

**Public Employees' Retirement System
Board of Administration
2023-2024 Legislative Session
State and Federal Update
Status as of May 20, 2024**

Sponsored Bills

AB 2770 (Committee on Public Employment and Retirement) Amended: 3/11/2024

CalPERS Position: Co-Sponsor

2024 Retirement Omnibus Bill. Among other things, makes various technical and clarifying changes to the Judges' Retirement Law II.

Action Taken: Monitoring

Location: 5/8/2024-Senate Labor, Public Employment and Retirement Committee

Active State Bills

AB 1092 (Wood) Amended: 6/28/2023

CalPERS Position: N/A

Consolidation of Health Care Service Plans. Among other things, requires a health care service plan that intends to acquire or obtain control of an entity, as specified, to give notice to and secure prior approval from the Director of the Department of Managed Health Care. Authorizes the Director to disapprove a transaction or agreement if it would substantially lessen competition in the health system or among a particular category of health care providers and requires the Director to provide information related to competition to the Attorney General. Revises the Director's authority to conditionally approve a transaction or agreement that is relevant to any of the parties to the transaction and prohibits the Director from waiving or delaying implementation of certain requirements under statute.

Action Taken: Monitoring

Location: 9/1/2023-Senate Appropriations Suspense File

AB 1246 (Nguyen, Stephanie) Amended: 9/1/2023

CalPERS Position: N/A

Postretirement Optional Settlements. Among other things, allows a retired member, who divorces after retirement and does not retain 100% of their retirement benefit, to designate their new spouse as the beneficiary of their postdivorce retirement settlement.

Action Taken: Monitoring

Location: 5/16/2024-Senate Second Reading

AB 1333 (Ward) Amended: 1/3/2024

CalPERS Position: N/A

Residential Bundled Sales. Prohibits a developer from conducting a sale of two or more parcels in a single transaction that contains one to four residential dwelling units to an institutional investor with a portfolio having more than 1,000 housing units.

Action Taken: Monitoring

Location: 5/1/2024-Senate Judiciary Committee

AB 2200 (Kalra) Amended: 4/30/2024

CalPERS Position: N/A

Guaranteed Health Care for All. Among other things, creates the California Guaranteed Health Care for All Act (CalCare) for all California residents that provides comprehensive universal single-payer health care coverage and a health care cost control system for benefits. Institutes the CalCare Board, consisting of Californian residents, as specified, to establish and implement CalCare. Requires the CalCare Board to establish an Advisory Committee on Public Employees' Retirement System Health Benefits to provide input on matters of policy related to public employee retiree health benefits and CalCare. This Advisory Committee includes a representative from CalPERS.

Action Taken: Monitoring

Location: 5/15/2024-Held on the Assembly Suspense File. Will be removed from monthly report.

AB 2584 (Lee) Amended: 4/10/2024

CalPERS Position: N/A

Corporate Ownership of Single-Family Residential Property. Prohibits a business entity, as defined, that has an interest in more than 1,000 single-family residential properties from purchasing, acquiring, or otherwise obtaining an interest in another single-family residential property and subsequently leasing the property. Allows the Attorney General to pursue civil action for a violation of this section.

Action Taken: Monitoring

Location: 5/16/2024-Assembly Second Reading

AB 3129 (Wood) Amended: 4/24/2024

CalPERS Position: N/A

Health Care System Consolidation. Authorizes the Attorney General (AG) to consent to, give conditional consent to, or not consent to a change of control or an acquisition between a private equity group or hedge fund and a health care facility or provider group. The determination by the AG depends on whether the change of control or acquisition, using the public interest standard, could have a substantial likelihood of anticompetitive effects or create a significant effect on the access or availability of health care services to the affected community.

Action Taken: Monitoring

Location: 5/16/2024- Assembly Second Reading

ACA 22 (Jones-Sawyer) Introduced: 3/14/2024

CalPERS Position: N/A

Legislative Member Participation in CalPERS. Allows a person first elected to the Legislature on or after December 3, 2024, the option to elect to participate in the CalPERS state miscellaneous retirement plan.

