

California lawmakers seek to address health equity as part of reparations

By Eric He

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This Pro Bill Analysis covers two bills: [SB 1089](#) and [AB 1975](#)

While much of the conversation surrounding [California's reparations proposal](#) this year has been over funding, a pair of bills related to health equity originally included in the 14-bill package are now on track to pass the Legislature.

[SB 1089](#), by Sen. [Lola Smallwood-Cuevas](#) (D-Los Angeles) would attempt to help disadvantaged communities by requiring grocery stores and pharmacies to provide an extended notice before closing. [AB 1975](#), by Assemblymember [Mia Bonta](#) (D-Alameda), would add medically supportive food and nutrition interventions as a permanent benefit under Medi-Cal — making California the first state in the nation to do so.

Bonta's bill has received bipartisan support, while Smallwood-Cuevas' proposal faces industry opposition. The Legislature is currently weighing the measures, given the [state has budgeted up to \\$12 million](#) to spend on reparations in this year's budget.

During the July 2 Assembly Judiciary Committee hearing, Smallwood-Cuevas said that the disparities pointed out in a [report by the California Reparations Task Force](#) are “of no coincidence, but rather a predictable outcome of decades of disinvestment of industry from minority communities who prioritize suburban white neighborhoods over our lower income Black and Brown communities which they theme deem to be undesirable.”

WHAT'S IN THE BILL?

This Pro Bill Analysis is based on the [text of SB 1089](#) as amended on August 22.

The bill — which is backed by the California Reparations Task Force — declares that African American households disproportionately experience food insecurity, and face limited access to affordable and nutritious food. As the text notes, they have fewer grocery stores and supermarkets in their communities compared to white neighborhoods and are likelier to have “food” and “pharmacy” deserts (Sec. 1).

The measure would require pharmacies and grocery stores to provide a notice to the following people and agencies, 45 days before closing (Sec. 2):

- Affected employees and their labor representatives if there are more than five employees. Stores with five or fewer employees would have 30 days prior to closing to send a notice.
- The Employment Development Department
- The State Department of Social Services
- The local workforce development board of the city and county government where the store is closing
- The chief elected official of the city or county
- For pharmacies, the California State Board of Pharmacy

Additionally, the notice would need to be posted in a visible location near the entrance, and must include the planned date of the closure. Pharmacies would also need to include information about where prescriptions will be transferred, and contact information for transferring prescriptions to a new pharmacy.

Pharmacies and grocery stores would be directed to “take reasonable steps” to provide a written notice of the closure in at least one other form, as well, via a method in which it regularly communicates or advertises to consumers — although they would not be held liable for this provision.

SB 1089 would define a grocery store as a retail store that sells household food for offsite consumption, with the sale of other household supplies as secondary to food. It would use the existing definition of a pharmacy, as noted in [Section 4037 of the California Business and Professions Code](#), meaning a place that is “licensed by the board in which the profession of pharmacy is practiced and where prescriptions are compounded.” However, pharmacies that are owned by a physician organization, health system or nonprofit or that are part of a fully integrated delivery system would not be subject to the bill.

Grocery stores and pharmacies that have 15 or fewer establishments nationwide and [have 75 or fewer employees](#) would not be required to provide a notice to the Employment Development Department or local cities and counties. Such pharmacies would not need to notify the State Department of Social Services, either.

Stores with 75 or more employees could satisfy the requirements of notifying the Employment Development Department and cities and counties by complying with the [existing Labor Code](#), if they provide a written notice within the specified timeframe.

A store would not be required to provide notice of a closure if the store must close due to a physical calamity or act of war, or business circumstances that were “not reasonably foreseeable.”

Establishments that violate the measure would be subject to civil penalties of up to \$10,000 per closure, and could face actions brought by an individual injured by a violation or by the Attorney General representing the people of California, or a city or district attorney where the store was located. When deciding the fine, a court may consider factors such as the severity of the misconduct, number of violations, length of time of the misconduct, willfulness of the misconduct, the defendant’s net worth and the number of employees.

If a lawsuit is filed by the Attorney General, half of the fine would go to the treasurer of the county where the suit was filed and the other half to the general fund. If the district attorney filed the suit, the civil penalty would go to the treasurer of the county, and if the city attorney filed the suit, the treasurers of the city and county would split the funds.

