

**Public Employees' Retirement System
Board of Administration
2023-2024 Legislative Session
State and Federal Update
Status as of October 24, 2024**

Sponsored Bills

AB 2770 (Committee on Public Employment and Retirement) Chaptered: 7/15/2024

CalPERS Position: Co-Sponsor

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

Location: Chaptered by the Secretary of State, Chapter 117, Statutes of 2024

Chaptered State Bills

AB 179 (Committee on Budget) Chaptered: 9/30/2024

CalPERS Position: N/A

Budget Act of 2023: State Government. Will make conforming statutory changes to the Public Employees' Retirement Law to maintain CalPERS authority to request federal background checks for employment purposes when hiring or promoting individuals with access to confidential and sensitive information.

Location: Chaptered by the Secretary of State, Chapter 997, Statutes of 2024

AB 1246 (Nguyen, Stephanie) Chaptered: 9/22/2024

CalPERS Position: N/A

Postretirement Optional Settlements. Among other things will allow 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.

Location: Chaptered by the Secretary of State, Chapter 350, Statutes of 2024

SB 729 (Menjivar) Chaptered: 9/29/2024

CalPERS Position: N/A

Health Care Coverage: Infertility and Fertility Treatment. Among other things, will require 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, 2025, to provide coverage for the diagnosis and treatment of infertility and fertility services. Will revise the definition of infertility and remove the exclusion of in vitro from coverage. Will also prohibit 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. Delays implementation of these requirements for health care service plan contracts entered with the CalPERS Board until July 1, 2027.

Location: Chaptered by the Secretary of State, Chapter 930, Statutes of 2024

SB 1240 (Alvarado-Gil) Chaptered: 9/28/2024

CalPERS Position: N/A

Successor Agency: El Dorado Fire County Protection District and Diamond Springs-El Dorado Fire Protection District. Will allow 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. This bill went into effect immediately.

Location: Chaptered by the Secretary of State, Chapter 888, Statutes of 2024

SB 1379 (Dodd) Chaptered: 9/29/2024

CalPERS Position: N/A

Working After Retirement: County of Solano. Will exempt 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 and limit the number of appointments to be made under these provisions to 20. These provisions went into effect immediately and sunset on January 1, 2027.

Location: Chaptered by the Secretary of State, Chapter 992, Statutes of 2024

Vetoed and Dead State Bills

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

CalPERS Position: N/A

Consolidation of Health Care Service Plans. Among other things, would have required 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. Would have authorized 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 would have required the Director to provide information related to competition to the Attorney General. Would have revised the Director's authority to conditionally approve a transaction or agreement that is relevant to any of the parties to the transaction and would have prohibited the Director from waiving or delaying implementation of certain requirements under statute.

Location: Dead

AB 1333 (Ward) Amended: 6/10/2024

CalPERS Position: N/A

Residential Bundled Sales. Would have prohibited 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.

Location: Dead

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

CalPERS Position: N/A

Guaranteed Health Care for All. Among other things, would have created the California Guaranteed Health Care for All Act (CalCare) for all California residents that would have provided comprehensive universal single-payer health care coverage and a health care cost control system for benefits. Would have instituted the CalCare Board, consisting of Californian residents, as specified, to establish and implement CalCare. Would have required 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 would have included a representative from CalPERS.

Location: Dead

AB 2584 (Lee) Amended: 6/20/2024

CalPERS Position: N/A

Corporate Ownership of Single-Family Residential Property. Would have prohibited 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. Would have allowed the Attorney General to pursue civil action for a violation of this section.

Location: Dead

AB 3129 (Wood) Vetoed: 9/28/2024

CalPERS Position: Support, if Amended

Health Care System Consolidation. Would have authorized the Attorney General to consent to, give conditional consent to, or not consent to a transaction between a private equity group or hedge fund and a health care facility, provider group, or provider, as specified. The determination by the Attorney General would have depended on whether the transaction, using the public interest standard, could have a substantial likelihood of anticompetitive effects, including a substantial risk of lessening competition or creating a monopoly, or would have created a significant effect on the access or availability of health care services to the affected community.

Location: Vetoed

Governor's Veto Message: I am returning Assembly Bill 3129 without my signature. This bill would require a private equity group (PEG) or hedge fund to provide written notice to and obtain the written consent of the Attorney General (AG) at least 90 days before a change of control or acquisition between the PEG or hedge fund and a health care facility or provider group, with exemptions. The Office of Health Care Affordability (OHCA) was established in 2022 to review and evaluate health care consolidation transactions through cost and market impact reviews (CMIR) of mergers, acquisitions, or corporate affiliations involving health plans, hospitals, physician organizations, pharmacy benefit managers, and other health care entities. OHCA analyzes transactions that may significantly impact market competition, meeting state spending targets, or affordability and will compile data about market consolidation. While OHCA itself cannot block a proposed transaction, it can coordinate with other state entities, including referring transactions for further review to the AG. This bill would exempt transactions involving PEGs or hedge funds that would be subject to review by the AG from OHCA's existing review. I appreciate the author's continued efforts and partnership to increase oversight of California's health care system in an effort to ensure consumers receive affordable and quality health care. However, OHCA was created as the responsible state entity to review proposed health care transactions, and it would be more appropriate for the OHCA to oversee these consolidation issues as it is already doing much of this work. For these reasons, I cannot sign this bill.