Action Taken: Monitoring

Location: 3/14/2024-Assembly Print

SB 252 (Gonzalez) Amended: 5/18/2023

CalPERS Position: Oppose

Divestment from Fossil Fuel Companies. Prohibits the CalPERS and CalSTRS boards from making new investments in fossil fuel companies, as defined, and requires both systems to divest existing fossil fuel company investments on or before July 1, 2031, if consistent with its fiduciary duty. Beginning on February 1, 2025, and annually thereafter, this bill requires each board to submit a report to the Governor and Legislature regarding any fossil fuel company holdings and divestments. Also, makes other conforming changes to cross-references relating to indemnification.

Action Taken: Provided author information on CalPERS' shareholder engagement efforts.

Location: 7/14/2023-Assembly Public Employment and Retirement Committee

SB 598 (Skinner) Amended: 8/14/2023

Prior Authorization. Among other things, prohibits a health care service plan or health insurer, on or after January 1, 2026, from requiring a contracted health professional to obtain prior authorization for any covered health care service if the plan or insurer would have approved not less than 90% of their prior authorization requests that they submitted in the most recent completed one year-contracted timeframe. Also requires a health care service plan or health insurer to 1) provide an electronic prior authorization process that a health professional agrees to use to be considered eligible for the prior authorization exemption and 2) have a process to annually monitor prior authorization approval, modification, appeal, and denial rates and discontinue prior authorization on services, items, supplies, and drugs for those that had 95% approval.

Action Taken: Monitoring

Location: 9/1/2023-Assembly Appropriations Suspense File

SB 729 (Menjivar) Amended: 8/14/2023

Health Care Coverage: Infertility and Fertility Treatment. Among other things, requires a large and small group health care service plan contract or health insurance policy that is issued, amended, or renewed on or after January 1, 2024, to provide coverage for the diagnosis and treatment of infertility and fertility services. Revises the definition of infertility and removes the exclusion of in vitro from coverage. Prohibits a health care service plan or health insurer from placing different conditions or coverage limitations on fertility medications or services, or the diagnosis and treatment of infertility and fertility services, than would apply to other conditions, as specified.

Action Taken: Monitoring

Location: 9/1/2023-Assembly Appropriations Suspense File

SB 873 (Bradford) Introduced: 2/17/2023

Prescription Drug Cost Sharing. Among other things, starting no later than January 1, 2025, requires an enrollee's or insured's defined cost sharing for each prescription drug to be calculated at the point of sale based on a price that is reduced by an amount equal to 90% of all rebates received or to be received in connection with the dispensing or administration of the drugs. Requires a health care service plan or health insurer to (1) provide each enrollee or insured a good faith estimate of their decrease of cost sharing at the point of sale as well as an end-of-calendar year reconciliation for any cost-sharing reductions owed that were not passed on at the point of sale and (2) calculate an enrollee's or insured's defined cost sharing and provide such information to the dispensing pharmacy.

Action Taken: Monitoring

Location: 9/1/2023-Assembly Appropriations Suspense File.

SB 1008 (Bradford) Amended: 4/29/2024

CalPERS Position: N/A

Obesity Treatment Parity Act. Requires a group or individual health care service plan contract or health insurer policy that provides coverage for outpatient prescription drug benefits that is issued, amended, renewed on or after January 1, 2025, to include coverage for the treatment of obesity in the same manner as other illnesses, conditions, or disorders that shall include coverage for the treatment of obesity, including coverage for intensive behavioral therapy, bariatric surgery, and at least one FDA-approved antiobesity medication.

Action Taken: Monitoring

Location: 5/6/2024-Held on the Senate Suspense File. Will be removed from monthly report.

SB 1240 (Alvarado-Gil) Amended: 5/8/2024

CalPERS Position: N/A

Successor Agency: El Dorado Fire Protection District and Diamond Springs Fire Protection District. Allows the El Dorado County Fire Protection District and the Diamond Springs-El Dorado Fire Protection District to provide their current employees the defined benefit plan or formula that they were provided from their respective employer prior to the annexation. All employees hired after the date of the annexation will be provided the benefits of the successor agency. If chaptered, this bill takes effect immediately.

Action Taken: Provided technical assistance to sponsor.

Location: 5/6/2024-Assembly Public Employment and Retirement Committee

SB 1379 (Dodd) Amended: 4/25/2024

CalPERS Position: N/A

Working After Retirement: County of Solano. Exempts a retired person employed by the County of Solano to perform a function or functions performed by a deputy sheriff, evidence technician or communications operator from the 960-hour work limitation. If chaptered, these provisions take effect immediately and sunset on January 1, 2027.

