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THE AFFORDABLE CARE ACT IN CALIFORNIA

After Two Years - Big Benefits, More Work to Do

This 2012 report marks the second anniversary of the federal health reform law, and highlights the work that has been done in California, the benefits that Californians are already enjoying, and the outstanding issues that need to be addressed. Each section of the report looks at the Affordable Care Act from the perspective of one key California constituency. The appendix section also includes a section that highlights the personal stories of Californians who have benefited from health reform.

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SUMMARY

Two years ago, on March 23, 2010, President Barack Obama signed into law the Patient Protection and Affordable Care Act (ACA), a historic comprehensive federal health care law. The passage of the ACA was the culmination of decades of movement toward health reform as well as a grueling two-year political process. The law includes the biggest reforms of our era in three areas:

- Providing new consumer protections to prevent the worst insurance industry abuses.
- Ensuring affordability and security for those with coverage, and new and affordable options for those without coverage, including the biggest expansion of coverage since creating Medicare.
- Helping control health care costs, improve quality, and encourage prevention and wellness.

The law offers a mix of immediate relief, put in place in the first year to assist Americans suffering from some of the worst problems with the health care system, and a phased-in implementation scheduled for the remaining provisions, with full impacts starting in 2014.

Just two years after the passage of the federal Affordable Care Act, hundreds of thousands of Californians are taking advantage of new coverage and care options, and millions are benefitting from new consumer protections and help affording health care. These new rights, options, and benefits are not just the result of the ACA, but also California's proactive efforts to take advantage of new resources and benefits for the state's beleaguered health system.

Having attempted comprehensive health care reform many times as a state, California was quick to recognize the opportunity offered by the ACA. Immediately after the law passed in 2010, California went to work implementing the law with the adoption of a "bridge to reform" Medicaid waiver agreement with the federal government, and the passage of several bills to implement and improve upon parts of the law. Nationally, California has been one of the national leaders in implementation, but there is much more for the state to do to maximize the benefits and improve the health system.

Effective implementation will mean millions more Californians will gain more security and confidence in their coverage, stemming from the new consumer protections and increased insurance oversight in place. Millions more will get added help in affording and accessing coverage as California continues its implementation of the federal law in the next several years.

The implementation and improvement efforts underway in the last two years have been fast and furious. Some highlights include:

- **Passing landmark legislation:** California started passing health reform implementation legislation in the 2010 legislative session, and has since passed laws creating a new state based exchange, codifying a number of key consumer protections into state law, and allowing for the expansion of coverage options. Additionally, new California laws put into place new regulation and oversight of insurers.
- **Creating new programs and entities:** The first in the nation (post-reform) Health Benefits Exchange was created in California; as well as PCIP, an insurance option for individuals with pre-existing conditions; and a unique federal-state-local partnership called the Low Income Health Program made possible by the 1115 Medicaid Waiver.
- **Securing federal funding for reform:** The state has taken advantage of new funding opportunities from the federal government including $40,421,383 to fund the creation and operation of the Exchange; $210,100,000 to improve the community clinic safety net; $5,300,000 to review unreasonable insurance rate increases; and $85,500,000 to improve public health.
- **Regulatory advocacy:** The state, with the input of consumers, has weighed in on a number of federal rules and regulations related to the implementation of the ACA, and worked to ensure that federal guidelines meet the diverse needs of California.

Real Californians are beginning to reap the benefits of this work:

- Individuals with pre-existing conditions have new access to coverage with over 8,600 Californians getting coverage in a new Pre-existing Condition Insurance Program (PCIP), and the implementation of a new state law to ensure that children have access to private coverage regardless of health status.
- Over 370,000 low-income Californians are now covered through Low Income Health Programs (LIHPs) in 47 counties, and potentially over a half-million will get coverage in the next two years, prior to 2014.
- 355,927 young adults in California avoided becoming uninsured when the ACA allowed them to remain on their parents' coverage.
- 6,181,000 Californians had their coverage improved to include preventative care without cost-sharing.
- 8,978,000 insured Californians gained new consumer protections, including Medical Loss Ratio requirements that give consumers more value for their premium dollars.

- California consumers saved over $100 million dollars in savings from rate hikes that were retracted, rolled back, or withdrawn as a result of rate review.
- 319,429 California seniors saved $171,983,735 in prescription drug costs.
- Over 12 million Californians no longer have a lifetime limit on their health insurance plan.

However, a tremendous amount of work remains in order resolve issues not addressed by the ACA, and to ensure that all Californians have access to quality and affordable health care. Some of these issues include:

- Putting in place the new options and consumer protections so California is ready in late 2014—from the Medi-Cal expansion to the insurance market reforms.
- Improving access to care and coverage through key systems reforms. This includes a streamlined eligibility and enrollment system and consumer assistance center.
- Maximizing enrollment on day one will ensure that all eligible individuals get into coverage from the moment it is available, and that the state maximizes federal dollars.
- Striving toward health equity and the elimination of disparities between communities.

This report was prepared by Linda Leu, health care policy analyst at Health Access, a statewide coalition of consumer, community, ethnic, senior, labor, faith, and other organizations that has been dedicated to achieving quality, affordable health care for all Californians for over 20 years.

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Please visit our website at www.health-access.org and read our daily blog at blog.health-access.org. More materials, including the most up-to-date version of this report are available there.

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HOW THE AFFORDABLE CARE ACT BENEFITS CALIFORNIANS WITH PRE-EXISTING CONDITIONS

People who are living with diseases such as cancer often must fight more than their illness. Individuals with "pre-existing conditions" such as cancer, heart disease, diabetes, etc. have been shut out of the health insurance market—either denied coverage, charged exorbitant premiums, or left with coverage that excludes benefits for their health conditions. The result has been thousands of individuals with serious health conditions who are uninsured—unable to afford health insurance or pay out of pocket for their own medical care. They delay or forego needed care, or go deeply into debt to pay for treatment. It's a situation that puts lives at risk.

PROBLEM

The uninsured are more likely to be diagnosed with cancer at later stages, and are less likely to survive the disease[1]. Approximately 6,487,000 California adults under age 65 and 576,500 children under age 18 have pre-existing conditions[2]. More than 300,000 people in this country die from cancer each year because they lack access to appropriate care and treatment. In California, it is estimated that 144,800 people will be diagnosed with cancer this year and 55,415 will die from the disease[3].

SOLUTIONS

In the two years since its passage, the Affordable Care Act has transformed the outlook for thousands of cancer patients and others with pre-existing conditions, taking them from "uninsurable" to enrolled, and providing newfound hope and health security.

Because of the ACA, uninsured patients with pre-existing conditions now have access to affordable health coverage (Pre-Existing Condition Insurance Program (PCIP) in California) and the worst insurance industry practices that left patients without viable options for accessing care are now history.

- PCIP is helping to fill a void in the insurance market for those who have been uninsured for six months or more, and have a pre-existing condition or have been denied coverage. It is a temporary federally-funded high risk pool that will continue until January 1, 2014 when insurers will be prohibited from denying coverage or charging them more because of a pre-existing condition. PCIP provides comprehensive coverage including primary and specialty care, hospital care, prescription drugs, home health and hospice care, skilled nursing care, preventive health and maternity care. There is no waiting period; health care costs are covered from the first day that PCIP coverage begins. PCIP enrollees are not charged a higher premium because of their medical conditions; rates are comparable to those charged for healthy people in the individual insurance market. However, because premiums are not based on income, they may still be unaffordable for some. PCIP greatly expands the state's capacity for covering "uninsurable" individuals—the Major Risk Medical Insurance Program (MRMIP), a state-run program has been providing limited benefits at a higher cost.

