

LEGISLATIVE UPDATE



Week of August 18, 2025

State Issues	
Legislature Returns from Recess	<p>This week, the Legislature returned from their summer recess and dove right into fiery debate on whether California should have a special election to redistrict our Congressional maps. The goal: to match Texas' redistricting initiative that will create five new Republican districts with five new Democratic districts in California. In near record speed, the Legislature has created new maps for several key Congressional districts and created a Special Election on November 4 to have Californians vote for the new Congressional maps.</p> <p>On Thursday, Lawmakers voted mostly along party lines to approve the new maps, agree upon the language needed to change the Constitution, and calling for the special election. Assembly Member Jasmeet Bains is the only Democrat to vote against the proposed Constitutional amendment and is already running for one of the targeted seats. Governor Newsom immediately signed the bills and the notice officially declaring the Special Election. The five Congressional seats targeted are: Calvert, Issa, Kiley, LaMalfa, and Valadao. This issue will dominate until the November election.</p>
Informational Hearings	<p>In between the rancorous debate over gerrymandering, the Legislature held several informational hearings, focused on the implementation of HR 1, the recent bill passed by Congress that makes permanent the 2017 individual tax rates and makes sweeping cuts to Medicaid, biomedical research, food supports and environmental policies.</p> <p><i>Joint Informational Hearing Assembly and Senate Health Committees: Federal Action Impacts on Community Health.</i> Together, the Senate and Assembly Health Committees met to review the impact of HR 1 on Community Health. You can find the agenda and excellent background memo here.</p> <p>The hearing began with a panel led by Director Michelle Baass of the Department of Health Care Services. In her slides, she outlined the various cuts to Medicaid included in HR 1 and took time to walk through the different implementation dates for each one. Her slides include how many Californians are expected to be negatively impacted by every key provision in the bill. The members then heard from Planned Parenthood, the California Hospital Association and Western Center on Law and Poverty on the impact of the cuts on their organizations and the communities they serve and support. Followed by panels of immigration rights advocates, community clinics, and County Social Services department.</p> <p>None of the panelist tempered the anticipated tremendous impact on vulnerable Californians. Chairs Caroline Menjivar, Mia Bonta and Akilah Weber Pierson were all exceptionally engaged with the panels and expressed a genuine interest in working with providers and supporters to determine what help the state can provide to sustain our safety net and their communities through these cuts.</p> <p>(more)</p>

<p>Informational Hearings (continued)</p>	<p><i>Select Committee on Biotechnology and Medical Technology: Impacts on Federal Actions Challenging the Biotechnology Sector.</i> Another compelling hearing was held by the Select Committee on Biotechnology and Medical Technology, chaired by Assembly Member Chris Ward. This hearing focused on the impact of HR 1 and other federal actions on California’s Biotech sector.</p> <p>The Chair began the hearing stating that he is looking for a pathway so that California can continue to remain competitive and remain successful for our shared goals; and he highlighted the size, scope and innovation of California’s bio tech sector that has been able to continue to provide the advancements, cures, therapies and discoveries over the years that we should be so proud of. He also focused on the partnership between the biotech sector and California’s higher education institutions and their direct work and commitment to front line advancements that inform developments, as well as their focus on building up the next generation of leaders. The Chair noted that he hoped to focus on the direct impact of current and projected cuts to organizations like the National Science Foundation and the National Institutes of Health, but also their downstream and longer-term effects. The first panel focused on the specific federal grant cuts and their impact. Panel Two centered on the federal grant cuts and their impact on California’s higher education institutions.</p> <p><i>Assembly Budget Sub 7 on Accountability and Oversight: Overview of H.R 1 Provisions that impact the State of California.</i> Finally, the Assembly Budget Subcommittee on Accountability and Oversight held its own hearing on HR 1. This hearing attempted to cover the breadth of the cuts to California as a result of recent federal action. The Legislative Analyst’s Office offered an overview of the cuts to health care, but also food assistance, higher education, and environmental programs. The Department of Finance also testified, with the lead of the Department’s Federal Funds Accountability and Cost Tracking team providing their testimony.</p>
<p>Covered California Increases Insurance Rates: 2026 Record Amount</p>	<p>Last week, Covered California announced the insurance rates for products sold in 2026 in the Health Insurance Exchange Marketplace. You can find the full details here. They anticipate a weighted average rate increase of a staggering 10.3 percent. They are quick to note that the amount of this increase could be reduced if Congress takes action to extend the federal enhanced premium tax credits.</p> <p>Covered California contends the enormous rate increases are the result of “many factors, including the increasing cost of health care and pharmacy expenditures, alongside broader industry challenges.” They also note that there are considerable federal health care policies that are driving premiums up even further, “particularly the expiration at the end of 2025 of the federal enhanced premium tax credits that have helped lower premiums for millions of Americans since 2021.”</p> <p>All Covered California enrollees would see their costs increase. From the loss of the enhanced premium tax credits alone, 1.7 million enrollees in California could see an additional average net premium increase of 66 percent. This would be a catastrophic cost increase for a majority of the Exchange’s enrollees, pricing many out of coverage. With the rate of insurance premiums increasing so significantly, and both the State and Federal Medi-Cal proposals that will kick Californians off Medi-Cal coverage, we can expect to see an additional 5 million Californians without coverage in the next year.</p>

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