Action Taken: Provided technical assistance to author and committee consultants.

Location: 5/14/2024-Senate Third Reading

Federal Bills

H.R. 82 Graves, Garret [R-LA] Introduced: 1/9/2023

CalPERS Position: N/A

Social Security Fairness Act of 2023. Eliminates the Windfall Elimination Provision (WEP), which in some instances reduces Social Security benefits for individuals who also receive a pension or disability benefit from an employer that did not withhold Social Security taxes. It also eliminates the government pension offset, which in various instances reduces Social Security benefits for spouses, widows, and widowers who also receive government pensions of their own. These changes are effective for benefits payable after December 2023.

Action Taken: Monitoring

Status: 1/9/2023 - Referred to the House Committee on Ways and Means.

Note: S. 597 (Brown D-OH) is companion legislation that was introduced on March 1, 2023. Staff is monitoring this companion legislation.

H.R. 82 currently has over 300 cosponsors, making it eligible under House rules to be put on the "consensus calendar," a process that allows rank-and-file members to force widely-backed legislation to the floor if the committee of jurisdiction won't take it up. The House Committee on Ways and Means has not scheduled a meeting to consider the bill.

H.R. 824 Rep. Walberg, Tim [R-MI] Introduced: 2/2/2023

CalPERS Position: N/A

Telehealth Benefit Expansion for Workers Act of 2023. Adds telehealth services to the list of excepted benefits that are not subject to many of the Affordable Care Act (ACA) group health plan mandates, such as those provided under a separate policy or contract, as with worker's compensation/liability insurance, or a dental-only or vision-only plan. Employers may offer their employees telehealth services as a standalone benefit, separate from comprehensive coverage.

Action Taken: Monitoring

Status: 7/19/2023 – Passed the House Committee on Energy and Commerce.

H.R. 1156 Spanberger, Abigail Davis [D-VA] Introduced: 2/24/2023

CalPERS Position: N/A

China Financial Threat Mitigation Act of 2023. Requires the Department of the Treasury to report on the exposure of the United States to the financial sector of China. The report must include the effects the reforms to China's financial sector have on U.S. and global financial systems, a description of the policies the United States is adopting to protect U.S. interests, a description and analysis of any risks presented by China to the financial stability of the United States and the global economy, and recommendations for additional actions to strengthen international cooperation to mitigate risks and protect U.S. interests.

Action Taken: Monitoring

Status: 5/30/2023 - Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.

H.R. 2793 Wagner, Ann [R-MO] Introduced: 4/20/2023

CalPERS Position: N/A

Encouraging Public Offerings Act of 2023. Codifies and expands to all companies an existing Securities and Exchange Commission (SEC) rule that allows emerging growth companies to communicate with potential investors to ascertain interest in a contemplated securities offering, either before or after the filing of a registration statement (aka "test the waters"). It also allows companies to submit a confidential draft registration statement to the SEC for review prior to public filing or within one year after the initial public offering or registration (aka "a follow-on offering").

Action Taken: Monitoring

Status: 6/6/2023 - Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.

Note: S. 3030 (Budd R-NC) is companion legislation that was introduced on October 4, 2023. Staff is monitoring this companion legislation.

H.R. 2795 Meeks, Gregory W. [D-NY] Introduced: 4/24/2023

CalPERS Position: N/A

Enhancing Multi-Class Share Disclosures Act. Requires public companies with a multi-class stock structure to disclose, with respect to directors, executives, and owners of 5% of voting power, the number of shares they own (as a percent of all shares) and the voting power they hold (as a percent of all voting power).

Action Taken: Monitoring

Status: 5/31/2023 - Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.

H.R. 2799 McHenry, Patrick T. [R-NC] Introduced: 4/24/2023

CalPERS Position: N/A

Expanding Access to Capital Act of 2023. Capital markets package that, among other things, requires the SEC to issue rules that decrease reporting and registration requirements for companies, brokers, and advisors. It expands the definition of emerging growth company to include businesses with annual gross revenues below \$1.5 billion in the prior year (up from \$1 billion), which are allowed to make less extensive disclosures than required for larger companies. The bill also exempts companies that sell less than \$250,000 in securities in a year from registering those transactions with the SEC and narrows the definition of accredited investor to allow more individuals to purchase securities that are exempt from registration requirements. In addition, it preempts some state and local laws governing private placement brokers, people assisting issuers with raising capital in private markets, crowdfunding, funding portals, gig workers (not employees), and some secondary market transactions. It allows 403(b) plans to invest in collective investment trusts and insurance contracts that currently may be invested in by comparable retirement plans, such as 401(k)s and it directs the SEC to promulgate rules with respect to the electronic delivery of certain required disclosures to investors.