- Because of the ACA, health plans can no longer impose a lifetime dollar limit on benefits for patients with cancer and other illnesses; caps can cause the sudden termination of much needed coverage.
- The ACA puts a stop to the practice of insurers rescinding insurance coverage in response to a diagnosis such as cancer.
- The ACA prohibits insurers from denying coverage to children because of a pre-existing condition.

IMMEDIATE IMPACTS

- Over 8,600 previously uninsured Californians are enrolled in the Pre-Existing Condition Insurance Program as of January 31, 2012[4].
- Estimated 8,837,000 California adults and 3,255,000 California children are benefitting from the prohibition on lifetime limits on health benefits[5].
- Approximately 576,500 children under age 18 and 6,487,000 adults under age 65 in California with pre-existing conditions are now protected from being denied coverage[6].

MORE WORK TO DO

- California will need to transition people with pre-existing conditions enrolled in PCIP and MRMIP to plans in the California Health Benefits Exchange in 2014 when insurers will no longer be able to deny coverage for individuals with pre-existing conditions, or charge them different rates.
- The California Health Benefits Exchange must be implemented and operated so that it improves access to care for people with chronic diseases by decreasing cost, increasing competition, and offering consumers the peace of mind that they are buying a quality health plan.
- Minimum essential benefits must be established to ensure coverage of proven ways to prevent and treat diseases such as cancer.
- Medi-Cal eligibility must be expanded so that low income people with cancer can get access to the quality care they need.

[1] *CA: A Cancer Journal for Clinicians* (2007; 110: 395-402 and 403-411)

[2] Families USA, "Health Reform: Help for Americans with Pre-existing conditions, May 2010, http://www.familiesusa.org/resources/publications/reports/health-reform/pre-existing-conditions.html

[3] American Cancer Society, California Department of Public Health, California Cancer Registry. California Cancer Facts and Figures 2012. Oakland, CA: American Cancer Society, California Division, September 2011.

[4] MRMIB.

[5] ASPE Issue Brief, March 5, 2012

[6] Estimates based on pre-existing conditions diagnosed or treated in 2007, prepared by The Lewin Group for Families USA.

HOW THE AFFORDABLE CARE ACT BENEFITS CALIFORNIA'S UNINSURED

While providing more security to those who have coverage, a goal of the Affordable Care Act (ACA) is also to expand coverage options to millions of Californians, many of whom were previously uninsured. In addition to providing more coverage options, the state is actively engaged in efforts to streamline eligibility and enrollment processes in order to make it easier to access coverage; and to enact protections that will help consumers more easily choose plans based on cost and quality.

PROBLEM

There are 8.2 million uninsured Californians in a given year—and as a result, Californians live sicker, die younger, and are one emergency away from financial ruin. Employer-sponsored health insurance dropped from 55.6% in 2007, which was already among the lowest of all states, to 52.1% in 2009. While 7 million of the lowest-income Californians are covered under the Medi-Cal program, Medi-Cal's eligibility criteria leave many still in need.

SOLUTION

The ACA expands coverage options for those without insurance in two important ways:

- **Expanding Medi-Cal to 2 million more Californians:** Medi-Cal's eligibility criteria prior to the ACA excluded many adults without dependent children, no matter how low their income. Eligibility rules also excluded low-income individuals based on a restrictive and cumbersome assets test. In 2014, those restrictions will be removed. Additionally ACA improves Medi-Cal for existing and new enrollees by funding innovations like medical homes and community health teams, and by increasing funding to community clinics.

- **Creating a California Health Benefits Exchange:** The Exchange will help an additional 2-4 million Californians access coverage through a fair, transparent, and consumer-friendly marketplace. The Exchange will negotiate on behalf of its individual consumers, much like large purchasers do now; as well, the Exchange will offer subsidies to 2.2 million Californians with incomes under 400% of the Federal Poverty Level, making insurance premiums more affordable.

- **Consumer Protections to Keep Consumers Insured:** The ACA outlaws a number of insurance industry practices that have kept individuals uninsured including medical underwriting, rescissions, and annual and lifetime limits.

IMMEDIATE IMPACTS

Early Expansion of Medi-Cal: California has been granted a special waiver by the federal government to begin expanding coverage prior to 2014. These Low Income Health Programs (LIHP) are county-based coverage programs similar to Medi-Cal. LIHP allows low-income uninsured adults to access quality, comprehensive health coverage

delivered through a medical home model. In 2014, everyone enrolled in LIHP will be automatically moved to Medi-Cal. Local LIHPs began enrollment in ten counties in July 2011, and now 47 of California's 58 counties are enrolling people in LIHP, with over 370,000 enrolled as of January 2012. By 2014, LIHP is expecting to enroll at least 500,000 low-income Californians who will then be able to take advantage of the Medi-Cal expansion as soon as possible.

Major Young Adult Expansion: Young adults (18-25 year olds) are the most likely age group to be uninsured—less because of supposed thoughts about "invincibility" and more because just starting out in their careers, they are more likely to be low-income, and more likely to work at a job that does not provide coverage. One of the "early" provisions of the ACA allows young adults up to age 26 to sign up on their parents coverage. Estimates are that over 355,927[1] young Californians from 18-25 now have coverage through their parents' plan—many of whom would have been uninsured without this new option.

New Access for Those with Pre-Existing Conditions: While most uninsured Californians are not covered due to affordability issues, many with pre-existing conditions can't get coverage at any price. For them, the ACA is providing new access to coverage already, prior to 2014, when insurers will no longer be able to deny or charge more because of a person's health status:

- Over 8,600 Californians are no enrolled in the Pre-Existing Condition Insurance Program, which, for a fair market premium, provides coverage to those denied for pre-existing conditions.
- Tens of thousands of California children with pre-existing conditions now have the option of getting private coverage. In the 2010 law AB2244, California went beyond the ACA's requirement that insurers must not deny coverage to any child—both by ensuring that insurers offer "child-only" policies (or lose business covering adults), and by placing a limit on how much more children with pre-existing conditions could be charged.

Setting up the California Health Benefits Exchange: Since the signing of California legislation to create the Exchange in September of 2010, the state has been hard at work to get the Exchange ready for operation January 1, 2014. The Exchange Board has moved at a rapid pace, meeting at least once a month since April 2011 to discuss and make policy decisions related to the operations of the Exchange. In its short existence the Exchange has secured federal funding to build its operations, made several important policy decisions, responded to federal regulations in order to provide the federal government with California perspective, and begun the creation of a world class IT system, the California Health Eligibility, Enrollment, and Retention System, which will serve not just the Exchange, but other public programs with a "no wrong door" approach when it comes into use in 2014.

MORE WORK TO DO

A great deal of work remains to ensure that the Exchange is ready to "open its doors" on January 1, 2014. The Exchange must complete its system designs, negotiate rates and contracts with health plans, and reach out to consumers who will qualify for its services. Consumer advocates must participate in all of this work by offering concrete suggestions about how to build consumer protections and consumer friendly practices into new systems and processes.

As we approach 2014, the health care system must also ramp up capacity to prepare for the millions of Californians who will be newly eligible for coverage. LIHP is designed to be an integral part of the "bridge to health reform;" aggressive outreach and enrollment efforts in that program will ensure a smooth transition as well as maximum enrollment from day one.

Bills in the legislature would implement the Medi-Cal expansion and new eligibility and enrollment rules. In addition, Health Access is supporting measures to ensure that as many Californians as possible can enroll in the ACA's new options as early as possible—with the goal of covering millions of Californians on day one, January 1, 2014. AB714 (Atkins) and AB792 (Bonilla) are measures currently being considered by the legislature which would facilitate early and automatic enrollment.