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

CalPERS Position: N/A

Legislative Member Participation in CalPERS. Would have allowed 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.

Location: Dead

SB 179 (Committee on Budget) Amended: 8/24/2024

CalPERS Position: N/A

Budget Act of 2023: State Government. Would have made conforming statutory changes to the PERL to maintain CalPERS authority to request federal background checks for employment purposes when hiring or promoting individuals with access to confidential and sensitive information.

Location: Dead. Companion bill AB 179 was signed instead.

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

CalPERS Position: Oppose

Divestment from Fossil Fuel Companies. Would have prohibited the CalPERS and CalSTRS boards from making new investments in fossil fuel companies, as defined, and would have required 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 would have required each board to submit a report to the Governor and Legislature regarding any fossil fuel company holdings and divestments. Also, would have made other conforming changes to cross-references relating to indemnification.

Location: Dead

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

CalPERS Position: N/A

Prior Authorization. Among other things, would have prohibited 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, would have required 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.

Location: Dead

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

CalPERS Position: N/A

Prescription Drug Cost Sharing. Among other things, starting no later than January 1, 2025, would have required 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. Also, would have required 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.

Location: Dead

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

CalPERS Position: N/A

Obesity Treatment Parity Act. Would have required 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.

Location: Dead

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 329 co-sponsors- including 49 of the 52 members of the California delegation. On September 19, 2024, H.R. 82 received the 218 signatures necessary for a petition to discharge the bill from the Ways and Means Committee to the House floor for a vote. The discharge motion may be noticed after a seven legislative day waiting period and called on the House floor within two legislative days.

H.R. 824 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. 3120 Steel, Michelle [R-CA] Introduced: 5/5/2023

CalPERS Position: N/A

Healthy Competition for Better Care Act. Bans anticompetitive terms in facility and insurance contracts that limit access to higher quality, lower cost care. Specifically, it prohibits group health plans from entering into contracts that impose certain restrictions on their ability to direct enrollees to specific healthcare providers or incentivize their choice of providers. The restrictions do not apply to health maintenance organizations (HMOs) that operate through exclusive contracts with multi-specialty groups or value-based network arrangements like exclusive provider networks or accountable care organizations.

Action Taken: Monitoring

Status: 9/11/2024 - Passed the House Committee on Education and the Workforce.

Note: – S. 2840 (Sanders I-VT), described below, incorporates the provisions of H.R. 3120, is pending a floor vote in the Senate.

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.

Note: H.R. 5378 (McMorris Rodgers R-WA), described below, incorporates certain provisions of H.R. 3561, passed out of the House on 12/11/23.

H.R. 4177 Meeks, Gregory W. [D-NY] Introduced: 6/15/2023

CalPERS Position: N/A

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: Monitoring

Status: 6/15/2023 - Referred to the House Committee on Financial Services.

Note: S. 2007 (Menendez D-NJ) is companion legislation that was introduced on June 15, 2023. Sent a letter to Sen. Menendez expressing support for S. 2007 on September 6, 2023. Senator Menendez resigned from office on August 20, 2024.

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. Applicable to entities subject to the Employee Retirement Income Security Act of 1974 (ERISA), 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.

Note: H.R. 5378 (McMorris Rodgers R-WA), described below, incorporates certain provisions of H.R. 4507, passed out of the House on 12/11/2023.

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. 4763 Thompson, Glenn [R-PA] Introduced: 7/20/2023

CalPERS Position: N/A

Financial Innovation and Technology (FIT) for the 21st Century Act. Among other things, requires the Commodity Futures Trading Commission (CFTC) to regulate a digital asset as a commodity under specified conditions and provides the CFTC with exclusive regulatory authority over digital commodities markets. It also requires the SEC to regulate a digital asset as a security under specified conditions. The bill requires the CFTC and SEC to jointly issue rules to exempt dually-registered exchanges from duplicative rules.

Action Taken: Monitoring

Status: 9/9/2024 - Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.

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: 9/23/2024 - Received in the Senate and Read twice and referred to the Senate Committee on Banking, Housing, and Urban Affairs.

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. 5339 Allen, Rick W. [R-GA] Introduced: 9/5/2023

CalPERS Position: N/A

Protecting Americans' Investments from Woke Policies Act. Requires fiduciaries of employer-sponsored retirement plans subject to ERISA to make investment decisions based only on pecuniary factors, with specified exceptions. It requires ERISA plans to act without regard to race, color, religion, sex, or national origin when selecting, monitoring, and retaining fiduciary, counsel, employee, or service provider of the plan. It requires ERISA plans to act solely in accordance with the economic interest of the plan and its participants and beneficiaries when exercising a shareholder right, and clarifies that the exercise of these rights does not require voting every proxy. The bill also requires ERISA plans that offer self-directed brokerage accounts to provide notice to plan participants regarding any of those accounts' nonpecuniary offerings.

