

Date of Hearing: May 12, 2021

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Lorena Gonzalez, Chair

AB 1217 (Rodriguez) – As Amended April 8, 2021

Policy Committee: Emergency Management Vote: 6 - 0

Urgency: No State Mandated Local Program: No Reimbursable: No

**SUMMARY:**

This bill authorizes the State Department of Public Health (CDPH) to rotate personal protective equipment (PPE) in the state's stockpile by selling the PPE to a non-profit agency, local government or provider, and by contracting to purchase PPE on behalf of a local government or provider.

**FISCAL EFFECT:**

One-time costs of approximately \$1.2 million to CDPH to contract with a vendor to build a program supporting the sale and purchase of PPE, and for additional staff and facility start-up costs. Ongoing costs of approximately \$650,000 to CDPH to maintain rotation of the PPE stockpile. Although a non-profit agency, local government or provider must reimburse CDPH for the cost of PPE, CDPH would still incur administrative costs. Additionally, depending on market conditions, the price at which CDPH purchases PPE may be higher than the price for which CDPH sells PPE.

**COMMENTS:**

1) **Purpose.** According to the author:

In 2020, the California Legislature passed SB 275 (Pan) that established a statewide stockpile of PPE. This bill, however, does not specifically authorize the CDPH to rotate PPE in the stockpile by entering into agreements with others to provide them with this equipment. Rotation of these supplies will ensure that this equipment does not go past the expiration date, have quality issues and will be available for use in future pandemics.

2) **PPE Stockpile.** In 2006, the state invested more than \$200 million into a mobile hospital program and Health Surge Capacity Initiative to stockpile medicines and medical gear for use in an infectious disease outbreak. However, during the Great Recession, the state cut funding to store and maintain the stockpile of supplies and mobile hospitals. Thus, the state was unprepared and lacked ventilators, unexpired N95 respirator masks and other critical life-saving tools at the onset of the COVID-19 pandemic.

On July 22, 2020, the Governor announced a contract with BYD North America to produce 120 million N95 respirator masks and 300 million surgical masks for the state. Additionally,

SB 275 (Pan), Chapter 301, Statutes of 2020, required CDPH to establish, upon appropriation, by January 1, 2022, a PPE stockpile to ensure adequate supply for all health care workers and essential workers in the state. The stockpile must be sufficient to weather a 90-day pandemic or other health emergency. AB 1217 authorizes CDPH to rotate the stockpile, which will help guarantee functionality of the equipment.

- 3) **Prior Legislation.** AB 2537 (Rodriguez), Chapter 313, Statutes of 2020, required employers to supply workers, providing direct patient care in a hospital setting, with access to a six-month stockpile of unexpired PPE.

**Analysis Prepared by:** Jay Dickenson and Irene Ho / APPR. / (916) 319-2081