Additional advocacy must also consider the populations that will be left out of the ACA, including the undocumented population, and focus on state-based solutions to provide health coverage to all Californians.

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[1] *http://aspe.hhs.gov/health/reports/2011/YoungAdultsACA/ib.shtml*

HOW THE AFFORDABLE CARE ACT BENEFITS CALIFORNIANS WITH PRIVATE INSURANCE

While individuals who are insured have better physical and mental health outcomes, those with inadequate insurance or who have difficulty accessing the benefits of insurance need more help. Californians who have private health insurance still benefit from the Affordable Care Act's provisions that make health insurance more affordable, accessible, and likely to be there in times of need.

PROBLEMS

The cost of health insurance is a growing burden for consumers. The ever increasing share of expenses consumers must cover, makes it difficult for those with insurance to stay out of debt and keep their coverage. From 2007 to 2009 the number of Californians with medical debt increased by 400,000, and a significant number of these individuals had insurance. Meanwhile, before the Affordable Care Act, insurers were allowed to engage in a number of practices that benefited their bottom line more than the health of their members.

SOLUTIONS

New Consumer Protections

Health insurers are subject to new rules that give patients new protections and apply to all plans, with few exceptions:

- Insurers can't impose a lifetime limit on your benefits, meaning you don't have to worry about your coverage maxing out when you most need it.
- Annual benefit limits are phasing out too, rising from $750,000 in 2010 to $2 million in 2013 before being abolished in 2014. The annual benefit limit for September 2011 through September 2012 is $1.25 million[3].
- Health insurers can't arbitrarily cancel your coverage if you get sick or make a mistake on your application.
- Insurers are required to provide preventive care such as flu shots, well-baby checkups, colon cancer screenings, and mammograms with no out-of-pocket costs

Real Standards for Insurers, Saving Policyholders Real Money

Before the passage of the ACA, almost half of consumers who bought their own insurance were in plans that spent more than 25% of every premium dollar on administrative costs. That changes under the ACA:

- Insurance companies must publicly report how much they spend on health-care costs and on administrative costs.

- For plans purchased by a large employer or other large group, your insurer must spend at least 85% of premiums on medical care, or rebate the difference to you.
- For plans purchased through a small employer or on your own, insurers must spend at least 80% of premiums on medical care, or give you a rebate.
- Rebates owed on 2011 premiums must be paid by August 2012.

Justifying Rate Increases to Consumers

States are responsible for reviewing health insurance rate increases to ensure they are justified. California received $5.3 million to crack down on unreasonable insurance rate increases[4].

- Insurers must now publicly post and justify a rate increase, under California law and implementing the federal Affordable Care Act. California regulators will determine whether the increase is unreasonable based on health-care costs and other factors.

IMMEDIATE IMPACTS

- **Over 12 million California residents with private insurance no longer have to worry about facing lifetime limits** on coverage, because of the Affordable Care Act[4].
- **The 2.5 million residents of California who buy coverage on the individual market can now trust that their coverage will not be rescinded** due to a mistake on an application.
- Due to medical loss ratio rules, it is estimated that insurers may owe consumers as much as $1.4 billion in rebates or lower rates in 2012 based on the 2010 insurance market[6]. In California alone, **medical loss ratio rules may require an estimated $78.49 million to be paid to consumers in rebates[7].**
- Under California's rate review authority to implement ACA requirements, **California insurance regulators have been able to negotiate reductions in rate increases saving consumers well over $100 million[8].** For example, regulatory action by the Department of Insurance and Commissioner Dave Jones compelled Anthem Blue Cross to reduce their proposed rate increase on 600,000 California policyholders from 16.4 percent to 9.1 percent, saving California individuals and families a total of at least $40 million[9].
- Approximately 54 million Americans, including **about 6,181,000 Californians, took advantage of least one new free preventive service in 2011** provided under the ACA through their private health insurance plans. Additionally, roughly 32.5 million people with Medicare received free services, including 3 million in California[10].

MORE WORK TO DO

Though the Affordable Care Act and state law SB1163 (Leno) established the authority of state regulators to review insurance rate increases, they did not give regulators the same authority 34 other states have to reject unreasonable rates. AB52 (Feuer) would establish rate regulation.

Additionally, California continues to push forward legislation to reform the individual and small group markets to conform with the new regulations under the ACA. California also continues to look at ways in which we can make health insurance more affordable to consumers, as well as to improve access to individuals from communities of color and rural and otherwise disenfranchised communities.

[1] Fronstin P. Sources of Health Insurance and Characteristics of the Uninsured: Analysis of the March 2009 Current Population Survey. Employee Benefit Research Institute; 2009. EBRI Issue Brief no. 334.

[2] http://www.healthpolicy.ucla.edu/pubs/files/shic2009-feb2012.pdf

[3] http://1.usa.gov/q9Qr1U

[4] Office of the Assistant Secretary for Financial Resources

[5] Assistant Secretary for Planning and Evaluation, US DHHS

[6] HHS, http://1.usa.gov/ovZTUA

[7] http://www.naic.org/committees_b_ha_tf.htm

[8] http://www.insurance.ca.gov/0400-news/0100-press-releases/2012/release004-12.cfm

[9] (CDI, http://bit.ly/Arigje)

[10] (HHS, http://t.co/dw2qEj6y KPBS http://t.co/IJ80WnJj)

HOW THE AFFORDABLE CARE ACT BENEFITS CALIFORNIA WOMEN

The Affordable Care Act (ACA) provides specific benefits to women that help to address some of the inequalities that exist in the health care system.

PROBLEM

Women experience a number of gender-based barriers to getting basic health care.

- Some insurers have denied coverage to women based on gender specific criteria such as current or past pregnancy.
- Some insurers have charged women more for the same insurance coverage than they charge men of similar health status and age.
- Women experience difficulty accessing basic services as many insurers have cumbersome referral processes to access obstetric and gynecological care.
- Some women have trouble accessing basic women's health care such as preventive screenings and maternity care because of high out of pocket costs or because those services are not covered.

SOLUTIONS

In addition to broader coverage expansions, affordability improvements, and consumer protections, the ACA includes a number of provisions that specifically address the discrimination faced by women:

- **Denials Based on Pre-Existing Conditions:** Outlawing denials based on pre-existing conditions for adults impacts men and women, but in many cases, women's pre-existing conditions are directly related to their gender. In 2014, insurers will be prohibited from denying coverage for these reasons.
- **Gender Rating:** In 2014 the ACA outlaws gender rating, or the practice of charging women more for insurance than men based on gender alone.
- **Access to Basic Services:** The ACA sets guidelines for Essential Health Benefits, or basic benefits that all health plans must provide – among them are health services for women such as maternity care. Additionally, the ACA requires that women be able to choose their own doctor, including an OB-GYN, and that women have access to OB-GYNs without referrals.
- **Preventive Care:** The ACA requires insurers provide preventive care, including important screening and services for women, with no cost-share. Screenings for breast and cervical cancer, contraception, and many pregnancy related services are included.

IMMEDIATE IMPACTS

As a result of the ACA, 1,765,300 California women have accessed free preventive services through Medicare, and another 2,286,000 California women who have private insurance have also enjoyed this benefit[1].

California has worked hard to implement and improve upon the ACA. One key accomplishment has been the passage of legislation that requires insurers to cover maternity care beginning in 2012 instead of 2014 as the federal law requires. Fewer and fewer insurers—only 12% in the individual market—provided maternity benefits, creating a tremendous burden on women and families and a significant cost shift to public programs. SB222 and AB210 signed into law in 2011 are important steps in reversing that dangerous trend.

