</b>	3.12.19	Assembly Appropriations – Suspense File	
<b><u>AB 563</u></b>	<u>Quirk-Silva</u>	Mental Health: Funding	<b>Support</b>	5.7.19	Assembly Appropriations – Suspense File	
<b><u>AB 615</u></b>	<u>Brough</u>	Alcoholism or drug abuse recovery and treatment services: referral	<b>Support</b>	3.26.19	Assembly Public Safety	
<b><u>AB 964</u></b>	<u>Medina</u>	County Jails: Visitation	<b>Oppose</b>	4.9.19	Assembly Appropriations – Suspense File	
<b><u>AB 1568</u></b>	<u>McCarty</u>	Housing Law Compliance: Prohibition on Applying for State Grants	<b>Oppose</b>	4.23.19	Assembly Appropriations – Suspense File	
<b><u>SB 12</u></b>	<u>Beall</u>	Mental Health Services: Youth	<b>Support</b>	5.7.19	Assembly Appropriations – Suspense File	
<b><u>SB 144</u></b>	<u>Mitchell</u>	Fees: Criminal Admin Fees	<b>Oppose</b>	5.7.19	Assembly Public Safety	
<b><u>SB 161</u></b>	<u>Bates</u>	Controlled Substances: Fentanyl	<b>Support</b>	2.26.19	Senate Public Safety  <u>Hearing Date:</u> January 14 <sup>th</sup>	
<b><u>SB 258</u></b>	<u>Hertzberg</u>	California Emergency Solutions and Housing Program: grants: homeless shelters: pets and veterinary services	<b>Support</b>	5.21.19	Assembly Appropriations – Suspense File	
<b><u>SB 465</u></b>	<u>Bates</u>	San Onofre Nuclear Generating Station: Emergency Planning	<b>Support</b>	5.7.19	Assembly Appropriations: Suspense File	
<b><u>SB 555</u></b>	<u>Mitchell</u>	Jails and Juvenile Facilities: Telephone Services: Store	<b>Oppose</b>	6.25.19	Assembly Appropriations – Suspense File	
<b><u>SB 573</u></b>	<u>Chang</u>	Homeless Emergency Aid Program: Funding	<b>Support</b>	3.26.19	Assembly Housing and Community Development	
<b><u>SB 665</u></b>	<u>Umberg</u>	Mental Health Services Fund: County Jails	<b>Sponsor /Support</b>	4.23.19	Assembly Rules	
<b><u>SB 689</u></b>	<u>Moorlach</u>	Needle and Syringe Exchange Program	<b>Support</b>	3.12.19	Senate Health	
<b><u>SB 736</u></b>	<u>Umberg</u>	Creative Economy Task Force	<b>Support</b>	5.21.19	Assembly Appropriations – Suspense File	

Federal Legislation

*As of Thursday, January 9, 2020*

<b>Bill Number</b>	<b>Author</b>	<b>Subject</b>	<b>Position</b>	<b>Date of Board Action</b>	<b>Status</b>	<b>Notes</b>
<b><u>HR 2995</u></b>	<u>Levin</u>	Spent Fuel Prioritization Act	<b>Support</b>	6.25.19	House Committee on Energy and Commerce	

<b>S.923</b>	<u>Feinstein</u>	Fighting Homelessness Through Services and Housing Act	<b>Support</b>	5.7.19	Senate Committee on Health, Education, Labor and Pensions	
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## 2. Housing/Homelessness Legislation Update: CEO-LA


The tables below list active legislation from the 2019-20 legislative session relating to housing/homelessness.