Action Taken: Monitoring

Status: 3/11/2024 - Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.

H.R. 3281 McMorris Rodgers, Cathy [R-WA] Introduced: 5/15/2023

CalPERS Position: N/A

Transparent Prices Required to Inform Consumer and Employers (PRICE) Act. Among other things, strengthens and expands hospital and health insurance transparency requirements and increases penalties for noncompliance. It also requires pharmacy benefit managers (PBMs) to regularly furnish employers with detailed data on information including drugs dispensed, copay assistance, rebates and discounts, net costs and patient cost-sharing. It also requires certain specified entities to report to the Secretary of the Health and Human Services Agency (HHS) data on mergers, acquisitions, and changes in ownership with respect to such specified entity for the previous 1-year period, and increases transparency into the effects of vertical integration in health care.

*Action Taken: Monitoring**Status: 5/17/2023 – Passed the House Committee on Energy and Commerce’s Subcommittee on Health.*

H.R. 3561 McMorris Rodgers, Cathy [R-WA] Introduced: 5/22/2023

CalPERS Position: N/A

Promoting Access to Treatments and Increasing Extremely Needed Transparency (PATIENT) Act of 2023. Among other things, codifies existing regulations that require hospitals to post their prices online, and expands and standardizes health plan cost and coverage reporting to HHS. It establishes deductible and cost-sharing limits on drugs that PBMs receive high rebates for and requires them to disclose negotiated prices for Medicare Part D drugs, as well as remuneration received and payments to pharmacies. In addition, it increases price transparency of clinical diagnostic laboratory tests under Medicare, establishes site-neutral payment policies in Medicare for administration of drug infusion and other hospital outpatient services performed off-campus, and requires Medicare Advantage (MA) plans to annually report to HHS details on payments, enrollee risk scores, items and services, prior authorizations and health risk assessments. It also requires disclosure of ownership interests in specified providers, and prohibits spread pricing for prescription drugs and related practices in Medicaid.

*Action Taken: Monitoring**Status: 5/24/2023 - Passed the House Committee on Energy and Commerce.*

H.R. 4260 Neal, Richard E. [D-MA] Introduced: 6/21/2023

CalPERS Position: N/A

Public Servants Protection and Fairness Act of 2023. Creates a new, more proportional WEP formula. For those who are first eligible to receive Social Security before 2024 – the new formula does not apply. They would receive a monthly \$150 additional payment (a “rebate”). For those who are first eligible to receive Social Security starting in 2025 – they can use the current formula or the new formula, whichever is higher.

*Action Taken: Monitoring**Status: 6/21/2023 - Referred to the House Committee on Ways and Means.*

H.R. 4507 Good, Bob [R-VA] Introduced: 7/10/2023

CalPERS Position: N/A

Transparency in Coverage Act of 2023. Among other things, requires health insurers to provide real-time access to information about cost-sharing and negotiated rates for covered services performed by specified providers. It also requires insurers to disclose how much they will pay for out-of-network services and any restrictions on volume of services. It requires PBMs to submit detailed reports to plan administrators on a quarterly basis detailing the amount of rebates, fees, and discounts received on prescription drugs. It also requires PBMs to provide information about copay assistance programs and other discounts paid for by drug manufacturers.

Action Taken: Monitoring

Status: 7/14/2023 - Referred to the House Committee on Energy and Commerce's Subcommittee on Health.

H.R. 4655 Norman, Ralph [R-SC] Introduced: 7/14/2023

CalPERS Position: N/A

Businesses Over Activists Act. Prohibits the SEC from compelling public companies to include shareholder proposals or discussion of shareholder proposals in proxy statements.

Action Taken: Monitoring

Status: 12/19/2023 - Placed on the House Union Calendar, Calendar No. 265.