MORE WORK TO DO

The ACA has been used as an opportunity for opponents of women's rights to try to restrict choice and restrict access to a comprehensive range of reproductive health options. This debate continues to play out over coverage of abortion and contraception. As federal lawmakers and a handful of other states attempt to take away women's access to health care, it is crucial that California continue to provide state funding to ensure access in our state.

CALIFORNIA
WOMEN'S
AGENDA

[1] http://www.whitehouse.gov/sites/default/files/methodology_for_sbs_spreadsheet_3-4-12_clean.pdf

HOW THE AFFORDABLE CARE ACT BENEFITS CALIFORNIA COMMUNTIES OF COLOR

PROBLEM

In California, communities of color comprise close to three-quarters of the uninsured. Lack of health care coverage can lead to delays in medical services, mounting medical debt and bankruptcy, increased suffering, and the premature onset of chronic disease and death. Increasing racial and ethnic health disparities show the consequences of millions lacking access to coverage.

SOLUTION

Two years after the signing of the Patient Protection and Affordable Care Act (ACA), the law has already helped thousands of low-income Californians of color get the care they need.

IMMEDIATE IMPACTS

- One in five adults now enrolled in California's **Pre-Existing Condition Insurance Program** (PCIP) is a person of color.
- In California, adolescents of color are more likely than their white counterparts to be uninsured. Thanks to the ACA, over 355,000 more **young adults between the age of 19 and 26** are insured, many of them adolescents of color, thanks to a provision that allows them to stay on their parent's insurance plan.
- Communities of color comprise roughly 80% of uninsured Californians living below 200% of the Federal Poverty Level. These individuals are eligible to receive basic health care services through **Low Income Health Programs (LIHPs)**. As of January 2012, California had enrolled more than 370,000 individuals into LIHP, many of whom will be eligible for Medi-Cal in 2014.
- Nearly 1 million Californians received **expanded preventive benefits coverage in 2011.** Coverage for these services help bring down health care costs for the state while significantly reducing health disparities in communities of color. For example, people of color represent over half (51.5%) of the state's approximately 3.9 million smokers, so tobacco cessation programs would be a tremendous benefit to these communities.
- **The law includes stronger requirements for the collection of data on race, ethnicity, and primary language.** Enhancing data collection will have a dramatic impact on our ability to develop culturally appropriate programs and target interventions to the communities in greatest need. For example, within the Asian and Pacific Islander community, there are many different ethnic groups, and disparities between and even within these groups that can be overlooked if they are all classified under the same category.

MOVING FORWARD

California is moving forward with the creation of the Health Benefit Exchange, which will put affordable health care coverage within reach of millions of Californians. Communities of color will benefit greatly from the ACA, representing 67 percent of those qualifying for subsidies in the Health Benefits Exchange and 72 percent of the adults newly eligible for Medi-Cal[1]. A significant portion of the newly eligible (40 percent in the Exchange and 36 percent in Medi-Cal) will be Limited English Proficient (LEP). In order to fulfill the promise of the ACA, California must:

- **Target resources for consumer assistance to those with the highest needs.** We must provide the newly eligible with the information they will need to navigate the Health Benefit Exchange. Online information should be made available, at a minimum, in the 13 current Medi-Cal Managed Care threshold languages[2]. With so many ways to apply for health coverage—online, by phone, by mail, or in person—it will be especially important for the state to target resources for in-person assistance to communities with the highest needs, including low-income populations, immigrants, the Limited English Proficient, and persons with disabilities.
- **Invest in culturally and linguistically appropriate marketing and outreach.** Research shows that communities of color are less likely to know about the ACA, but are very enthusiastic when they are the intended audience for outreach efforts[3]. With limited resources, the state will have to carefully target funds for marketing and outreach efforts to reach the communities that constitute a majority of those eligible to receive subsidies in the Exchange. We must also make sure there is consumer confidence in insurance products sold after 2014. **SB1313 (Lieu) and AB1761 (Perez)** will help to protect consumers by making it illegal to make misrepresentations about the requirements under the ACA, requiring health plans that advertise in non-English languages to meet existing language access requirements, and prohibiting an individual or entity from holding oneself out as representing the Exchange without a valid agreement with the Exchange.
- **Strengthen data collection efforts to help identify and address disparities.** The ACA requires states to adopt new federal standards for collecting data on race, ethnicity, and primary language, and to report on the progress made toward eliminating health disparities[4]. This is a good first step; however, the tremendous diversity of our state necessitates adopting the additional data categories for California's subpopulations, as recommended by the Institute of Medicine (IOM) and encouraged by the Office of Management and Budget (OMB), as these categories will more accurately represent California's demographics and allow the state to better target interventions to address health disparities[5].
- **Invest in primary care and workforce diversity in underserved areas.** The ACA provides funds to enhance workforce diversity and increase access to quality care in underserved areas. California must protect federal funds to increase workforce diversity, make the temporary Medi-Cal provider rate increases in 2013 and

2014 permanent, and work with the Health Benefit Exchange to strengthen health care quality by requiring health plans to demonstrate their capacity to offer culturally and linguistically appropriate services, particularly in underserved areas, as well as to develop a plan to identify and address disparities in utilization, access, and health outcomes among their diverse members.

- **Ensure collaboration between state and local government agencies and providers across public programs to maximize enrollment.** The successful transition from the current system with multiple application processes for publicly funded programs to be a seamless "no wrong door" system will depend on a strong collaboration between the state, counties, and providers. Eligible individuals in publicly funded programs, as well as those who may be losing health coverage due to life transitions (e.g., job transition or divorce), should be identified, and fast, confidential, and effective transition methods developed to ensure timely enrollment using methods such as pre- and auto-enrollment. The legislature is considering a number of measures that would require this: **AB714 (Atkins), AB792 (Bonilla),** and **SB970 (De Leon).**

- **Promote prevention and wellness.** The ACA originally allocated $15 billion for the federal Prevention and Public Health Trust Fund to transform our health care system into one that invests in keeping people well, not just in treating the sick. Political opponents have repeatedly attacked and diminished this funding. California should take the lead in promoting health and wellness by ensuring that funds for Community Transformation Grants are disbursed to populations with the highest need, and that California's Health Benefit Exchange uses its market role to fulfill its mission of transforming our health care system into a system that promotes prevention and wellness.

[1] "Daphna Gans, Christina Kinane, Greg Watson, Dylan H. Roby, Jack Needleman, Dave Graham-Squire, Gerald F. Kominski, Ken Jacobs, David Dexter, Ellen Wu, "Achieving Equity by Building a Bridge from Eligible to Enrolled," February 29, 2012.

[2] The 13 threshold languages for Medi-Cal Managed Care are Arabic, Armenian, Cambodian, Cantonese, English, Farsi, Hmong, Korean, Mandarin, Russian, Spanish, Tagalog, and Vietnamese.

[3] Field Research Corporation. Majorities of Californians Support the Nation's New Health Care Law, But Think More Health Care System Changes Are Needed. Just One in Three Believes the Law Should Be Reversed.

[4] Section 4302: Understanding Health Disparities: Data Collection and Analysis. Patient Protection and Affordable Care Act. H.R. 3950, 111th Congress, March 23, 2010.

HOW THE AFFORDABLE CARE ACT BENEFITS CALIFORNIA CHILDREN

Children with health coverage and access to health care grow up healthy and ready to learn, and the health of California's kids got a major boost when the federal health reform law, the Affordable Care Act (ACA) was signed two years ago. The ACA is already helping millions of California children, and even more will benefit once the law is fully implemented in 2014.

PROBLEM

While California made real progress over the past decade to cover uninsured kids through Medi-Cal and Healthy Families, nearly 1.1 million California children were uninsured in 2009, before the Affordable Care Act was signed[1]. In addition, in the past, because health insurers could limit or deny coverage to children, children often went without needed health services and care. As a result, millions of California children had to delay or forgo preventive care and treatment due to cost or insurance limitations.