Each employee who does not receive a written notice from their employer would be eligible to receive \$100 for each day until the violation is remedied through a civil action. They could also be entitled to a \$500 civil penalty per day if the employer doesn’t provide the required notice under [existing Labor Code](#), but would not be able to file for both violations.

The measure would not prohibit other lawsuits from being filed for violations under federal or state law.

Once a county receives notice of a closure, it would need to provide its local workforce development board with information about safety net programs — such as [unemployment insurance](#), [CalWORKs](#), [CalFresh](#) and [Medi-Cal](#) — to pass along to the closing establishment. Then, within 30 days, the establishment would have to share that information with its employees. If a grocery store closes, the California Department of Social Services would also have to notify the U.S. Department of Agriculture’s [Food and Nutrition Service](#). (Sec. 2).

Local agencies and school districts would be eligible for reimbursement, per the commission on state mandates (Sec. 3).

This Pro Bill Analysis is based on the [text of AB 1975](#) as amended on Aug. 15.

The bill declares that medically supportive food and nutrition interventions can potentially help in addressing health disparities and treating many preventable health conditions in Californians — particularly Californians of color. It notes that current interventions are optional for individual health care plans, meaning not everyone enrolled in Medi-Cal can access them (Sec. 1).

By embracing food and nutrition support, the measure argues, “California can lead the nation in tackling root causes of health disparities and become the healthiest state in the nation” (Sec. 1).

The measure would be contingent on funding by the Legislature or in the state budget, and would take effect no sooner than July 2026 — once guidance is finalized from the State Department of Health Care Services. The department would also be able to implement the measure through other guidance until formal regulations are in place. The proposal would depend on receipt of any necessary federal approvals and availability of federal financial assistance (Sec. 2).

AB 1975 would add a section to the [California Welfare and Institutions Code](#) requiring health care providers and Medi-Cal to cover medically supportive food and nutrition interventions if it is deemed medically necessary in treating the patient's medical condition. The interventions would last at least 12 weeks, or longer if medically necessary.

The department would need to define the medical conditions that qualify for intervention, such as chronic conditions that are sensitive to changes in diet. Additionally, the services would also have to be consistent with federal dietary guidelines, general health recommendations and established nutritional guidelines for specific health conditions (Sec. 3).

A health care provider would have to include culturally appropriate foods and match the intensity and duration of the intervention with the patient's condition, as much as possible.

The bill would establish a stakeholder advisory group to advise the department in creating guidance for the interventions to help determine (Sec. 4):

- Eligible populations
- The duration and dosage of interventions
- Ratesetting
- Permitted and preferred food and nutrition providers
- Value-based procurement and equitable sourcing of food
- Continuing education for health care providers, as well as food and nutrition providers

The workgroup would need to include representation for:

- Both rural and urban geographic regions
- Medically supportive food and nutrition interventions
- Small and medium-sized farms, new farms and farms owned or operated by socially disadvantaged producers
- Health care providers or associations primarily serving people covered under Medi-Cal
- Medi-Cal consumer advocacy organizations
- Researchers of medically supportive food

The workgroup would be required to meet at least quarterly. It would have 30 days to provide input on the department's proposed regulations on the design of interventions, and an additional 60 days for public comment on the draft guidance before it is finalized.

WHO ARE THE POWER PLAYERS?

Sen. [Lola Smallwood-Cuevas](#) (D-Los Angeles) introduced SB 1089, which is sponsored by the **United Food and Commercial Workers** and also has the backing of the **California Labor Federation**, along with a number of social justice groups.

The measure's co-authors are: Sen. [Steven Bradford](#) (D-Gardena) and Assemblymembers [Mia Bonta](#) (D-Alameda), [Isaac Bryan](#) (D-Los Angeles), [Mike Gipson](#) (D-Carson), [Chris Holden](#) (D-Pasadena), [Corey Jackson](#) (D-Moreno Valley), [Reggie Jones-Sawyer](#) (D-Los Angeles), [Kevin McCarty](#) (D-Sacramento), [Tina McKinnor](#) (D-Hawthorne), [Akilah Weber](#) (D-La Mesa) and [Lori Wilson](#) (D-Suisun City).

