

# LEGISLATIVE UPDATE



Week of June 2, 2025

State Issues	
Budget Update	<p>On Thursday, Assembly Leader Aguiar Curry announced on the Assembly Floor that the Assembly Budget Committee will meet next Monday, upon the call of the chair. In fact, the Daily File now has the Assembly Budget Committee set to meet every day next week, and every Budget Subcommittee is set for Sunday, June 15 – the deadline for the budget to be passed. At one of these hearing dates, we can expect the Assembly Budget Chair Jessie Gabriel to lay out the Assembly Democratic Caucus’ plan for the state Budget. The Senate has set its Budget Committee hearings for Wednesday and Thursday, and all Subcommittees are scheduled for Tuesday.</p> <p>There also is a growing idea that whatever budget they adopt this month will be a placeholder – especially in the health budget. Given the uncertainty in the short-term fiscal picture, real solutions won’t be developed, including potential new revenues, until there is a better picture of what the state will have to deal with from Congress, likely later this summer.</p> <p>The Assembly Progressive Caucus is pushing to institute new taxes to continue the Medi-Cal coverage for undocumented Californians and reject Governor Newsom’s proposal for a premium. The rumors are numerous and include instituting a tax on businesses who have employees on Medi-Cal and other state/federal support services, or a simpler tax on “wealthy” individuals and businesses – which can be defined in innumerable ways.</p> <p>One of the many challenges they face with increasing revenue is timing: it seems nearly impossible to develop a new tax structure, especially if it is complex, in the next few days. However, given the likelihood of federal Medicaid cuts looming, there is some thinking that if they begin to work to develop the new revenue structure now, it may be ready to implement by the time the federal cuts are finalized.</p>
Legislative Update	<p>Over the last ten days, leading up to today’s house of origin deadline where all bills introduced in either the Senate or Assembly must pass that house and make their way over to the other, the Legislature voted on nearly 1,000 bills. Both the Senate and Assembly finished their work yesterday, with the Senate having just one bill left to vote on after going late in the day each week. The Assembly took the morning behind closed doors to continue budget negotiations and then came to the Floor later in the afternoon to wrap up their bills.</p> <p>Several bills key to the Alliance passed this week, including <b>SB 403 (Blakespear)</b>, which removes the sunset on the End-of-Life Option Act, without ensuring a rigorous review and legislative oversight is performed. We will continue to oppose that measure, along <b>with SB 632 (Arreguin)</b>, which removes needed controls for workers compensation claims and <b>SB 596 (Menjivar)</b>, which creates new staffing requirements for hospital nurses.</p>

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<p>New Report on Health Care Spending</p>	<p>This week, the Office of Health Care Affordability (OHCA) issued a report covering their analysis of the health care spending trends in California. The report, "<a href="#">Baseline Report: Health Care Spending Trends in California, 2022–2023</a>," highlights overall health care spending across 2022 and 2023, as well as changes in spending at the statewide level and by market, payer, region, and service category. Highlights from this report will be discussed at the upcoming <a href="#">Health Care Affordability Board meeting on June 9, 2025</a>.</p> <p>This first report serves as a baseline assessment of health care spending in the years before the statewide spending target is implemented. In addition to overall health care spending, the baseline report also includes per capita and per member per year (PMPY) growth rates.</p> <p>Each year OHCA will collect, analyze, and report data from payers and other state and federal data sources to present a comprehensive view of California’s health care spending and growth trends over time.</p> <p>The report summarizes baseline total health care expenditures (THCE) – health care spending including health plan administrative costs and profits – and total medical expense (TME) – health care spending excluding health plan administrative costs and profits – along with their growth from 2022 to 2023 and examines key measures by market, payer, service category, commercial product type, and geographic region. The report further summarizes the OHCA initiatives to improve health system performance through primary care and behavioral health care investment benchmarks, alternative payment models (APM), quality and equity measures, and health care workforce stability standards.</p>
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