

ASSEMBLY BILL 792 (BONILLA) EXCHANGE NOTICES

SUMMARY

This bill would require the disclosure of information to individuals on health care coverage through the California Health Benefit Exchange (Exchange) by the courts, health care service plans, health insurers, employers, employee associations or other entities, and the Employment Development Department (EDD), in circumstances when those individuals' health care coverage ceases or they experience specified life events. Included among the circumstances listed are marriage dissolution, adoption, job loss, reduction in hours, plan disenrollment, and disability or unemployment claims. The bill would further require that several, though not all, of these entities transfer information to the Exchange to initiate eligibility determinations and enrollment.

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 a number of entities to send notifications to individuals regarding health care coverage through the Exchange. The entities and circumstances include:

- Family courts, upon the filing of a petition for dissolution of marriage, nullity of marriage, or legal separation, must notify the petitioner and the respondent;
- Family courts, upon the filing of a petition for adoption, must notify the petitioner;
- Health plans and insurers, upon an individual ceasing to be enrolled in a group or individual health plan, must notify former employees or former dependents of an employee; and,
- The Employment Development Department (EDD), upon receiving claims for unemployment or disability, must notify the claimant.

Requires health plans and insurers to obtain the consent of enrollees to transmit their information to the Exchange in the event that the enrollee ceases to be enrolled in coverage.

Requires health plans, insurers, and the EDD, under certain circumstances, to transmit information about individuals receiving the notifications to the Exchange, and requires the provision of this information to initiate an application for health care coverage through the Exchange.

FISCAL IMPACT

According to the Assembly Appropriations Committee:

1. Estimated costs in the range of \$800,000 to \$3 million annually (special fund) to EDD to provide notifications, depending upon the number of individuals seeking employment benefits. Unknown, potentially significant state information technology costs to transfer data from EDD (special fund) to the Exchange. It is unknown whether federal grant funding available for Exchange activities would be available for this purpose.
2. Minor, absorbable costs to the family court system to provide notifications.
3. If screening and enrollment is conducted upon provision of information about potential enrollees, there could be 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. Potentially significant state Medi-Cal costs, if more individuals enroll in Medi-Cal more quickly than would otherwise occur. If individuals are found to be eligible for Medi-Cal under existing eligibility rules, the cost associated with these individuals will be funded 50% through the General Fund. Medi-Cal costs for newly eligible individuals are 100% federally funded through 2016.
4. 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 (Sponsor)
100% Campaign
American Federation of State, County and Municipal Employees, AFL-CIO (AFSCME)
California Labor Federation
California Medical 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
Contra Costa County Board of Supervisors
Having Our Say
Latino Health Alliance

National Association of Social Workers
PICO California
SEIU California
The Children's Partnership
Unitarian Universalist; Legislative Ministry Action Network, CA
United Nurses Association of California/Union of Health Care Professionals
Western Center on Law and Poverty

Opposition:

Association of California Life & Health Insurance Companies
California's Association of Health Underwriters