SLC 2018: State Roundtable Report
California

The 2017-18 Legislative Session was, for the most part, a resounding victory for CAFP. CAFP advanced several major priorities, particularly in terms of patient access to primary care, generating opportunities for medical students and residents to pursue careers in family medicine, and increasing access to care for the underserved.

The 2018-19 State Budget Includes Major Health Care Wins

For the first time in his nearly eight years as Governor, Jerry Brown's January budget proposal did not contain any major negative consequences for family medicine's priorities. Of note, the three-year $100 million investment in the Song-Brown Primary Care Physician Training Program continued with its second installment of $33 million in 2018. Our successful effort to prevent the elimination of this funding appears to be a lasting victory. In the end, numerous CAFP-priorities items were included in the 2018-19 State Budget, including medical student loan repayment, a major increase in Medi-Cal payment rates and a step toward establishing the infrastructure needed to measure primary care spending. The 2018-19 State Budget included:

- $233 million (on top of the more than $350 million increase in 2017) for increased payments to Medi-Cal providers. This payment increase is due to the passage of the CAFP-supported tobacco tax initiative of 2016 (Proposition 56), which allocates 80 percent of the tax revenue to Medi-Cal provider payment increases. When fully implemented, the funding should reach $800 million; when matched with federal funds, this will likely mean more than $1.5 billion in increased payments.
- $190 million in loan repayment funds for recently graduated physicians who serve Medi-Cal beneficiaries (to be spent before July 1, 2025). The Department of Health Care Services (DHCS) has contracted with the CMA Foundation (Physicians for a Healthy California) to develop the eligibility criteria and administer the funds.
- The continuation of the three-year $100 million investment in the Song-Brown Primary Care Physician Training Program, with its second installment of $33 million in 2018.
- $60 million to create the "Health Care Payments Database" – an All Payer Claims Database.
- The release of $40 million/year in Proposition 56 funds to support primary care and emergency medicine residency programs in underserved areas. Last year, UC held those funds in response to the Governor cutting its funding by an equal amount. The 2018-19 State Budget will release those funds by fully funding UC. UC has entered into a Memorandum of Understanding (MOU) with Physicians for a Healthy California to administer the program. CAFP sit on the program's Advisory Council and is working to ensure those funds are used for their intended purpose.

- $500 million to help communities across California address homelessness.
- $50 million to health information exchanges for expansion to new providers.
- $10 million to support the All Children Thrive (ACT/CA) pilot program – a partnership between Community Partners and UCLA to lead a pilot focused on high-need cities and counties, designed to test public health approaches to prevent childhood trauma and countering its effects.
- $5 million to establish the Commission on Health Care Delivery Systems charged with developing a plan to create universal health care coverage and a unified publicly-financed health care system.
- $1 million to fund scholarships for primary care and emergency physicians receiving Primary Care Clinician Psychiatry Fellowships from either the University of California at Davis Medical School or the University of California at Irvine Medical School; tuition is free to physicians who practice in medically underserved areas and serve medically underserved populations.

Governor Signs CAFP-Sponsored Bill to Regulate Pharmacy Benefit Managers

The Governor signed CAFP's co-sponsored (with CMA) legislation, AB 315 (Wood, Dahle, Nazarian and Stone), which will to regulate pharmacy benefit managers (PBMs) and protect patients from unfair drug pricing. The new law requires PBMs to register with the state and establishes a Task Force on Pharmacy Benefit Management Reporting to determine what information related to pharmaceutical costs should be reported by health care service plans or their contracted pharmacy benefit managers. The law requires a PBM to notify a purchaser of any activity, policy or practice that presents a conflict of interest in its practices. It also requires the PBM to disclose the benefits of a particular prescription product including, but not limited to, aggregate wholesale acquisition costs and administrative payments received from a pharmaceutical manufacturer. The law also requires the disclosure of any material change to a contract provision that affects the terms of reimbursement. In addition to regulating PBMs, the new law seeks to guide patients to the lowest cost for their medication by barring PBMs and health plans from prohibiting providers from informing patients of a less costly alternative to a prescribed medication, as well as requiring pharmacies to inform customers whether the retail price of a prescription drug is lower than the applicable cost-sharing amount for that drug. The customer's payment would also count toward their applicable cost-sharing requirements. Finally, the law establishes a pilot project in the counties of Riverside and Sonoma to assess the impact of health care service plan and pharmacy benefit manager prohibitions on the dispensing of certain amounts of prescription drugs by network retail pharmacies.

New Parkinson's Disease Reporting Requirement Reduced

CAFP worked with a number of stakeholders to pressure the Department of Public Health (DPH) and the Governor's office to reduce overly burdensome and unnecessary reporting requirements related to the collection of data for the California Parkinson's Disease Registry. The Registry, which opened July 1, 2018, requires physicians, physician assistant and nurse practitioners who diagnose or treat Parkinson's disease patients to register with DPH and report cases of Parkinson's disease. The original 62 required data fields has been narrowed to 14 required fields and three optional fields and a new Implementation Guide has been released. In addition to the reduced requirements, the reporting compliance date has been extended from 90 days to 180 days until October 1, after which all cases must be reported within 90 days. If you treat this population, please familiarize yourself with the new implementation guide and see DPH's "At a Glance" document. CDPH has also created an email list serve that clinicians can sign up for to receive update on the registry.

CURES Requirements Begin

As of October 2, 2018, all DEA-registered physicians must register with and consult CURES prior to prescribing Schedule II, III or IV controlled substances to a patient for the first time and at least once every four months thereafter if that substance remains part of the patient's treatment. Physicians must also consult CURES no earlier than 24 hours, or the previous business day, before prescribing, ordering, administering or furnishing a controlled substance to the patient. Limited exemptions apply to these requirements.