### State Legislation

*As of Thursday, January 9, 2020*

Bill No.	Author	Subject	Outside Orgs.	Status	Board Position
<b><u>AB 14</u></b>	<u>Rivas, Luz</u>	Multifamily Housing Program: homeless youths: homeless families.	CSAC – Watch	Assembly Housing and Community Development	
<b><u>AB 22</u></b>	<u>Burke</u>	Housing: safe and clean shelter for children.	CSAC – Watch	Assembly Housing and Community Development	
<b><u>AB 67</u></b>	<u>Rivas, Luz</u>	Homeless integrated data warehouse	CSAC – Watch	Senate Appropriations – Suspense File	
<b><u>AB 69</u></b>	<u>Ting</u>	Land use: accessory dwelling units.	CSAC – Support	Senate Floor	
<b><u>AB 146</u></b>	<u>Quirk-Silva</u>	State highways: property leases: County of Orange.		Assembly Local Government	
<b><u>AB 307</u></b>	<u>Reyes</u>	Homeless youth: grant program.	CSAC – Support if Amended	Senate Appropriations – Suspense File	
<b><u>AB 531</u></b>	<u>Friedman</u>	Foster youth: housing.	CSAC – Support	Senate Appropriations – Suspense File	
<b><u>AB 599</u></b>	<u>Maienschein</u>	Housing programs: definitions: workforce housing.	CSAC – Watch	Assembly Housing and Community Development	
<b><u>AB 725</u></b>	<u>Wicks</u>	General plans: housing element: above moderate-income housing: suburban and metropolitan jurisdictions.		Assembly Housing and Community Development	
<b><u>AB 816</u></b>	<u>Quirk-Silva</u>	California Flexible Housing Subsidy Pool Program.	CSAC – Watch	Assembly Appropriations – Suspense File	
<b><u>AB 847</u></b>	<u>Grayson</u>	Housing: transportation-related impact fees grant program.	CSAC – Watch	Assembly Housing and Community Development	
<b><u>AB 953</u></b>	<u>Ting</u>	Land Use: accessory dwelling units	CSAC- Watch	Assembly Housing and Community Development	
<b><u>AB 1074</u></b>	<u>Diep</u>	Accessory Dwelling Unit Construction Bond Act of 2020.	CSAC – Watch	Assembly Housing and Community Development	
<b><u>AB 1177</u></b>	<u>Frazier</u>	Planning and zoning: housing development: streamlined approval.	CSAC – Watch	Assembly Housing and Community Development	
<b><u>AB 1279</u></b>	<u>Bloom</u>	Planning and zoning: housing development: high-resource areas.	CSAC – Concerns	Senate Housing	

<b>AB 1315</b>	<u>Boerner Horvath</u>	Housing: small lot subdivisions	CSAC – Watch	Assembly Housing and Community Development	
<b>AB 1484</b>	<u>Grayson</u>	Mitigation Fee Act: housing developments.	CSAC - Concerns	Senate Rules	
<b>AB 1568</b>	<u>McCarty</u>	Housing law compliance: prohibition on applying for state grants.	CSAC – Oppose UCC – Oppose	Assembly Appropriations	Oppose – 4/23/19
<b>AB 1711</b>	<u>Santiago</u>	Homeless populations: disease outbreak.	CSAC – Watch	Assembly Appropriations	
<b>AB 1717</b>	<u>Friedman</u>	Homeless Population: disease outbreak	CSAC – Watch	Assembly Appropriations	
<b>AB 1845</b>	<u>Rivas</u>	Homelessness: Office to End Homelessness	CSAC – Watch	Assembly Rules	
<b>AB 1851</b>	<u>Wicks</u>	Faith-based organization affiliated housing development projects: parking	CSAC - Pending	Assembly Rules	
<b>SB 4</b>	<u>McGuire</u>	Housing.	CSAC – Watch	Senate Governance and Finance	
<b>SB 9</b>	<u>Beall</u>	Income taxes: low-income housing credits: allocation: sale of credits.	CSAC – Support	Assembly Housing and Community Development	
<b>SB 48</b>	<u>Wiener</u>	Interim housing intervention developments.	CSAC – Watch	Senate Appropriations	
<b>SB 50</b>	<u>Wiener</u>	Planning and zoning: housing development: streamlined approval: incentives	CSAC – Oppose Unless Amended	Senate Appropriations	
<b>SB 191</b>	<u>Morrell</u>	Land use: housing element.	CSAC – Watch	Senate Rules	
<b>SB 258</b>	<u>Hertzberg</u>	California Emergency Solutions and Housing Program: grants: homeless shelters: pets and veterinary services.	CSAC- Watch	Assembly Appropriations – Suspense File	Support – 5/21/19
<b>SB 282</b>	<u>Beall</u>	Supportive housing for parolees.	CSAC – Watch	Assembly Appropriations – Suspense File	
<b>SB 384</b>	<u>Morrell</u>	Housing.	CSAC – Pending	Senate Environmental Quality	
<b>SB 573</b>	<u>Chang</u>	Homeless Emergency Aid program: funding.	CSAC – Support If Amended	Assembly Housing and Community Development	Support – 3/26/19
<b>SB 773</b>	<u>Skinner</u>	Land use: accessory dwelling units	CSAC – Pending	Senate Governance and Finance	
<b>SB 795</b>	<u>Beall</u>	Affordable Housing and Community Development Investment Program	CSAC – Watch	Senate Rules	
<b>SCA 1</b>	<u>Allen</u>	Public housing projects.	CSAC – Support	Assembly Rules	

