



HEALTH ACCESS

CALIFORNIA

For Immediate Release

CONTACT: Anthony Wright 916-870-4782

For Tuesday April 14

Jacki Schechner 202-510-0605

10am PT/1pm ET

NEW CALIFORNIA EFFORTS TO PREVENT UNFAIR OUT-OF-POCKET HEALTH COSTS

CA Senate Health Committee Chair Ed Hernandez and Assembly Health Committee Chair Rob Bonta join Consumer Advocates in Unveiling Post-ACA Agenda, Sponsored by Health Access California.

Five Bills Up For Votes This Month: SB137 (Hernandez), for Accurate Provider Network Directories, Up This Wednesday in Senate Health Committee

Also: Stopping “Surprise” Billing at In-Network Hospitals AB533 (Bonta); Ensuring Individual Out-of-Pocket Limits in Family Coverage AB1305 (Bonta); Banning Subminimum Junk Insurance for Large Employers AB248 (Hernandez).

Also: Preventing Unfair Cost-Sharing for Specialty Prescription Drugs AB339 (Gordon); Covered California to Act on Monthly Cost Caps Thursday.

Sacramento, CA – Today, key California legislators and consumer advocates are unveiling five bills to help protect patients from unfair out-of-pocket costs—bills up for key votes on Wednesday and in the next few weeks. CA State Senator Ed Hernández, Chair of the Senate Health Committee, and Assemblymember Rob Bonta, Chair of the Assembly Health Committee, are joining consumer advocates to detail this next stage of patient protections after the Affordable Care Act.

“With more Californians covered, we need to ensure patients can get access to the care they need, without facing unfair cost-sharing. While California’s successful implementation of the Affordable Care Act has cut the state’s uninsured rate by over half and slowed the rate of premium growth, policymakers still need to protect consumers from unexpected and unreasonable medical expenses. Some practices by insurers and providers unfairly burden patients with unmanageable cost-sharing, interfering with access to care. “The point of paying premiums for coverage is to protect against surprise shocks to a family’s finances,” said Anthony Wright, Executive Director, Health Access California, the statewide health care consumer advocacy coalition, and the sponsor of the five bills. “The pending legislation would take another positive step in helping provide economic security to Californians once covered.”

The new health care reform bills protect consumers from misleading insurance company practices and unfair or “surprise” out-of-network charges. The bills face a deadline of the end of the month.

Senator Hernández, chair of the Senator Health Committee, will present his bill [SB137](#) in his committee on Wednesday. This bill addresses the common insurance industry practice of posting **inaccurate, out-of-date, and misleading provider directories**. “Without accurate information, health care consumers cannot make decisions that are in the best interest of their health or their wallets,” stated Senator Hernández. “People spending their hard earned money to pay health insurance premiums should be able to determine if their doctor is part of the plan they are buying.” The bill is co-sponsored by California Pan-Ethnic Health Network, Consumers Union, and Health Access California. (See [separate SB137 fact sheet](#).)

Unwitting and expensive out-of-network cost-sharing is also the subject of Assemblymember Rob Bonta’s legislation, [AB533](#), which would put an end to the “**surprise bills**” patients encounter when out-of-network providers administer care within in-network facilities. “As the Chair of the Assembly Health Committee, it’s a priority to me that all Californians are able to access high quality health care at a reasonable cost,” said Assemblyman Rob Bonta. “Unfortunately, under current law, patients are getting surprise medical bills from out-of-network doctors when they go to an in-network hospital, imaging center, or other facility. Patients who stay in-network have an expectation that there will be a ceiling on what they are required to spend out of pocket; AB 533 will make sure that ceiling is actually there, and this will protect patients from unexpected and unfair medical bills.” (See [separate AB533 fact sheet](#).)

Assemblyman Bonta is also authoring [AB1305](#), to ensure that **individuals in family coverage get the same out-of-pocket maximum** as those in individual coverage. The bill ensures that an individual patient faces the ACA-set individual out-of-pocket maximum (now \$6,600), even if they are in a family plan (which has an overall family out-of-pocket max of \$13,200). Health advocates argue that if it’s just one person in the family that got sick, they shouldn’t be penalized for being in a family plan rather than an individual one.