SOLUTION

The ACA strengthens health coverage and access to health care for millions of California's children and young adults. The ACA ensures that California children have better access to quality, affordable coverage that cannot be taken away when they need it most.

The Affordable Care Act:

- **Protects and strengthens Medi-Cal and Healthy Families coverage for California children.** The ACA provides additional federal funding for Healthy Families and increases Medi-Cal payment rates to health care providers to ensure low-income children have better access to primary care. The ACA also protects the 4.5 million low-income California children who currently have Medi-Cal or Healthy Families coverage by preventing eligibility rollbacks or significant premium increases.
- **Prevents insurance companies from unjustly denying coverage to children.** The ACA bans health insurers from denying coverage to children with pre-existing conditions and prohibits insurance companies from placing restrictive annual or lifetime caps on coverage and from rescinding coverage when a person becomes sick.
- **Invests in prevention and provides no-cost preventative care for children.** Pediatric well-child and preventive services are now covered for children with no co-pays in all public and private insurance. The ACA also provides additional

funding for school-based health centers, expansions of local early childhood home visitation programs, and many other initiatives to promote wellness and disease prevention in California.

- **Expands health coverage of young adults.** Under the ACA, young adults are now able to remain on coverage as dependents through their parents' employer-sponsored insurance until they turn 26.
- **Makes health coverage more affordable for parents and children.** Starting in 2014, families with incomes below 400 percent of the federal poverty line that are not insured through an employer will be eligible for premium tax credits and cost-sharing protections to help them purchase health coverage through the California Health Benefit Exchange, a new marketplace where Californians will be able to purchase affordable private health coverage.
- **Makes it easier to shop for and enroll in health insurance.** California agencies are currently developing an easily accessible online portal where families will be able to apply for, compare, and enroll in the coverage options that fit their individual needs. The ACA will also establish health insurance "navigators," who will help families understand and enroll in the best health coverage options.

IMMEDIATE IMPACTS

Millions of California children are already benefiting from the ACA. According to research-based estimates:

- 1,638,000 California children are receiving expanded coverage of preventive services without co-pays[2].
- 355,927 California young adults under age 26 have gained coverage by being able to remain on their parents' plan[3].
- 3,255,000 California children no longer face lifetime limits on health benefits[4].
- 576,500 California children with pre-existing conditions and their families no longer have to worry about being denied coverage[5].

MORE WORK TO DO

California must continue to leverage the opportunities presented by the ACA to ensure that all children have access to comprehensive, affordable health care. In particular, California policymakers, stakeholders, and advocates must continue to work together to develop a strong Exchange that can serve the needs of California children, ensure a comprehensive package of Essential Health Benefits for children, and implement an outreach and enrollment system that makes it easy for families and children to enroll in the health coverage that fits their needs. California also must protect

and strengthen existing children's coverage programs like Medi-Cal and Healthy Families to ensure that the upcoming ACA reforms build on a strong foundation. Particularly important will be support for outreach efforts to enroll the nearly 700,000 uninsured children who are eligible for Medi-Cal or Healthy Families now but are not enrolled.

This factsheet was prepared by the 100% Campaign, a collaborative effort of The Children's Partnership, Children Now, and Children's Defense-Fund California, in partnership with Health Access.

[1] Analysis of 2009 California Health Interview Survey.

[2] "Affordable Care Act extended free preventive services to 54 million Americans with private health insurance in 2011," U.S. Department of Health and Human Services (February 15, 2012), available at http://1.usa.gov/ytUu2y

[3] "New Data: The Affordable Care Ace in Your State," The White House (March 5,2012), available at http://1.usa.gov/z0ab2y

[4] "Under The Affordable Care Act, 105 Million Americans No Longer Face Lifetime Limits on Health Benefits," U.S. Department of Health and Human Services (March 5, 2012), available at http://1.usa.gov/wBGh5e

[5] "Health Reform: Help for Americans with Pre-existing Conditions," Families USA (May 2010), available at http://bit.ly/xRWnKn

HOW THE AFFORDABLE CARE ACT BENEFITS CALIFORNIA SENIORS

Since the introduction of the Affordable Care Act (ACA), many misconceptions about how the law impacts seniors have permeated public consciousness. However, two years after the law's passage, it is clear that California Seniors are benefiting from its provisions.

PROBLEM

Though 4.8 million seniors in California receive health coverage through the Medicare program, seniors yet to turn 65 still struggle to access health care. Some seniors covered by Medicare also struggle with out of pocket costs, particularly for prescription drugs.

SOLUTIONS

Since implementation of the ACA, California seniors have seen significant savings and health care improvements from some of the provisions which have already taken effect.

- **Closing the Donut Hole:** Medicare enrollees can expect to see their prescription drug costs decrease; savings are projected to average $4,200 per person over the first ten years. For hundreds of thousands of elderly people, the days of choosing between food and medicine are finally coming to an end.
- **Medicare Advantage:** The ACA included provisions to reform the Medicare Advantage payment system, which will ensure that seniors can still get high quality health care while protecting the financial solvency of the Medicare system.
- **Long Term Care:** An important area for those who need long term care – and for California taxpayers – is the Community First Choice Option program created by the ACA. The program has saved people who need homecare from experiencing significant cuts in service by making nearly $200 million available to California to help fund the program. It protects services to seniors and saves California taxpayers money.
- **Reinsurance for Retirees:** Another area of assistance is for younger seniors, those under age 65, who have pre-existing medical conditions and have lost health care coverage. Thanks to the ACA, California received (or will receive) funds to implement a new program of individual coverage aimed at this group, with subsidies to help reduce the extremely high costs these seniors face in the private market.
- **Program Integration:** The ACA authorized the creation of a new federal office to work on better integration of state and federal health programs for seniors and people with disabilities. California is one of fifteen states that have been funded to redesign programs that will provide coordinated and integrated care for medical, mental health, and long term care services. The plan is expected to greatly improve the quality of health care for 1.2 million mostly older Californians, and save tax dollars as well.

IMMEDIATE IMPACTS

- To date, 319,429 California Medicare enrollees have saved $171,984,000 in out of pocket costs for life saving prescriptions. The savings averaged $604 per person[1].
- On average in California, Medicare Advantage insurance premiums have dropped seven percent in the last year and a total of sixteen percent since the health reform law took effect.
- Approximately 4.8 million California seniors enrolled in Medicare have access to preventive services like mammograms and colonoscopies as well as annual wellness visits with **no out of pocket cost.**
- There are 522 employers in California enrolled in the Early Retiree Reinsurance Program. These employers have been reimbursed over $200 million to insure seniors not yet eligible for Medicare.

MORE WORK TO DO

Insurance market reforms in the individual market are particularly relevant to younger seniors who are not yet eligible for Medicare. State legislation implementing provisions of the ACA including limits on Age Rating (charging seniors more for health care based on age alone) as well as protections for people with chronic or pre-existing conditions must also be enacted to ensure that seniors can access affordable health care.

Also, over the next 20 years the ACA will slow Medicare spending by reducing waste, fraud, and abuse. These fraud prevention measures and other savings are expected to extend the solvency of the Medicare program by 12 years. As a result of these improvements, seniors will likely save an average of $200 in premiums and $200 in co-insurance costs per year.

[1] http://www.whitehouse.gov/sites/default/files/methodology_for_sbs_spreadsheet_3-4-12_clean.pdf

HOW THE AFFORDABLE CARE ACT BENEFITS CALIFORNIA SMALL BUSINESSES

California is home to over 180,000 ethnic small businesses[1], and small businesses in California employ 5.3 million workers[2]. In addition, 1.9 million Californians are self-employed[3]. While this means many opportunities for creativity and enterprise, it also means that millions of Californians are faced with the challenge of purchasing health coverage in a market that does not favor individuals or small business.