 Highlighted sections symbolize a status change



### 3. Sacramento Legislative Report

#### *Prepared by Precision Advocacy Group LLC*

Monday January 6<sup>th</sup> was the first day of the second half of the 2019-20 legislative session. As such, new bills are slowly being introduced, with an expected rate increase as we approach the bill introduction deadline of February 21<sup>st</sup>. There has been an abundance of amendments to two-year bills still seeking approval in their first house before the end of the month. We will keep you apprised of new and amended legislation impacting the County.

Priorities coming from both the administration and legislative leadership for 2020 include homelessness, housing, wildfires, and emergency preparedness. The governor will expand on his list when he releases his budget proposal on Friday, January 10<sup>th</sup>.

Homelessness. Prior to the budget proposal's official release, the governor announced that he is including \$1 billion as part of his proposal for homelessness and behavioral health services. Further details are likely when the budget is announced, however, the following information was provided as part of a [press release](#) this week.

\$750 million to be dedicated to the California Access to Housing and Services fund to:

- Pay rent for individuals facing homelessness
- Support regions increasing dwelling units
- Help stabilize board and care facilities/homes

Funding would go directly to service providers, potentially bypassing government agencies.

\$695 million (including federal funds) to Medi-Cal Healthier California for All (formerly known as CalAIM), an amount increasing to \$1.4 billion by 2022. This funding would provide tenancy support services, housing navigation services, recuperative care and could include targeted rental assistance for high utilizers of public health care services.

The budget proposal will include \$24.6 million in 2020-21 and \$364.2 million over six years for a Community Care Collaborative pilot program. This pilot would be established in three counties and would place individuals who are incompetent to stand trial into stable community placements instead of state hospitals.

In addition to new budget appropriations, the administration states that they will be working to update and strengthen enforcement of mental health parity laws, establishing a Behavioral Health Task Force, and reviewing Prop 63, the Mental Health Services Act. A proposal will be submitted in Spring 2020 regarding proposed reforms to Prop 63, potentially tracking local governments' use of funding. Notably, the governor's press release specifically calls out Mayor Darrell Steinberg's talking points regarding homelessness, justice-involved populations, and early intervention in consideration of changes to Prop 63.

In conjunction with the administration's announcement regarding funding for homelessness, Governor Newsom signed [Executive Order N-23-20](#), stating that California has a severe housing crisis which has led to increased homelessness throughout the State. The 2019 Point-in-Time Count determined that approximately 151,278 individuals in California are homeless, and over 108,000 of those people are unsheltered. The homeless population is disproportionately impacted by a lack of medical care for their physical and behavioral health issues, and these individuals statistically die sooner than those who are housed. Homelessness increasingly impacts public services, public safety, residents, and businesses, which has led to almost 200 cities and counties declaring shelter crises since 2018. The State has substantially increased funding to address homelessness over the last two years, however, additional innovation, cooperation, and urgency is required among both public and private sector entities.

To reduce homelessness, increase housing options, and provide access to health and social services to homeless individuals, Governor Newsom ordered the following actions:

1. By February 28, 2020, accountability metrics shall be developed for state agencies and local partners to assess the use of state resources and their impact on reducing homelessness and increasing access to services and housing. These metrics shall be published online and updated regularly.
2. The Department of Finance shall establish the California Access to Housing and Services Fund within the Department of Social Services to receive future state appropriations and donations to fund affordable housing units, rental and operating subsidies, and stabilize board and care homes.
3. By January 31, 2020:
  - a. The Department of General Services shall identify excess state land that can be used on a short-term basis for shelter as long as it will not delay the development of affordable housing on those properties.
  - b. The Department of General Services shall conduct an initial assessment of state facilities that could be used by local partners on a short-term emergency basis for homeless in need of shelter and services.
  - c. Caltrans shall develop and share a model lease template to allow local governments to use Caltrans property adjacent to highways or state roads for shelter on a short-term basis.
  - d. The Office of Statewide Health Planning and Development shall conduct an initial assessment to determine whether decommissioned hospitals or health care facilities may be available to shelter individuals on a short-term basis.
  - e. The Departments of Food and Agriculture, General Services, Housing and Community Development, Social Services, and the Office of Emergency Services shall conduct an initial assessment of fairgrounds in jurisdictions where a shelter crisis is in effect to determine the appropriateness of using that space to provide short-term shelter.
4. The Department of General Services shall supply 100 travel trailers and the Emergency Medical Services Authority shall supply complementary modular tent structures immediately until September 30, 2020 for shelter. These shall be available in areas where a shelter crisis has been declared, local partners can maintain the trailers and tents, local partners can provide services and transition homeless into permanent housing, and local partners regularly and publicly report data.
5. A multi-agency state strike team shall be established, to be coordinated by the Homeless Coordinating and Financing Council to provide support to locals in their efforts to shelter and provide services to the homeless.