Unfair and discriminatory cost-sharing for specialty drugs has gotten a lot of attention in recent months, an issue being raised with [AB339](#) (Assemblyman Gordon) in the legislature. The bill requires insurers to cover medically necessary prescription drugs, including those for which there is no therapeutic equivalent; prohibits placing most or all of the drugs to treat a condition on the highest cost tiers of a formulary; requires formularies to be based on clinical guidelines and peer-reviewed scientific evidence; places a monthly cap on specialty drug cost sharing; and more. (See [separate AB339 fact sheet](#)). Momentum on these issues is building; on Thursday, Covered California will consider a staff recommendation to adopt some of these protections, including monthly caps on drug costs, for the standard benefits in 2016 qualified health plans.

Last week, the Assembly Health Committee passed out [AB248](#) (Assemblymember Roger Hernández) on **subminimum or “junk” coverage**: The bill prohibits sale of subminimum coverage by insurers to large employers. Such plans put workers in a double bind: with unmanageable costs for uncovered care; and because they took that coverage, they are automatically ineligible for premium subsidies through Covered California. (See [separate AB248 fact sheet](#).)

Health advocates argue that this package of bills is more urgent than ever, not just with more Californians covered and in need of these consumer protections, but because of *who* is covered. “It’s bad enough when insurers shift costs to consumers, especially as these costs can add up to hundreds or thousands of dollars. For many lower- and middle-income families, going out-of-network is so costly it is prohibitive—it’s the difference between getting the care and not. Similarly, the extreme cost-sharing for specialty drugs is not just a financial burden, but one that leads to patients not taking the medication they need to maintain their health,” added Wright. A [recent Kaiser Family Foundation survey](#) indicated how the median non-poor family has liquid assets that are less than out-of-pocket costs maximum in their health plans.

“While Californians appreciate the expanded access to coverage, out-of-pocket costs are one of the top complaints and concerns that consumer advocates hear about, especially about unfair practices that are effectively discriminatory and that destabilize family finances. These bills take another critical step to fulfilling the promise of health reform: that patients shouldn’t face discrimination for their health status or pre-existing conditions,” said Wright. “These bills provide direct relief for some patients, but also help prevent insurers from gaming the system against one another. These bills close loopholes in Obamacare, and in fact uses the new law as a platform for improved patient protections.”

Policymakers need to take the opportunity to ensure cost-sharing doesn’t discriminate, and make it less likely that patients face bankruptcy. Individual consumers impacted by unfair out-of-pocket costs also are telling their stories. They include Charlie Spiegel, of San Francisco, on the cost of inaccurate provider directories for him and his family; and Carol Ledesma, of South Lake Tahoe, on the major efforts she undertook to prevent surprise bills.

The bills, if passed by Health Committees this month, are hoped to proceed through the legislative process, including floor votes in May, the full legislature by August, and onto the Governor’s desk in September. Signed bills would go into effect for next year.

--

About Health Access

Health Access works to secure quality, affordable health care for all Californians. Health Access California is the statewide health care consumer advocacy coalition, advocating for the goal of quality, affordable health care for all Californians. Health Access Foundation undertakes community organizing and education, applied research, and policy analysis, and advocates for reform to benefit health care consumers, both insured and uninsured. These two organizations are the leading coalition voice for health care consumers in California. We represent consumers in the legislature, at administrative and regulatory agencies, in the media, and at public forums. For more info, please visit <http://www.health-access.org>.

###

Sacramento: 1127 11th Street, Suite 234 • Sacramento, CA 95814 • Phone: 916-497-0923 • Fax: 916-497-0921

Southern California: 121 W Lexington Dr. • Glendale, CA 91203 • Phone: 818-480-3262

Oakland: 1330 Broadway, Suite 811 • Oakland, CA 94612 • Phone: 510-873-8787 • Fax: 510-873-8789

www.health-access.org