

NEWS BREAK

May 1, 2009

FTC Will Grant Three Month Delay of Enforcement of 'Red Flags' Rule

The Federal Trade Commission announced yesterday that it will delay enforcement of the new "Red Flags Rule" **until August 1, 2009**, to give creditors and financial institutions more time to develop and implement written identity theft prevention programs.

As we mentioned in the last issue of *News Break*, CMA's Center for Legal Affairs has prepared a comprehensive toolkit to assist physicians and their staff to understand the scope of the Red Flag Rule and to comply with its requirements.

The toolkit is available for members under the CMA Spotlight section on the home page of the CMA website: <http://www.cmanet.org/>. If members need help to access the CMA website, they can call the CMA Member Hotline at (800) 786-4262 or MMCMS at (209) 723-2976. You may also contact MMCMS at (209) 723-2976 or chrisym@pacbell.net to have the toolkit e-mailed or mailed hard copy to your office.

It's Been a Busy Week for CMA Legislatively

Below is a quick brief on the major bills CMA has been working on. More can be found on CMA's Hotlist at <http://www.cmanet.org/news/hotlist.asp>. You can also sign up to be notified when the latest hot list is available at the above mentioned link.

Corporate Bar – AB 646 (Swanson), AB 648 (Chesbro), SB 726 (Ashburn)

Perhaps the biggest fight this week was our effort to stop or change three bills which seek to erode the bar on the corporate practice of medicine by allowing various health facilities to hire doctors. The bills had both Democrat and Republican authors, and at least one (AB 646) was backed by the powerful labor union AFSCME, complicating CMA's efforts. Some of the proponents of the bills have argued that allowing hospitals and health districts to hire doctors will increase access in underserved areas. CMA believes and has argued that there are more effective ways to increase access in underserved areas, and that the interests of patient protection served by the corporate bar are too important to be pushed aside.

In the end, both AB 646 and AB 648 passed out of Assembly Health Committee. However, SB 726 was significantly scaled back through amendments to preserve nearly all of the important patient protections of the corporate bar. Before a hospital or health care district can hire doctors, it must meet all the following:

- is a district hospital located in a medically underserved population or medically underserved area,

- doesn't use an outside entity to operate the facility,
- certify that they have been unsuccessful using commercially reasonable efforts in recruiting a core physician for at least 12 consecutive months during the period between July 1, 2008 and ending July 1, 2009 (certification must include efforts used),
- the Medical Staff must sign off.

Even when a hospital or health district meets these requirements, it can only hire two docs, or an additional three if they can show clear community need, obtain medical staff permission and medical board permission after holding a public hearing.

It is our hope that with CMA's stamp of approval on SB 726, it will advance, and that AB 646 and AB 648 will not.

Thanks to all the CMA doctors and county medical societies who called their legislators or arranged for doctors to call their legislators on these bills. These efforts played a critical role in helping us position ourselves for a positive outcome on these bills.

Non-payment for Adverse Events – AB 542 (Feuer)

AB 542 was amended to remove physicians, and thus CMA opposition.

Expanded Scope of Practice for Physical Therapists – AB 721 (Nava)

Died in committee.

Licensing of Surgical Clinics – AB 832 (Jones)

AB 832 was gutted from a bill which would have regulated surgical clinics to a bill which will create a workgroup to study the issue.

Prohibition on Balance Billing of PERs PPO policyholders – AB 1126 (Hernandez)

Dropped by the author.

CMA Sponsored Bills

Additionally, all CMA-sponsored bills to have been heard have passed out of their policy committees. The one remaining bill, AB 120 (Hayashi) dealing with peer review, will be heard in a couple weeks.

Annual Member Picnic – Don't Forget to RSVP!

This year's picnic will be held on the patio of Fernando's Bistro. Members and their spouses/significant others are invited to attend. Join your colleagues for an enjoyable social evening.