PROBLEM/CONTEXT

Affordability of Health Benefits: Tax Credits available for Small Businesses

Historically, small business owners, especially those with fewer than 25 employees, pay 18% more than larger firms for the same health coverage[4]. With the implementation of the ACA, if a small business owner qualifies, they can receive up to 35% in tax credits. Due to this now available tax credit, fifteen percent of non-offering small firms (3-49 employees) have considered providing health insurance[5]. The availability of the tax credit has the potential to allow for more people to have access to employer based insurance, specifically small business employees.

SOLUTIONS

Benefits from ACA

The tax credit under the ACA is available to small employers with less than 25 full-time employees, average employee salaries less than $50,000, and who pay at least 50% of the health insurance premium per employee[6]. If an employer qualifies, they can receive up to a maximum 35% tax credit, 25% for tax exempt firms, depending on size and average salaries of employees. In 2014, these tax credits increase to 50%, 35% for tax exempt firms, if the employer provides at least 50% of the premium cost and purchases in the Small Business Health Options Program (SHOP)[7]. As the business gets larger, and/or average employee wages increase, the credit decreases[8].

IMMEDIATE IMPACTS

Small businesses have begun to reap the benefits of the tax credits that the ACA provides. As of mid-May 2011, $278 million in tax credits had been claimed for tax year 2010[10]. As more small business owners are informed of the tax credits, this has the potential to increase. Fifteen percent of non-offering small firms (3-49 employees) have considered providing health insurance due to the tax credit available under the ACA[11].

MORE WORK TO DO

California moving towards implementation

California has been spearheading various efforts to implement the ACA. Currently, California defines small group as having 2-50 employees. Proposed legislation introduced in 2011, AB1083 (Monning), would bring California in compliance with the ACA. AB1083 would allow self-employed individuals (and businesses with up to 50 employees) to be defined as small employers beginning on or after January 1, 2014, and increasing the definition to include up to 100 employees on January 1, 2016. California is home to over 1.9 self-employed individuals who would benefit by AB 1083[9]. This bill is currently pending in the legislature.

Adopting President Obama's Proposed Fiscal Year 2013 Budget

President Obama has called for an expansion and simplification of the Small Business Health Care Tax Credit. Under this expansion, he has proposed to allow businesses with up to 50 workers to qualify for the credit, currently only employers with up to 25 full time equivalent workers qualify. If this is adopted, more small businesses will qualify for the tax credit than the initially estimated 4 million.

Ensuring all have access to the tax credit

The IRS mailed approximately 4.4 million postcards to businesses that could benefit from the tax credit[12]. However, knowledge of the tax credit is still limited among the small business community. In order to ensure all owners have the opportunity to receive the tax credit, the application process should be simplified, and a robust outreach and education campaign needs to consider the cultural and linguistic needs of small business owners. This includes utilizing trusted resources in the community to conduct outreach and education, such as community organizations, small business chambers, agents and brokers, and the media.

[1] U.S. Census Bureau. (2007). Survey of Business Owners (2007). Retrieved from http://www.census.gov/econ/sbo/ on September 13, 2011.

[2] UC Berkeley Center for Labor Research and Education, "Federal Health Reform: Impact on California Small Businesses, Their Employees and the Self-Employed (June, 2010). http://laborcenter.berkeley.edu/healthcare/final_bill_impact_small_business10.pdf

[3] U.S. Census Bureau. (2010). Profile of California, Sex by class of worker for the civilian employed populations 16 years and over. Retrieved March 7, 2012, from http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_10_1YR_B24080&prodType=table.

[4] "Health Policy Brief: Small Business Tax Credits," Health Affairs, January 14, 2011.

[5] The Kaiser Family Foundation and Health Research & Educational Trust (2011). Employer Health Benefits 2011 Annual Survey. Henry J. Kaiser Family Foundation. Retrieved from http://ehbs.kff.org/pdf/2011/8225.pdf on March 3, 2012.

[6] http://www.irs.gov/newsroom/article/0,,id=252897,00.html accessed March 5, 2011.

[7] Arax, A. & Martinez, R. (2011). Affording Health Care: Tax Credits in the Affordable Care Act Benefitting Your Small Business. The Greenlining Institute.

[8] Ibid.

[9] U.S. Census Bureau. (2010). Profile of California, Sex by class of worker for the civilian employed populations 16 years and over. Retrieved March 7, 2012, from http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_10_1YR_B24080&prodType=table.

[10] Treasury Inspector General for Tax Administration (2011). Affordable Care Act: Efforts to Implement the Small Business Health Care Tax Credit Were Mostly Successful, but Some Improvements Are Needed. Washington: Government Printing Office, 2011.

[11] The Kaiser Family Foundation and Health Research & Educational Trust (2011). Employer Health Benefits 2011 Annual Survey. Henry J. Kaiser Family Foundation. Retrieved from http://ehbs.kff.org/pdf/2011/8225.pdf on March 3, 2012.

[12] Treasury Inspector General for Tax Administration (2011). Affordable Care Act: Efforts to Implement the Small Business Health Care Tax Credit Were Mostly Successful, but Some Improvements Are Needed. Washington: Government Printing Office, 2011.

APPENDIX I: INDIVIDUAL STORIES FROM CALIFORNIANS

Gwendolyn Strong, 4: "We live in Santa Barbara, California with our precious daughter, Gwendolyn. Gwendolyn was born in 2007 after a perfectly normal pregnancy, but was diagnosed with the genetic disease spinal muscular atrophy or SMA at 6-months-old. SMA is similar to ALS/Lou Gehrig's Disease, but it impacts babies. It is degenerative and terminal. Gwendolyn has gradually lost the ability to move and is dependent on machines to eat, breathe, cough, and swallow. She's never crawled. She'll never walk. And she can't speak. But the mind of an SMA child is never impacted and cognitively Gwendolyn is no different from any other 4-year-old.

"We no longer have to lose sleep worrying about heading for bankruptcy when we hit the lifetime cap on our health insurance policy."-Bill, of Santa Barbara, CA who was quickly approaching a lifetime limit on his policy for treatment of his daughter's muscular atrophy.

There is no treatment for SMA. There is no cure. There also is no definitive timeline on when or how Gwendolyn will lose her battle with SMA. It could have been years ago. It could have been yesterday. It could be today. It could be years from now. As you can imagine, the tangible and intangible cost of caring for an SMA child is extremely high. With frequent hospital visits, heavy durable medical equipment requirements, and 24/7 care required to keep Gwendolyn alive and healthy, health care costs run in the millions of dollars per year. And that level of cost quickly erases the average lifetime cap on most private health insurance policies.

Without the abolishment of lifetime caps and pre-existing conditions, a family like ours is left extremely vulnerable to financial ruin. The longer Gwendolyn lives, the higher the cost to keep her alive, and the closer we march to the lifetime cap on our private health insurance policy. Once reached, we'd be immediately dropped by our health insurance provider with zero safety net. And because of Gwendolyn's SMA—her pre-existing condition—we'd be uninsurable at any affordable rate. The full cost of Gwendolyn's care would fall on our shoulders and we'd be headed for bankruptcy.

This is the simple, true, pre health care reform reality for a family like ours and we hope our story helps underline the importance of making sure this legislation is not repealed."

