

Date of Hearing: August 3, 2022

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Chris Holden, Chair

SB 1296 (Pan) – As Amended April 6, 2022

Policy Committee: Health

Vote: 14 - 0

Urgency: No

State Mandated Local Program: No

Reimbursable: No

SUMMARY:

This bill requires the California Department of Public Health (CDPH) to evaluate the effectiveness of the state's viral surveillance capacity by January 1, 2024, and to establish a viral surveillance hub (VSH) for timely communication about novel viruses and next-generation sequencing of samples submitted by a viral surveillance facility.

Specifically, this bill:

- 1) Requires CDPH, no later than January 1, 2024, to complete an evaluation of the effectiveness of the state's viral surveillance capacity. The evaluation must include the following:
 - a) A list of public health and private laboratories conducting viral surveillance or genomic sequencing of patient laboratory samples.
 - b) A list of all research laboratories conducting COVID-19 diagnostic testing.
 - c) The manner in which laboratories conducting viral surveillance communicate with other local and state public health and viral surveillance entities.
 - d) The manner by which viral surveillance information is shared.
 - e) Recommendations for optimizing the state's viral surveillance capabilities.
 - f) An evaluation of the resources needed to establish the VSH, including resources, specimen transport logistics, development of a comprehensive organism database, information technology infrastructure, and an evaluation of the funding and resources to support public health laboratories.
- 2) Requires CDPH, no later than January 1, 2025, to establish the VSH for timely communication with any laboratory that conducts viral surveillance, taking into consideration the recommendations of the evaluation in 1), above.
- 3) Requires, beginning January 1, 2025, each viral surveillance laboratory that identifies a potential novel virus or variant strongly suspected to be a pathogen to report and submit samples of each suspected novel pathogenic virus or variant to the VSH for further analysis and next-generation sequencing within timeframes established by CDPH.

- 4) Requires the VSH to conduct, or contract with an outside entity to conduct, next-generation sequencing and analysis of any samples of potentially new viruses or variants submitted by a viral surveillance facility. Requires CDPH to publish viral sequences on an internet website designed to hold sequence data.
- 5) Requires the VSH to notify local health departments and the U.S. Centers for Disease Control and Prevention (CDC) upon confirmation that a new virus or variant has been detected.

FISCAL EFFECT:

CDPH expects the evaluation of the state's viral surveillance capacity can be accomplished using existing resources, noting the evaluation components overlap with existing functions related to laboratory capacity.

CDPH estimates the provisions related to establishing a VSH and conducting next-generation sequencing would result in costs ranging from \$37 million to \$53 million annually, beginning in fiscal year (FY) 2023-24 or FY 2024-25 (General Fund). The estimate includes staffing, maintaining, and enhancing the new state laboratory viral surveillance network, which also depends on the scope of surveillance activities recommended by the evaluation. CDPH anticipates the following annual costs for the lower range estimate:

- Sequencing supplies: \$18 million for 120,000 samples per year at \$150 per sample.
- Contracts with labs to sequence 51,000 samples per year will cost \$7.2 million.
- Cloud genomic data, four databases (vendor hosted) will cost \$5.5 million.
- 20 personnel years (PYs) to assist with the Genomic Center/COVIDNet collaboration, software, equipment maintenance, etc. will cost \$5 million.

The higher range of \$53 million includes the following additional estimated annual costs:

- Wastewater surveillance by CDPH programs will cost up to \$8 million annually.
- Respiratory Virus Sentinel Surveillance will cost \$7.1 million.
- Evaluation contract will cost \$1.25 million.

CDPH estimated these costs based on current CDC recommendations for SARS-CoV-2 surveillance and notes they may decrease when the pandemic ends. The cost will depend on the number of samples sequenced per disease.

COMMENTS:

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

Our state's viral surveillance efforts lag behind dozens of peer nations, limiting our ability to detect and respond to emerging viral threats.

This bill empowers California to lead the nation in viral surveillance by deploying our many world-class sequencing and monitoring facilities towards the common goal of viral surveillance, coordinated through CDPH. This will help California rapidly respond to future viral threats, saving money and – more importantly – lives.

- 2) **CDPH Virologic Surveillance.** According to CDPH, prior to the COVID-19 pandemic, there were limited systems for virologic surveillance in California. CDPH receives limited amounts of federal funding to perform some surveillance for influenza and other viruses. These systems have been expanded for the COVID-19 pandemic response with additional federal funding. The systems built for the pandemic could be further developed to monitor for a broader range of potential novel viruses or variants. The current federal funding for SARS-CoV-2 surveillance is expected to end by July 31, 2024.
- 3) **Budget.** The 2022-23 Budget includes 130 new positions and General Fund expenditures of \$235 million for disease surveillance readiness, response, recovery, and maintenance of information technology operations.

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