H.R. 4767 Steil, Bryan [R-WI] Introduced: 7/20/2023

CalPERS Position: N/A

Protecting Americans' Retirement Savings from Politics Act. Among other things, requires proxy advisory firms to register with the SEC, disclose information about their qualifications and manage conflicts of interest. It requires that institutional investment managers who engage a proxy advisory firm to file a report with the SEC outlining how they voted on every shareholder proposal and the percentage of votes cast on shareholder proposals that were consistent with proxy advisory firm recommendations. It also imposes additional requirements on institutional investment managers to include an economic analysis for every shareholder proposal that demonstrates the vote is in shareholders' best economic interest. In addition, it prohibits the use of "robovoting" on votes related to proxy solicitation materials and requires investment advisors of passively managed funds to either vote proxies in accordance with the instructions of the issuer or abstain from voting.

Action Taken: Monitoring

Status: 12/19/2023 - Placed on the House Union Calendar, Calendar No. 263.

H.R. 4790 Huizenga, Bill [R-MI] Introduced: 7/20/2023

CalPERS Position: N/A

Guiding Uniform and Responsible Disclosure Requirements and Information Limits (GUARDRAIL) Act of 2023.

Among other things, limits the SEC's rulemaking authority by allowing public companies to only make disclosures that they determine are material for shareholder voting or investment decisions. It also requires the SEC to analyze the impact and legal basis of European rules that require U.S. companies to make sustainability-related disclosures.

Action Taken: Monitoring

Status: 12/22/2023 - Placed on the House Union Calendar, Calendar No. 275.

H.R. 4895 Pallone, Frank, Jr. [D-NJ] Introduced: 7/26/2023

CalPERS Position: N/A

Lowering Drug Costs for American Families Act. Increases the number of drugs subject to negotiation under the Medicare Drug Price Negotiation Program (Program) from 20 to 50 beginning with price applicability year 2029, and allows commercial health plans to utilize the maximum fair prices established under Program. It also extends the Inflation Reduction Act's inflation rebates to the commercial sector when pharmaceutical companies raise drug prices faster than the rate of inflation.

Action Taken: Mentioned in CalPERS January 10, 2024 letter, "Lowering Costs and Increasing Access to Health Care with Employer-Driven Innovation."

Status: 7/28/2023 - Referred to the House Committee on Energy and Commerce's Subcommittee on Health.

H.R. 5109 Gallagher, Mike [R-WI] Introduced: 8/1/2023

CalPERS Position: N/A

Dump Investments in Troublesome Communist Holdings (DITCH) Act. Rescinds the 401(a) federal tax qualified status of an organization if that organization holds any interest in a "disqualified Chinese company" at any time during such taxable year. A "disqualified Chinese company" means, among other things, any corporation that is incorporated in China.

Action Taken: Monitoring

Status: 8/1/2023 - Referred to the House Committee on Ways and Means and the House Committee on Foreign Affairs.

Note: S. 2750 (Hawley R-MO) is companion legislation that was introduced on September 7, 2023. Staff is monitoring this companion legislation.

H.R. 5378 McMorris Rodgers, Cathy [R-WA] Introduced: 9/8/2023

CalPERS Position: N/A

Lower Costs, More Transparency Act. Codifies into law existing regulations on hospital price transparency and includes specified federal funding reauthorization provisions. It also requires PBMs to semiannually report to health plan sponsors certain information on spending, rebates, and fees that are associated with covered drugs; requires contracts with PBMs for employer-sponsored health plans to allow health plan fiduciaries to audit certain claims and cost information without undue restrictions. This bill also requires the Food and Drug Administration (FDA) to inform generic drug applicants, upon request or during review, whether the drug is qualitatively and quantitatively the same as the listed brand-name drug (and if not, the reasons why). The FDA must also update or publish guidance on how it makes such determinations.

Action Taken: Mentioned in CalPERS January 10, 2024 letter, "Lowering Costs and Increasing Access to Health Care with Employer-Driven Innovation."

Status: 12/11/2023 - Passed the House.

H.R. 5512 Sherman, Brad [D-CA] Introduced: 9/14/2023

CalPERS Position: N/A

Russia and Belarus Financial Sanctions Act of 2023. Requires U.S. financial institutions to ensure entities and persons owned or controlled by the institution comply with financial sanctions on the Russian Federation and the Republic of Belarus to the same extent as the institution itself. It would apply to sanctions-related statutes and regulations concerning Russia or Belarus involving the conduct of transactions, the acceptance of deposits, the making, granting, transferring, holding, or brokering of loans or credits, the purchasing or selling of foreign exchange, securities, commodity futures, or options, or any other good or service provided by a U.S. financial institution.