California Advancing and Innovating Medi-Cal (CalAIM) *Now* Medi-Cal Healthier California for All. The Department of Health Care Services (DHCS) announced on January 8 that effective immediately, the initiative formerly known as CalAIM will now be known as Medi-Cal Healthier California for All to better reflect the administration's platform to build a "California for All," as well as to emphasize the long history and public familiarity with Medi-Cal.

Medi-Cal Healthier California for All is the Department of Health Care Services' (DHCS) proposal to extend the 1115 and 1915b waivers, as well as to more broadly improve Medi-Cal. Workgroups have been meeting over the last several weeks to flesh out 22 proposals and provide feedback to DHCS. Below is a summary of a couple of the behavioral health issues they have been contemplating. It's important to remember that this is a major process and final decisions and details have not yet been determined.

One deliverable requested of the Behavioral Health workgroup is to provide recommendations for determining/demonstrating California's readiness to participate in the Mental Health Institutions for Mental Disease (IMD) waiver opportunity which would allow counties to receive federal reimbursement for services provided to Medicaid eligible adults with serious mental illness and children with serious emotional disturbance in an IMD. This opportunity was discussed at the workgroup's first meeting where it received a

positive reception. The purpose of the IMD waiver is to test whether increasing access to acute inpatient psychiatric care reduces reliance on emergency rooms and improves connection to outpatient community treatment. Prior to the meeting, the workgroup received 15 letters supporting moving forward with an application to participate in the demonstration, including letters from the County Behavioral Health Directors Association (CBHDA) and CSAC. Some issues that will merit continued discussion:

- Is there an assessment of what we already have or the gaps in our current system? It's hard to estimate need without knowing what's already happening.
- States must demonstrate that they are improving the continuum of care with a focus on mental health crises. The concept is that paying for IMDs will free up funds to invest in other parts of the system. Is there enough financial incentive built into the proposal to increase capacity in the continuum of care?
- Does this demonstration have to be statewide? Could it be individual counties? Some counties do not have the resources to participate.

The Behavioral Health Payment Reform workgroup's first meeting was focused on an overview of the payment reform proposal. This is a more technical workgroup where group members have expertise in Medi-Cal financing. Some salient points:

- Orange County submitted comments supportive of DHCS's proposal allowing the use of incentive payments to drive quality in the public mental health system, however, urged that DHCS work closely with counties on technical details.
- Multiple working group members recommended that the timeline for implementation be extended, as well as reminded DHCS that technical assistance would be crucial to a successful implementation.
- Members of the workgroup encouraged a complex case study in order to understand how the new payment methodology would work under this proposal.

#### **4. Washington DC Legislative Report**

##### ***Prepared by Van Scoyoc Associates***

The Senate and House of Representatives returned to Washington, DC, following their holiday recess period. Before departing in late December, the two chambers passed two major pieces of legislation which provided discretionary spending for all federal agencies for the rest of fiscal year 2020 (expiring September 30<sup>th</sup>), thus avoiding a federal shutdown.

Senators and representatives return to the Capitol with most media and national attention focused on two items unrelated to County priorities. First, US drone strike killing Iranian general Qassem Soleimani has created a firestorm in Washington, DC, on many fronts. Democrats are concerned the strike is a disproportionate escalation of conflict with Iran which, they claim, will surely have broader regional implications. Republicans, however, are arguing that the strike was necessary to prevent imminent harm against Americans and a strong signal to prevent further violence. In the near future, the House plans to consider a resolution under the War Powers Act limiting the scope and authority President Trump may exercise as it relates to use of force against Iran. It is further unclear how the shelling of US military installations in Iraq by Iranian forces will affect the situation going forward.

