ASSEMBLY BILL 714 (ATKINS)
CALIFORNIA HEALTH BENEFIT EXCHANGE PRE-ENROLLMENT NOTICES

SUMMARY

This bill would require certain public health care programs administered by the Department of Health Care Services (DHCS), the Department of Public Health (DPH) and the Managed Risk Medical Insurance Board (MRMIB) to notify enrollees and individuals who cease to be enrolled that they may be eligible for coverage through the California Health Benefit Exchange (Exchange). Upon approval from the federal government, the bill would require these programs to transfer information to the Exchange to initiate eligibility determinations and enrollment. Finally, the bill would also require certain hospitals, when billing, to include additional disclosures regarding the availability of health care coverage provided through the Exchange.

EXCHANGE STAFF COMMENTS/RECOMMENDATIONS

While notification to individuals of coverage options at the Exchange is consistent with our desire to ensure that eligible individuals are aware of Exchange products and services, it is premature to specify the details of the consumer notification strategy. The Exchange will work with state agencies and stakeholder partners in 2012 to develop requirements for consumer notification.

ANALYSIS

Requires DHCS, DPH and MRMIB to provide a notice in materials otherwise provided to individuals enrolled in the health care coverage programs listed below (or individuals who previously were enrolled in those programs) that they may be eligible for reduced-cost coverage through the Exchange, and for no-cost coverage through Medi-Cal, if the individual has low income. This notice requirement would be in effect from January 1, 2012 to June 30, 2013. The programs include:

- AIDS Drug Assistance Program (ADAP)
- Ryan White HIV/AIDS Programs
- Breast and Cervical Cancer Treatment Program (BCCTP) and Breast Cancer Control Program
- Family Planning, Access, Care, and Treatment (Family PACT)
- Healthy Families Program (HFP)
- Access for Infants and Mothers Program (AIM), for women who cease to be enrolled
- Major Risk Medical Insurance Program (MRMIP), for individuals who cease to be enrolled
- Federal Temporary High Risk Pool, known as the Pre-Existing Condition Insurance Plan (PCIP), for individuals who cease to be enrolled.
- Full-scope Medi-Cal for which there is federal financial participation, for individuals who cease to be enrolled.

Requires, effective July 1, 2013, DHCS, MRMIB and DPH (for the programs listed above) to provide an additional notice in the materials they otherwise provide that an application for coverage through the Exchange is being made for the individual, that coverage will not begin until January 1, 2014, and that the individual is not required to accept coverage from the Exchange. The notice would also notify the individual that if he or she made significantly less or more this year than he or she made last year, he or she should report the change to the Exchange, so that charges are based on their current income, and that if the individual's income is too low, that he or she may qualify for no-cost coverage through Medi-Cal.

Requires a separate notice to individuals enrolled in HFP aimed at informing the parents of HFP-enrolled individuals that, if they have health coverage costs that exceed 10 percent of their household income, they may be eligible for reduced-cost coverage through the Exchange.

Requires DHCS, MRMIB and DPH to seek approval from the federal Department of Health and Human Services to transfer the minimum information necessary to initiate an application for enrollment in the Exchange. Requires, effective January 1, 2013, DHCS, MRMIB and DPH to provide to the Exchange the name, most recent address, clinical information, recent providers, other information that is in the possession of the program, and any other information that the Exchange may require, in a manner to be prescribed by the Exchange that is strictly necessary to determine eligibility, complete enrollment and maximize continuity of care. Requires the information to be kept confidential in a manner consistent with a specified provision of Affordable Care Act. Requires the provision of this information to the Exchange to initiate an application for enrollment in coverage. Requires an individual to have the opportunity to provide informed consent for application for enrollment in the Exchange. Specifies that failure to consent or respond means that the individual is declining coverage.

Requires hospitals, as part of the existing notice provided to patients who have not provided proof of coverage by a third-party at the time the care is provided or upon discharge, to also include information about the availability of coverage through the Exchange, and that Exchange coverage will be available effective January 1, 2014. Requires an application for coverage through the Exchange to be furnished, in addition to the existing requirement that a Medi-Cal and HFP application be furnished. These requirements would take effect January 1, 2013.

FISCAL IMPACT

According to the Assembly Appropriations Committee analysis:

1. Minor, absorbable costs to include a notification about coverage availability in the Exchange. Some costs could likely be offset by federal funding for outreach through HFP, Medi-Cal, or PCIP.

2. Potential significant state screening and enrollment costs to the Exchange and/or Medi-Cal that would otherwise not occur, in the range of millions to tens of millions of dollars.

3. Unknown, potentially significant state information technology costs to transfer data from several different enrollment systems to the Exchange.

4. Potentially significant state savings to the extent that this bill speeds the transition of individuals from General Fund (GF)-funded services to the Exchange, or to new eligibility categories of Medi-Cal covered 100 percent by federal funds.

5. Potentially significant state Medi-Cal costs (50 percent GF) if individuals are found to be eligible for Medi-Cal under existing eligibility rules, to the extent that this bill causes more individuals to become enrolled in Medi-Cal more quickly than would otherwise occur.

6. Federal funding is available for Exchange-related activities through federal Exchange implementation grants. Subject to federal approval, some of the activities mandated in this bill may be eligible for funding through these grants.

7. Reduced cost pressure to counties to fund otherwise uncompensated care, to the extent this bill results in more individuals enrolled more quickly into comprehensive health care coverage.

SUPPORT/OPPOSITION

Support:

Health Access California (sponsor)
100% Campaign
American Cancer Society
American Federation of State, County and Municipal Employees
California Medical Association
California Optometric Association
California Pan-Ethnic Health Network
California Primary Care Association
California Rural Legal Assistance Foundation
Children Now
Children's Defense Fund California
Congress of California Seniors
Consumers Union
Having Our Say
Latino Health Alliance
PICO California
Planned Parenthood Advocacy Project Los Angeles County

Planned Parenthood Affiliates of California
SEIU California
The Children's Partnership
Unitarian Universalist Legislative Ministry Action Network, CA
United Nurses Associations of California/Union of Health Care Professionals
Western Center on Law and Poverty

Oppose:

California Right to Life Committee, Inc.