Action Taken: Monitoring

Status: 9/19/2024 - Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.

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: Monitoring. Referenced 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.

Note: Incorporates portions of H.R.'s 3561 (McMorris Rodgers R-WA) and 4507 (Good R-VA), among others, described above.

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. 7623 Carter, Earl L. "Buddy" [R-GA] Introduced: 3/12/2024

CalPERS Position: N/A

Telehealth Modernization Act of 2024. Extends Covid-era telehealth flexibilities until December 31, 2026, including, among other things, suspending specified geographic requirements, expanding the list of originating sites for telehealth services, the types of practitioners eligible to furnish telehealth services, and the provision of audio-only telehealth services. It requires PBMs to disclose detailed information on drug costs, rebates, and other financial arrangements to plan sponsors and the Secretary of HHS. The bill also requires PBM reimbursements to be "delinked" from the costs of medications, and imposes other transparency requirements including auditing mandates, manufacturer fee reporting, and reporting of the rebates passed through to plan sponsors.

Action Taken: Monitoring

Status: 9/18/2024 - Passed the House Committee on Energy and Commerce.

Note: S. 3967 (Scott R-SC) is companion legislation that was introduced on March 19, 2024. Staff is monitoring this companion legislation.

H.R. 8261 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 drug list prices, with the exception of rebates, discounts, and price concessions that result in lower net costs for covered Medicare Part D drugs. Provides Part D sponsors specified audit rights to ensure PBM reporting compliance and accuracy.

Action Taken: Monitoring

Status: 5/10/2024 - Referred to the House Committee on Energy and Commerce's Subcommittee on Health.

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.

Note: 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 Garbarino, Andrew R. [R-NY] Introduced: 11/9/2023

CalPERS Position: N/A

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. 119 Mooney, Alexander X. [R-WV] Introduced: 3/21/2024

CalPERS Position: N/A

Congressional Review Act Resolution. Rescinds the recently finalized SEC rule, "Private Fund Advisers; Documentation of Registered Investment Adviser Compliance Reviews" which increases visibility into certain private fund practices involving compensation schemes, sales practices, and conflicts of interest through disclosure.

Action Taken: Monitoring

Status: 3/21/2024 - Referred to the House Committee on Financial Services.

Note: CalPERS commented in support of the proposed Private Fund Advisers rule (File No. S7-03-22) on April 25, 2022.

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

CalPERS Position: N/A

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: 7/30/2024 - Placed on the House Union Calendar, Calendar No. 513.

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.

H.J.Res. 142 Allen, Rick W. [R-GA] Introduced: 5/15/2024

CalPERS Position: N/A

Congressional Review Act Resolution. Rescinds the recently finalized Department of Labor rule, "Retirement Security Rule: Definition of an Investment Advice Fiduciary" which defines an investment advice fiduciary for purposes of ERISA.

Action Taken: Monitoring

Status: 7/10/2024 - Passed the House Committee on Education and the Workforce.

Note: S.J.Res. 79 (Budd R-NC) is companion legislation that was introduced on May 15, 2024. Staff is monitoring this companion legislation.

H.J.Res. 186 Palmer, Gary J. [R-AL] Introduced: 7/11/2024

CalPERS Position: N/A

Congressional Review Act Resolution. Rescinds the recently finalized Federal Trade Commission rule, "Non-Compete Clause Rule" which bans non-compete clauses, except for a company's senior executives.

Action Taken: Monitoring

Status: 7/11/2024 - Referred to the House Committee on the Judiciary.

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. Places limits on the number of patents a manufacturer of a reference biological product can assert in a patent infringement lawsuit against a company seeking to sell a biosimilar version (20); and upon those that are filed more than four years after the reference product received market approval (10).

Action Taken: Monitoring

Status: 7/15/2024 - Received in the House. Held at the desk.

Note: H.R. 9070 (Issa R-CA) is companion legislation that was introduced on July 18, 2024. Staff is monitoring this companion legislation.

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. 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.

Note: Incorporates H.R. 3120 (Steel R-CA), described above.

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.

S. 4753 Manchin, Joe [I-WV] Introduced: 7/23/2024

CalPERS Position: N/A

Energy Permitting Reform Act of 2024. Accelerates leasing and permitting decisions for energy projects on federal lands and shortens timelines before, during, and after litigation on federal authorizations for energy and mineral projects. It also mandates interregional transmission planning and requires the Federal Energy Regulatory Commission to assess future federal regulations significantly affecting power plants and offer formal comments to federal agencies about any effects on electric reliability. In addition, the bill sets a 90-day deadline for the Secretary of Energy to grant or deny liquefied natural gas export applications following environmental reviews, with applications deemed approved if the Secretary fails to meet the deadline.

Action Taken: Monitoring

Status: 7/31/2024 - Passed the House Committee on Energy and Natural Resources.