The second big ticket item remains impeachment. Speaker Nancy Pelosi (D-CA) has refused to formally submit the two articles of impeachment to the Senate until the Senate reaches an agreement which establishes rules for the impeachment trial which includes witness testimony. Pelosi's position has only solidified during the two-week recess with the public release of additional emails related to Ukrainian security assistance. Senate Majority Leader Mitch McConnell (R-KY) and Senate Minority Leader Chuck

Schumer (D-NY) continue to negotiate an agreement to proceed, though reportedly the negotiations are not proceeding well.

Meanwhile the two chambers continue to work on lesser-known items. In the House, the full chamber will consider the “PFAS Action Act of 2019” (HR 535). This legislation designates perfluoroalkyl and polyfluoroalkyl substances (commonly called “PFAS” substances) as hazardous substances under the jurisdiction of the Environmental Protection Agency (EPA). As a result of this legislation, EPA must modify its drinking water, clean water, chemical storage, and air standards to reflect this designation. The legislation also authorizes \$100 million a year for five years through the EPA’s State Drinking Water Revolving Fund to assist local water districts in remediation of PFAS contamination. The bill further authorizes EPA \$100 million a year for two years for direct granting authority for additional capital needs to address PFAS contamination. As it pertains to airports, the legislation will be amended to exempt airports from liability related to fire suppression activities with PFAS substances if used in accordance with FAA regulations. According to an August 2019 [article in the OC Register](#), PFAS contamination is an issue in the County. The full text and summary of the legislation can be found [HERE](#). Senate leaders on the committees of jurisdiction have indicated they will not take up the PFAS legislation, and even worked to eliminate PFAS control provisions a recently-enacted national defense policy bill. Further, President Trump has issued a veto threat on the legislation.

On January 9<sup>th</sup>, the House Transportation and Infrastructure Committee will hold its first subcommittee hearing of the year on the Water Resources Development Act, a biannual bill authorizing federal water projects. At the hearing, the Army Corps of Engineers will publicly discuss its priorities for the coming years. In addition, subcommittee members will likely use their questioning time to discuss their own water priorities. VSA has been in communication with the offices of OC Delegation offices, including Reps. Lowenthal and Rouda, as well as subcommittee Chairwoman Grace Napolitano.

In the Senate, the calendar is full of executive nominations. The Senate will vote on the new head of the Small Business Administration. Further executive and judicial nominations are likely throughout the week.

In months to come, House and Senate health care leaders will be negotiating legislation which will combine central elements of the so-called “surprise billing” legislation and prescription drug legislation. Surprise medical billing is term for instances where insured patients receiving care at in-network hospitals or clinics are charged substantial bills because one or more providers at that facility are not a part of that practice. Various committees of jurisdiction from the House and Senate have released draft legislation which holds patients harmless. The biggest question before Congress is the mechanism by which insurers and providers resolve their payment disputes. As the bicameral discussions proceed on this bill, there is increasing evidence that the scope of the negotiations will expand beyond those two issues. Community health centers, substance use disorder, mental health services, public health services, and other matters of concern to Orange County will be on the table for potential inclusion.

This February, the White House will be releasing its FY2021 budget proposal. Because it is President Trump’s last budget proposal going into an election year, many experts believe his budget will call for substantial reduction in federal spending to reduce his projected deficit. Because he has already proposed cuts in SNAP, TANF, and Medicaid, we must be prepared for those cuts and their impact on the County.

Important developments are also occurring in the courts. California Attorney General Xavier Becerra, along with 20 other states, have asked the US Supreme Court to hear a major case filed by the State of Texas regarding the Patient Protection and Affordable Care Act (ACA). In December of 2019, the Fifth Circuit Court of Appeals ruled in favor of the State of Texas that the ACA was unconstitutional. Rather than specifically identifying which provisions of the ACA were to be invalidated as a result, the Fifth Circuit remanded the case to the US District Court of North Texas to make those determinations. For Becerra and other Democratic attorneys general, the remand effectively delays the Supreme Court’s consideration of the

ACA until after the 2020 election. It is nearly certain the Supreme Court will consider the underlying case (whether it grants Becerra's cert or waits for the appeal of the Fifth Circuit). In any case, the consequences of invalidating some or all of the Affordable Care Act will have significant impact on all local governments, as insurance coverage, Medicaid expansion, covered services, and affordability hang in the balance. Potentially invalidating the ACA would place greater strain on County operated health facilities to cover services and require close monitoring.

If you or your staff have any questions or require additional information on any of the items in this bulletin, please contact Peter DeMarco at 714-834-5777.