

July 22, 2011

The Honorable Diana Dooley
Chair, California Health Benefits Exchange

Re: Exchange Board Staff Recommendations on Legislation

Dear Chairwoman Dooley:

The California Primary Care Association (CPCA) notes that at your July 22 boardmeeting you will be discussing and taking action on pending legislation. We write to shareour comments about the staff recommendations with respect to legislation currently pendingin the Legislature. As many of our colleagues have noted, we view the advancement of these bills this year as critical forsuccessful implementation of the new health law in our state.

CPCA represents a network of over 800 private, non-profit Community Clinics and Health Centers (CCHCs) statewide that stand to benefit greatly from the passage and implementation of the Patient Protection and Affordable Care Act (PPACA). While CPCA is grateful for the vast amount of work and research the Exchange board members have done to date; we have some concern in regard to the staff recommendations on positions taken on key pieces of legislation currently moving through the legislature.

AB 714 (Atkins) & AB 792 (Bonilla):

We appreciate the staff's comments with respect to AB 714 (Atkins) and AB 792 (Bonilla), however we are concerned by the recommendation that indicates support for these bills would be "premature." It is critical that California continue its momentum in implementing federal health reform by putting in place the pieces that need to be ready in late 2013 in order to be operational in 2014. By waiting until 2012 to pass legislation leaves less than a year to implement them. Further, we also think it is never too early to start educating communities about the impact of the new laws. Whilewe respect the challenges faced by all parties in implementing PPACA we are concerned about thelack of awareness of key provisions in the new health law in the communities CCHCs serve.

SB 703 (Hernandez):

SB 703 (Hernandez)attempts to createof a Basic Health Plan (BHP) and is critical to consider because of the dramatic increase in affordability it offers low-income consumers. The BHP population represents the first income group that would receive subsidies through the state's Health Benefit Exchange, and most likely to fit into the hardship exemptions and therefore, likely to remain uninsured if the Exchange is their only option. A recently released Mercer study found that the BHP could provide coverage for individuals for around \$30 a month, significantly less than the cost of coverage through the Exchange. Further, this option will provide more affordable care for new legal permanent resident below 133% FPL that may not qualify for the Medi-Cal expansion and would likely find the Exchange inaccessible even with subsidies. Finally, the BHP option allows CCHCs to work with plan networks such as local initiatives, in which they have historically had positive relationships. In addition, because of the provisions that require both safety-net participation and the creation of a community provider plan, these provisions provide a stronger basis to ensure that CCHCs are meaningful participants of care under the BHP structure.

We look forward to working with the Exchange Board over the next month in their analysis of these critical pieces of legislation.

Sincerely,

A handwritten signature in black ink, appearing to read "L. Johnson", written in a cursive style.

Laurie Johnson
Deputy Director of Legislative Affairs

cc: Members, California Health Benefits Exchange
The Honorable Kim Belshé
The Honorable Paul Fearer
The Honorable Susan Kennedy
The Honorable Robert Ross, M.D.