Dylan Lance, 6: Among the families who have benefited from the ACA is the Lance family of Trinity County. Born with a congenital heart defect, Dylan Lance, age 6, had been denied insurance coverage before and his mother Jennifer was concerned that her son would be without health insurance when she lost her employer-sponsored coverage. Fortunately, new insurance protections under the Affordable Care Act meant that Jennifer could apply for private health coverage and know that her son would not be denied because of his pre-existing health condition. Even though the premiums for her son's coverage are twice that of a similar child without a pre-existing health condition, it is more affordable than other coverage options, and she is grateful that her son will be able to access the health care he needs. Now, Dylan's visits to the cardiologist, including all the tests and hospital fees, are covered by his insurance. Jennifer said, "Before President Obama signed the health care reform law, we had a lot of anxiety related to health insurance for our son and we were forced to make some hard choices. We didn't qualify for income-based coverage programs and were afraid to leave our son uninsured. I'm glad we were able to get him covered." The new law also gave Jennifer the flexibility she needed to change jobs without worrying that her son might lose health coverage.

Dylan Lance

Risa Kahn, 27: Risa Kahn, of Los Angeles, was denied coverage for an eating disorder because her insurance company claimed treatment was not medically necessary.

Risa Kahn

After pressure from a team of doctors, Risa left her job in June 2010 to get intensive treatment for an eating disorder she had struggled with for over a decade. She took out a COBRA policy on the insurance she had received from her employer, believing the $983 monthly premium would be worth paying to receive medical attention she urgently needed. But the insurer claimed that because Risa was not severely underweight, her condition did not require the level of care her doctors determined to be necessary. Risa's pre-existing condition barred her from buying private insurance and she was too ill to find a job. When she heard about PCIP, she cancelled her COBRA policy and waited six months in order to qualify for the program, hoping it would cover her care. On March 1st, 2011, Risa officially enrolled in PCIP and immediately begin intensive treatment. She was overwhelmingly grateful her new insurer recognized the serious nature of her illness, and that she could afford the monthly premium even though her financial resources came solely from state disability checks. Risa completed four months of treatment and credits the ACA for saving her life.

Yvette Hernandez

Yvette Hernandez, 24: As a child, doctors' visits were something I frowned upon. I didn't understand nor appreciate the value of a yearly physical, flu shots, and eye exams; it all seemed so unnecessary to me.

As a young adult working full-time for an employer who does not offer health insurance, I recounted my past and wished for the benefit of once again having healthcare protection.

As a mother of a 4 year old son, I now understand the value and importance of health insurance. So, I was elated to have received information from my parents that because I still live with them, I was eligible for health insurance through their employer because of the new Health Care Reform Law.

Health insurance is valuable, especially for women. Preventive healthcare visits can save lives – I am very grateful for the opportunity to once again have the precious coverage of health care protection.

I will defend and support the passing of the Health Care Reform Law because it's providing with me a benefit that I would otherwise not be able afford with my minimum wage salary.

APPENDIX II: IMPLEMENTING AND IMPROVING UPON THE AFFORDABLE CARE ACT

California Legislation Enacted 2010-2011

The passage of the Affordable Care Act at the federal level was not the end but the beginning of legislative activity to reform our health system. Since passage, California has adopted a range of legislation so Californians can take advantage of the new options, benefits, and consumer protections under federal law.

NEW ACCESS FOR CALIFORNIANS WITH PRE-EXISTING CONDITIONS

AB1887 (Villines)/SB227 (Alquist), 2010
Federal Funding for a High-Risk Pool: Authorizes MRMIB to apply for federal funding for, and to create, a new "high-risk" pool to provide coverage to people denied for pre-existing conditions.

AB2244 (Feuer), 2010
Access and Afordability for Children with Pre-Existing Conditions: Requires guaranteed issue, eliminates all pre-existing condition exclusions, and limits premium increases based on health status, phasing in modified community rating for children under age 19 in the individual market. Improving on federal reform: Rating rules of 2 to 1 in open enrollment, providing additional affordability to children with pre-existing conditions.

AB151 (Monning), 2011
Guaranteed Issue for Seniors: Assures that those who previously covered by Medicare Advantage plans have guaranteed issue for Medi-Gap coverage.

NEW OVERSIGHT ON INSURER PREMIUMS

SB1163 (Leno), 2010
Providing Transparency on Rates: Requires 60 days public notice of rate hikes and requires health plans to provide to the public information about their rate methodology. Improving on federal reform: Requires review of all rate hikes in individual and small group market, rather than just "unreasonable" increases. Also, collects additional information on underlying cost increases.

SB51 (Alquist), 2011
Requiring Premium Dollars to Be Spent on Health Care: Allows state regulators to enforce the Medical Loss Ratio provision of the Affordable Care Act that requires insurers in the large group market to spend 85% of premium dollars on health care and insurers in the small group and individual markets to spend 80% of health care dollars on actually providing health care rather than for administration or profit.

BETTER BENEFITS

AB2345 (De La Torre), 2010
Covering Preventive Services: Requires insurers to eliminate cost-sharing for some preventive services such as pap smears, mammograms, other cancer screenings, and immunizations. Conforms to federal reform.

SB222 (Evans/Alquist) & AB210 (Hernandez), 2011
Guaranteeing Maternity Coverage: Requires that health plans sold in the individual and small group markets, respectively, stop discriminating against women and provide as a basic benefit, maternity care and maternity-related care. Ensures Californians get needed care, preventing them from falling onto taxpayer-funded programs. Improving on federal law: Starts in July 2012, eighteen months earlier than the maternity requirement as part of the federal essential benefits package in 2014, allowing for a smoother phase-in.

SECURITY TO STAY ON COVERAGE

SB1088 (Price), 2010
Allowing Young Adults to Stay on Their Parents' Coverage: Requires group health, dental, and vision plans to allow dependent children to continue on their parents' coverage through age 26. Improving on federal reform: Requires notice and disclosures.

AB36 (Perea), 2011
Allowing Young Adults to Stay on Their Parents' Coverage: Aligns the state tax code to conform to federal law related to parents covering young adult children. Conforms to federal reform.

AB2470 (De La Torre), 2010
Regulating Recissions and Medical Underwriting: Sets standards for rescission, the insurance industry's practice of terminating coverage as if the coverage had never been issued. Improving on federal reform: Continues coverage pending determination of rescission. Provisions regulating notice.

MEDI-CAL EXPANSIONS AND REFORMS

AB342 (Perez), 2010
Medi-Cal Waiver: Early Expansions for Low-Income Adults: Expands county-based "coverage initiatives" using federal matching funds to provide better access for low-income Californians, as a bridge to full expanded Medicaid under health reform in 2014. Improving on federal reform: Allows hundreds of thousands of Californians to get coverage prior to 2014, and to be ready for full Medi-Cal coverage on day one.

SB208 (Steinberg), 2010
Medi-Cal Waiver: System Changes: Implements a new Medicaid waiver with the federal government, in order to draw down new federal funds, to encourage better coordinated care, including shifting seniors and people with disabilities to mandatory managed care, with certain consumer protections.

SETTING UP NEW SYSTEMS TO BETTER ASSIST CONSUMERS IN 2014 AND BEYOND

AB1602 (Perez), 2010
Creating a New Exchange: Establishes the operations of the California Health Benefit Exchange which would be an independent state agency tasked in negotiating for the best prices and values for consumers and providing information regarding health benefit products. Improving on federal reform: The California Exchange will be an active purchaser, with protections against adverse selection.

SB900 (Alquist/Steinberg), 2010
Running a New Exchange: Establishes the governance of the Exchange by a 5 member board appointed by Governor Schwarzenegger and the Legislature. The board will serve the individuals and small businesses seeking health care coverage through the Exchange. Improving on federal reform: Creates independent state agency with conflict of interest protections.