"Grocery stores and pharmacies are cornerstones of our communities, and when they close abruptly, it has ripple effects throughout all of our lives," **Kathy Finn**, president of UFCW Local 770, [said in a statement](#). "Workers already living paycheck to paycheck lose their jobs without knowing how they will pay their bills. Patients' prescriptions get sent to another store and they aren't told where. Customers who don't have a car can't walk to get fresh food."

The measure faces opposition from various industry groups, including the **Chamber of Commerce**, **Community Pharmacy Coalition** and the **California Retailers Association**. In an [August 5 letter](#), the groups said they appreciate the bill's intent, but cited "onerous reporting requirements" and "vague enforcement." The **California Grocers Association** has said it will [remain opposed unless](#) the civil action is removed and the notice requirement is consistent with existing state law.

"Mandating grocery stores and pharmacies to provide the required notice to its customer base would be a tremendous undertaking," the letter stated. "Worse, the bill appears to give standing to a citizen to bring a civil action for penalties if they believe that the store did not effectively communicate to the community about the closure. This would have catastrophic consequences with costly litigation."

Meanwhile, Bonta is carrying AB 1975, which she said has been a "heart project for me over the course of the last two years." The **California Food as Medicine Collaborative** and **FullWell** are the bill's sponsors.

"Food is life, food is sustenance, food is medicine," Bonta said at the June 13 Senate Health Committee hearing.

Assembly Speaker [Robert Rivas](#) (D-Hollister) and Majority Leader [Cecilia Aguiar-Curry](#) (D-Winters) are among the bill's co-authors, which also include Gipson, Holden, Jackson, Jones-Sawyer, McCarty, Weber, Wilson, [Luz Rivas](#) (D-North Hollywood), [Joaquin Arambula](#) (D-Fresno) and [Isaac Bryan](#) (D-Los Angeles) on the Assembly side. Bradford and Smallwood-Cuevas are the two Senate co-authors. Bonta's bill has no registered opposition.

"Healthcare providers see everyday the effects of social drivers of health," **Erin Franey**, director of the Food as Medicine Collaborative, [said in a statement](#). "By covering the full spectrum of medically supportive food and nutrition they are able to tangibly address barriers to patients achieving their health goals."

WHAT'S HAPPENED SO FAR?

The two measures are part of a package of 14 reparations bills that Democratic lawmakers are pushing this year, which also features proposals from Bradford that would [create a state agency](#), [establish a funding account](#) and [return property taken](#) through racially-motivated eminent domain.

SB 1089 builds upon both the federal and state [Worker Adjustment and Retraining Notification \(WARN\) Acts](#) — although both of the existing statutes have more lax timeline requirements than Smallwood-Cuevas' proposal. [Federal law currently requires](#) employers with 100 or more employees to provide a 60-day notice prior to closure, while California's law applies to companies with 75 or more employees. The proposed bill would apply notice requirements to all grocery stores and pharmacies.

Louie Brown, a lobbyist with the California Grocers Association, said at the [July 2 Assembly Judiciary Committee](#) hearing that the bill would negatively impact small, independent grocers more than big stores like Safeway or Rite Aid that understand the WARN Act. Smaller stores are concerned that if they have to give an advanced notice, there would be no employees left by the end of the timeframe.

"And then if they make one minor mistake, they could be subject to up to a \$10,000 penalty," Brown said.

Smallwood-Cuevas has gradually softened the bill after negotiating with the opposition, including lowering the notice period from 90 days to 60, and again to 45 in the most recent amendments. She has also tweaked the text to exempt stores with 15 or fewer locations nationwide and ensure that stores are not required to share "too much information about why the closure is happening." The goal, she added, is "just to notify the community."

AB 1975 would require coverage of medically supportive food and nutrition under Medi-Cal, which [is currently "strongly encouraged"](#) but optional. The measure attempts to build on [California Advancing and Innovating Medi-Cal](#) (CalAIM) — a series of initiatives that launched in 2022 aimed at improving the state's health care program for lower-income individuals.

WHAT'S NEXT?

The bills each need to clear a floor vote by August 31 before they can head to Gov. [Gavin Newsom's](#) desk.

AB 1975 is likely to pass with bipartisan support, while SB 1089 may see further amendments as negotiations come down to the final week of session.

WHAT ARE SOME STORIES ON THE BILL?

Read POLITICO news on [SB 1089](#) and [AB 1975](#).