

LEGISLATIVE UPDATE



Week of July 14, 2025

State Issues

Budget Update

Official Budget Summary Released. This week, the Administration released its official summary of the 2025 state budget package. You can find it [here](#). This is a good reference tool for the final budget actions – which will come in handy when we inevitably will be revisiting this document when the State reopens the budget process to address the cuts from the federal HR 1.

Both the [Senate](#) and [Assembly](#) released their versions of the summary several months ago, and sometimes these can be more straightforward than the Governor's.

Jason Sisney, the Speaker's budget chief, does a nice job outlining the most recent Budget Trailer Bills that were voted on this week, and you can find his summary [here](#). Of note, AB 104, the budget bill clean-up bill, includes loan extensions for Palomar Medical Center and other district hospitals that have not repaid their no-interest loans from the State.

Some Special Session Intel. While we have all been gearing up for a potential special session in the fall to accommodate the federal budget cuts, there are some, including in the Speaker's office, who contend the state can take necessary budget actions during the last month of the session. Note: Legislators are now on summer recess and will return August 18th. At that point, they will have exactly 4 weeks to take care of business before the 2025 session ends on September 12th.

While the Speaker's office acknowledges both the state departments and federal regulatory agencies have a lot of work to do to properly determine how each section of the mammoth HR 1 will impact our state budget, they contend it is still possible for the Governor to propose some initial responses to the cuts during the regular legislative session.

Legislative Update

Today is the last day for bills to pass out of the policy committee in the second house, making for very long agendas in the various policy committees. Following are a few key bills:

AB 1312 (Schiavo) seeks to make it easier for patients to access discounted and charity care from hospitals. The bill is sponsored by the California Pan-Ethnic Health Network, Health Access California, Leukemia and Lymphoma Society, Rising Communities and is opposed unless amended by the California Hospital Association. The author was forced to take last minute amendments from Chair Menjivar that are likely to address outstanding concerns. The bill passed and awaits action in Senate Appropriations after the break.

(more)

<p>Legislative Update (continued)</p>	<p>AB 1460 (Rogers) was a highly controversial bill that would have loosened requirements for health clinics to access 340B pricing for prescribed medications. The bill was sponsored by the California Primary Care Association Advocates and related clinics and opposed by PhRMA, SEIU and California Chronic Care Coalition. After having its hearing getting pushed week after week until, finally, the bill was not set for hearing in the Senate Health Committee by Chair Menjivar. The bill failed the deadline and will become a 2-year bill. Rumors are picking up that SEIU will be working on a clinic-related statewide ballot initiative, so be on the lookout for that press conference sometime soon.</p> <p>SB 41 (Weiner) is a measure that regulates certain practices of pharmacy benefit managers (PBMs). This bill is seen as a companion to the Budget Trailer Bill passed earlier this year that requires licensure of PBMs operating in California. The bill is sponsored by the California Pharmacists Association, California Chronic Care Coalition, Los Angeles LGBT Center, San Francisco AIDS Foundation and is opposed by insurers and PBMs. The bill passed out of Assembly Health last week with dozens of pharmacists in white coat testifying in support and passed the Assembly Judiciary Committee this week. It now waits for action in the Assembly Appropriations Committee.</p>
<p>New Director of Government Relations at DHCS</p>	<p>This week, the Governor appointed Melissa Bacon as the Deputy Director at the Office of Legislative and Governmental Affairs at the California Department of Health Care Services. She has been the Assistant Deputy Director at DHCS since 2016 and was Staff Services Manager from 2013 to 2016. She was an Associate Governmental Program Analyst at the California Department of Alcohol and Drug Programs from 2008 to 2013. Bacon was an Alcohol, Tobacco and Other Drug Prevention Coordinator at University of California, Davis, Health, Education and Promotion Department from 2006 to 2008.</p> <p>She earned a Bachelor of Arts degree in Sociology from the University of California, Davis. Her position does not require Senate confirmation.</p>

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