Action Taken: Monitoring

Status: 12/13/2023 - Placed on the House Union Calendar, Calendar No. 255.

H.R. 8261 Rep. Schweikert, David [R-AZ] Introduced: 5/7/2024

CalPERS Position: N/A

Preserving Telehealth, Hospital, and Ambulance Access Act. Among other things this bill extends for two years, certain pandemic-era telehealth flexibilities, including geographic and originating site requirements; the delay of the in-person requirement for furnishing mental health services; and the provision of audio-only services. This bill also establishes PBM reporting requirements with respect to prescription drug plans and Medicare Part D plans, including dispensing and formulary placement information. It also requires PBMs to be paid based on a "bona fide service fee" that is not linked to a drug list price, with the exception of rebates, discounts, and price concessions that result in lower net costs for covered Medicare Part D drugs. Part D sponsors are allowed specified audit rights to ensure PBM reporting compliance and accuracy.

Action Taken: Monitoring

Status: 5/8/2024 - Passed the House Committee on Ways and Means.

H.J.Res. 30 Barr, Andy [R-KY] Vetoed by the President: 3/20/2023

CalPERS Position: N/A

Congressional Review Act Resolution. Rescinds the recently finalized Department of Labor rule "Prudence and Loyalty in Selecting Plan Investments and Exercising Shareholder Rights" which, among other things, allows ERISA plan fiduciaries to select investments and investment courses of action based on an evaluation of the economic effects of climate change and other sustainable investing factors.

Action Taken: Monitoring

Status: 3/20/2023 - Vetoed by the President.

Note: From the President's veto message: "There is extensive evidence showing that environmental, social, and governance factors can have a material impact on markets, industries, and businesses.... Retirement plan fiduciaries should be able to consider any factor that maximizes financial returns for retirees across the country. That is not controversial — that is common sense."

House consideration of the veto message failed on March 23, 2023.

S.J.Res. 8 (Braun R-IN) is companion legislation that was introduced on February 7, 2023. Staff is monitoring this companion legislation.

H.J.Res. 100 Rep. Garbarino, Andrew R. [R-NY] Introduced: 11/9/2023

CalPERS Position: Pending

Congressional Review Act Resolution. Rescinds the recently finalized SEC rule, "Cybersecurity Risk Management, Strategy, Governance, and Incident Disclosure" which requires disclosure of material cybersecurity incidents on SEC Form 8-K and periodic disclosure of a public company's cybersecurity risk management, strategy, and governance in annual reports.

Action Taken: Monitoring

Status: 5/16/2024 -Passed the House Committee on Financial Services.

Note: CalPERS commented in support of the proposed Cybersecurity Risk Management, Strategy, Governance, and Incident Disclosure rule (File No. S7-09-22) on May 9, 2022.

S.J.Res. 50 (Tillis R-NC) is companion legislation that was introduced on November 9, 2023. Staff is monitoring this companion legislation.

H.J.Res. 127 Huizenga, Bill [R-MI] Introduced: 4/9/2024

CalPERS Position: Pending

Congressional Review Act Resolution. Rescinds the recently finalized SEC rule, "The Enhancement and Standardization of Climate-Related Disclosures for Investors" which requires public companies to provide certain climate-related information in their registration statements and annual reports. Specifically, the final rules require information about a public company's climate-related risks that have materially impacted, or are reasonably likely to have a material impact on, its business strategy, results of operations, or financial condition. In addition, under the final rules, certain disclosures related to severe weather events and other natural conditions will be required in a public company's audited financial statements.

Action Taken: Monitoring

Status: 4/17/2024 - Passed the House Committee on Financial Services.

Note: CalPERS commented in support of the proposed Enhancement and Standardization of Climate-Related Disclosures for Investors rule (File No. S7-10-22) on June 15, 2022.

S.J.Res. 72 (Scott R-SC) is companion legislation that was introduced on April 17, 2024. Staff is monitoring this companion legislation.

S. 113 Grassley, Chuck [R-IA] Introduced: 1/26/2023

CalPERS Position: N/A

Prescription Pricing for the People Act of 2023. Requires the Federal Trade Commission (FTC) to report about anticompetitive practices and other trends within the pharmaceutical supply chain that may impact the cost of prescription drugs. The FTC also must provide recommendations to increase transparency in the supply chain and prevent anticompetitive practices.