1296 (Bonilla), 2011
Streamlining Eligibility and Enrollment: Requires the California Health and Human Services Agency establish a standardized single application form and related renewal procedures for Medi-Cal, the Healthy Families Program, the Exchange, and county programs. This sets a framework so that millions of Californians gain meaningful and easy access to coverage is expanded under the Affordable Care Act.

AB922 (Monning), 2011
Improving Consumer Assistance: Improves the Office of Patient Advocate to provide better assistance to California health care consumers by providing a central, enhanced center to handle consumer questions and complaints, and for them to be triaged to the appropriate agencies, whether regulatory or administrative, state or federal, etc. The bill also transfers the Office of Patient Advocate, and the Department of Managed Health Care, to the Health and Human Services Agency.

APPENDIX III: IMPLEMENTING AND IMPROVING UPON THE AFFORDABLE CARE ACT

2012 Legislation

Below is a list of key health bills focused on the subject of implementing and improving upon the new federal Affordable Care Act in California, that continue to be actively in consideration at the California State Legislature. This list will be updated at www.health-access.org.

ENSURING CALIFORNIANS GET THE COVERAGE THEY NEED

Seamless, Automatic, Easy Enrollment		
AB 714 Atkins	**PRE-ENROLLMENT:** Identifies and enrolls many Californians in coverage by reqiring DHCS, MRMIB, Family PACT and other programs as well as some hospitals to provide information about the California Health Benefits Exchange for the purpose of pre-enrolling them to be ready to obtain subsidized coverage in January 2014. (Sponsored by Health Access California.)	**SPONSOR/ SUPPORT**
AB 792 Bonilla	**AUTOMATIC ENROLLMENT:** Ensures that Californians can easily sign up for coverage during key life changes. Requires California consumers are provided information about the Exchange upon filing for divorce, separation, unemployment, adoption, or other life circumstances. After 2014, certain insurers and plans must also provide information to the Exchange about those dropping off coverage. (Sponsored by Health Access California.)	**SPONSOR/ SUPPORT**
SB 970 DeLeon	**HORIZONTAL INTEGRATION:** Helps individuals applying for public programs apply through an integrated no wrong door approach, whether applicants are interested in social services or health programs. (Sponsored by WCLP and the Alliance to Transform CalFRESH.)	**SUPPORT**

Medi-Cal Expansion and Simplification		
AB 43 Monning **SB 677** Hernandez	**MEDI-CAL ELIGIBILITY:** Changes Medi-Cal rules to reflect eligibility changes to reflect the Affordable Care Act, effective January 1, 2014; reducing barriers to enrollment such as the assets test while expanding coverage to 2 million Californians.	**SUPPORT**
SB 703 Hernandez	**BASIC HEALTH PLAN:** Establishes a basic health plan, for Californians between 133-200% of the poverty level, pursuant to the federal Patient Protection and Affordable Care Act. Improves affordability for these individudals. Moves 35%-40% of adults with subsidies from the Exchange to Basic Health Plan. (Sponsored by the Local Health Plans of California.)	**EXPLORING**
AB 1580 Bonilla	**STREAMLINING ELIGIBILITY AND ENROLLMENT:** A follow-up to AB1296 (Bonilla) which was signed into law last year to streamline eligibility and enrollment processes. (Sponsored by Western Center on Law and Poverty.)	**SUPPORT**

Other Public Programs		
AB 1456 Monning	**HIGH RISK POOL:** Improves MRMIP, the state high risk pool program, by eliminating the $75,000 annual cap on benefits and broadens eligibility criteria.	**SUPPORT**

Navigation and Consumer Assistance		
AB 1869 Perez	**VETERANS:** Requires that in addition to programs like Medicare and Medi-Cal, the Office of the Patient Advocate also coordinate with veterans programs.	**SUPPORT**

CONSUMER PROTECTIONS AND INSURER OVERSIGHT

Controlling Health Insurance Premiums		
AB 52 Feuer	**RATE REGULATION:** Provides authority to the Department of Managed Health Care and the Department of Insurance to approve or deny increases in health care insurance premiums, copayments, or deductibles.	**SUPPORT**

Reforming the Insurance Market to Benefit Consumers		
AB 1453 Monning **SB 951** Hernandez	**ESSENTIAL HEALTH BENEFITS:** Protects consumers from underinsurance and junk insurance by requiring that health plans and health insurers cover a set of minimum essential health benefits.	**SUPPORT**
AB 1461 Monning **SB 961** Hernandez	**REFORMING THE INDIVIDUAL MARKET:** Prevents insurers from denying or discriminating for pre-existing conditions, and otherwise conform and phase-in new insurance market rules for individuals who purchase insurance on their own. Limits different premiums based on age to 3:1.	**SUPPORT**
AB 1083 Monning	**REFORMING THE SMALL GROUP MARKET:** Conform and phase-in new insurance market rules for small businesses, particularly so that small employers don't get additional premium spikes based on the health of their workforce. (Sponsored by Health Access California and Small Business Majority.)	**CO-SPONSOR/ SUPPORT**
AB 1636 Monning	**WELLNESS INCENTIVES:** Authorizes a study of whether wellness incentives that force consumers with poorer health status to pay more are effective.	**SUPPORT**
AB 1800 Ma	**LIMIT COST SHARING:** Limits cost sharing for consumers and creates a single deductible so that consumers do not have to meet separate deductibles for health care, pharmacy, etc. (Sponsored by Health Access California and the MS Society.)	**CO SPONSOR/ SUPPORT**
SB 728 Hernandez	**RISK ADJUSTMENT:** Create risk adjustment mechanism for individual and small employer health insurance markets toward the goal of getting insurers to compete on cost, quality and customer service, rather than "risk selection" and avoiding sicker patients.	**SUPPORT**
SB 1431 DeLeon	**SELF INSURANCE IN THE SMALL GROUP MARKET:** Sponsored by the Insurance Commissioner, this bill prohibits small employers from "self-insuring" in order to evade new requirements of the small group market. (Sponsored by the Department of Insurance.)	**SUPPORT**

Consumer Protections from Misinformation		
SB 1313 Lieu	**DECEPTIVE MARKETING**: As health care reform brings more options to consumers, new scams are also sure to arise. This bill will seek to prevent efforts to mislead consumers. (Sponsored by California Pan-Ethnic Health Network, California Immigrant Policy Center, and Consumers Union.)	**SUPPORT**
AB 1761 Perez	**DECEPTIVE MARKETING**: Prohibits any individual or entity from falsely representing themselves as the California Health Benefits Exchange.	**SUPPORT**
AB 1766 Bonilla	**"WAL-MART LIST":** Creates and publicizes a list of employers who (like Wal-Mart has) actively sign employees up for public programs rather than providing coverage to all their workers. (Sponsored by the California Labor Federation.)	**SUPPORT IN CONCEPT**

PREVENTION

Promoting Health		
AB 441 Monning	**ACTIVE TRANSPORTATION, HEALTHY COMMUNITIES:** Requires that transportation planning include health criteria in order to foster healthier communities. (Sponsored by CPEHN.)	**SUPPORT**
AB 727 Mitchell	**HEALTHY AND SUSTAINABLE FOOD:** Creates nutrition standards to govern the foods purchased for all state departments, agencies, and state-run institutions in accordance with the federal dietary guidelines. Also creates guidelines for sustainable purchasing practices and procedures that encourage purchasing from local vendors, farms, and manufacturers when feasible. (Sponsored by CPEHN.)	**SUPPORT**

This bill list was prepared by Health Access, a statewide coalition of consumer, labor, ethnic, senior, faith, and other organizations that has been dedicated to achieving quality, affordable health care for all Californians for over 20 years. Please visit our website and read our daily blog at blog.health-access.org.