Action Taken: Monitoring

Status: 3/1/2023 - Placed on Senate Legislative Calendar under General Orders. Calendar No. 19.

S. 127 Cantwell, Maria [D-WA] Introduced: 1/26/2023

CalPERS Position: N/A

Pharmacy Benefit Manager Transparency Act. Prohibits certain PBM practices including spread pricing, in which a PBM charges a health insurance plan more than it reimburses the pharmacy for a drug. It allows exceptions for PBMs that pass all drug discounts, known as rebates, to health plans and disclose information such as certain costs, discounts, fees and payments they receive for their services. It also grants the FTC the authority to ensure compliance with these measures.

Action Taken: Monitoring

Status: 12/13/2023 - Placed on Senate Legislative Calendar under General Orders. Calendar No. 283.

S. 142 Klobuchar, Amy [D-MN] Introduced: 1/30/2023

CalPERS Position: N/A

Preserve Access to Affordable Generics and Biosimilars Act. Authorizes the FTC to initiate proceedings against drug companies that are parties to any agreement resolving or settling a patent infringement claim in connection with the sale of a drug or biological product (also known as “pay-for-delay” agreements).

Action Taken: Monitoring

Status: 3/1/2023 - Placed on Senate Legislative Calendar under General Orders. Calendar No. 20.

S. 148 Klobuchar, Amy [D-MN] Introduced: 1/30/2023

CalPERS Position: N/A

Stop STALLING Act. Enables the FTC to deter filing of sham citizen petitions to cover an attempt to interfere with approval of a competing generic drug or biosimilar and facilitates the efficient review of petitions filed in good faith that raise legitimate public health concerns. It also enables the FTC to levy fines or sue manufacturers in court.

Action Taken: Monitoring

Status: 3/1/2023 - Placed on Senate Legislative Calendar under General Orders. Calendar No. 21.

S. 150 Cornyn, John [R-TX] Introduced: 1/30/2023

CalPERS Position: N/A

Affordable Prescriptions for Patients Act of 2023. Empowers the FTC to curtail drug “product hopping,” a practice where brand name drug manufacturers seek to extend their market exclusivity on an expiring patented drug by developing a slightly modified version of the drug.

Action Taken: Monitoring

Status: 3/1/2023 - Placed on Senate Legislative Calendar under General Orders. Calendar No. 22.

S. 701 Baldwin, Tammy [D-WI] Introduced: 3/8/2023

CalPERS Position: N/A

Women’s Health Protection Act of 2023. Provides health care providers and patients the right to deliver and receive abortion care prior to viability, as defined, without medically unnecessary restrictions such as mandatory waiting periods, ultrasounds, in-person visits or biased counseling. This bill recognizes an individual's right to interstate travel, including for abortion services.

Action Taken: Monitoring

Status: 3/9/2023 - Placed on Senate Legislative Calendar under General Orders. Calendar No. 26.

S. 1067 Shaheen, Jeanne [D-NH] Introduced: 3/29/2023

CalPERS Position: N/A

Ensuring Timely Access to Generics Act of 2023. Increases generic drug competition through better oversight of the FDA's citizen petition process. The citizen petition process allows interested stakeholders, including drug companies, to bring concerns to the FDA's attention regarding pending applications.

Action Taken: Monitoring

Status: 6/22/2023 - Placed on Senate Legislative Calendar under General Orders. Calendar No. 107.

S. 1114 Smith, Tina [D-MN] Introduced: 3/30/2023

CalPERS Position: N/A

Expanding Access to Low-Cost Generics Act of 2023. Allows generic companies that are not first filers the ability to receive 180-day market exclusivity if the first filer does not come to market after a specified time-frame.

Action Taken: Monitoring

Status: 6/22/2023 - Placed on Senate Legislative Calendar under General Orders. Calendar No. 108.

S. 1214 Baldwin, Tammy [D-WI] Introduced: 4/19/2023

CalPERS Position: N/A

Retaining Access and Restoring Exclusivity Act (RARE) Act. Codifies the FDA's longstanding interpretation of the Orphan Drug Act to ensure that the scope of the orphan drug exclusivity in Sec. 527 of the Food, Drug and Cosmetic Act is clarified to apply only to the same approved use or indication within such rare disease or condition instead of the same disease or condition. It gives the FDA the necessary authority to approve the same drug from different manufacturers if they aim to serve different patient populations.

Action Taken: Monitoring

Status: 6/22/2023 - Placed on Senate Legislative Calendar under General Orders. Calendar No. 109.

Note: H.R. 7383 (Matsui D-CA) is companion legislation that was introduced on February 15, 2024. Staff is monitoring this companion legislation.

S. 1339 Sanders, Bernard [I-VT] Introduced: 4/27/2023

CalPERS Position: N/A

Pharmacy Benefit Manager Reform Act. Prohibits PBMs from practicing spread pricing, whereby they charge health plans more for a drug than they pay to the dispensing pharmacy. It also requires PBMs to pass through all rebates and discounts negotiated with a drug manufacturer to the health plan within 90 days of receiving payment. In addition, it requires PBMs to report to plan sponsors, among other things: information on copayment assistance dollars applied/funded by the drug manufacturer with respect to plan participants; a list of drugs billed/covered by the plan or PBM, including cost and claim information, dosage, and participant out-of-pocket spending; a list of therapeutic class of drugs dispensed; costs before rebates/discounts; formulary tier information; the total net spending by the health plan on prescription drugs; and the amounts of various rebates and fees received from their business referrals to health plans. It also creates an exemption process for health plan prescription drug step therapy requirements, requires health plans to offer claims, costs, coverage and network data to enrollees via application programming interfaces for use in mobile apps, requires drug companies to publicly justify price increases and disclose underlying costs, and allows the FDA to disclose specific ingredient ratios of brand name drugs to generic drug manufacturers.

*Action Taken: Monitoring**Status: 6/22/2023 – Placed on Senate Legislative Calendar under General Orders. Calendar No. 113.*

S. 2007 Menendez, Robert [D-NJ] Introduced: 6/15/2023

CalPERS Position: Support

Improving Corporate Governance Through Diversity Act of 2023. Requires public companies to disclose the racial, ethnic and gender composition of their boards of directors and executive officers (based on voluntary self-identification), as well as the status of any of those directors and officers as a veteran. It also requires public companies disclose any plan to promote racial, ethnic, and gender diversity among these groups. In addition, it requires the SEC to establish a Diversity Advisory Group to report on strategies to increase racial, ethnic, and gender diversity among board members.

*Action Taken: Sent a letter to Sen. Menendez and Rep. Meeks expressing support for this bill on September 6, 2023.**Status: 6/15/2023 - Read twice and referred to the Senate Committee on Banking, Housing, and Urban Affairs.**Note: H.R. 4177 (Meeks D-NY) is companion legislation that was introduced on June 15, 2023. Staff is monitoring this companion legislation.*

S. 2840 Sanders, Bernard [I-VT] Introduced: 9/19/2023

CalPERS Position: N/A

Bipartisan Primary Care and Health Workforce Act. Reauthorizes funding for various programs; prohibits anti-competitive contract provisions that prevent plans from directing employees to higher-value, lower-cost providers; requires off-campus hospital outpatient departments to provide a unique identifier on all bills to help employers determine whether charges are appropriate; prevents hospitals from using anticompetitive contracting practices when they negotiate prices with commercial insurance companies; bans hospital facility fees for telehealth and for evaluation and management health care services.

Action Taken: Monitoring

Status: 11/8/2023 - Placed on Senate Legislative Calendar under General Orders. Calendar No. 242.

S. 2973 Wyden, Ron [D-OR] Introduced: 9/28/2023

CalPERS Position: N/A

Modernizing and Ensuring PBM Accountability Act. Establishes PBM reporting requirements with respect to prescription drug plans and Medicare Part D plans, including dispensing and formulary placement information. It requires that PBMs be paid based on a "bona fide service fee" that is not linked to a drug list price, with the exception of rebates, discounts, and price concessions that result in lower net costs for covered Medicare Part D drugs. It also bans Medicaid spread pricing and directs HHS to study the impact on patient out-of-pocket costs and Medicare Part D spending when insurers, PBMs, and pharmacies own each other.

Action Taken: Monitoring

Status: 12/7/2023 - Placed on Senate Legislative Calendar under General Orders. Calendar No. 266.
