

PRESS RELEASE

Wednesday, August 31, 2016

CA LEGISLATURE PASSES STRONGEST-IN-NATION PATIENT PROTECTIONS AGAINST SURPRISE MEDICAL BILL

- *On Last Day of Session, CA Assembly Passed, on a Broad, Bipartisan 70-0 Vote, AB 72 (Bonta, Bonilla, Dahle, Gonzalez, Maienschein, Santiago, and Wood); Now Heads to Governor Brown for Consideration in September.*
- *AB 72 Prevents Patients Who Go To In-Network Hospitals/Facilities From Receiving Surprise Out-of-Network Medical Bills, Addressing a Much Debated But Unresolved Issue in the CA Legislature Since the 1970s.*
- *Members From Both Sides of the Aisle Spoke in Support of AB 72, Including Many Who Did Not Vote for the Previous Version of the Bill, AB 533, Which Stalled by Just Three Votes on Final Night of Last Year's Legislative Session.*
- *Proposal Could Provide Momentum For Solutions in Other States.*

SACRAMENTO, CA—On a strong bipartisan 70-0 vote today in the State Assembly, the California State Legislature has sent the most substantial health bill of the legislative session to Governor Jerry Brown. Passage of AB 72 (Bonta, Bonilla, Dahle, Gonzalez, Maienschein, Santiago, and Wood) brings California only a signature away from ending decades of debate on the issue of billing patients for out-of-network services. Members from both sides of the aisle spoke in support of AB 72, many of whom did not support a previous version of the bill, highlighting the successful work of the stakeholder process. If the Governor signs AB 72, patients who follow the rules of their plan and go to in-network hospitals would be protected from surprise bills and only be responsible for in-network cost sharing for all the care they receive.

"This bill is the most significant step any state has taken to protect patients who end up in the crossfire of billing disputes between insurers and providers," said Anthony Wright, executive director for Health Access California, the statewide health consumer advocacy coalition, a co-sponsor of the legislation along with the California Labor Federation. "AB 72 guarantees that no person who follows the rules of their health plan and goes to an in-network hospital or facility will be hit with an unexpected bill of hundreds or thousands of dollars from a provider they didn't choose and may have never even have met."

AB 72, now on its way to Governor Brown, is the farthest any legislation has ever gotten to solve this problem. The bill breaks the logjam from AB 533, which was headed to the Governor's desk last year but stalled by just three votes on the final night of the legislative session. After months of negotiations among lawmakers, advocates, and insurers, the revised legislation provides strong consumer protections while also paying doctors fairly. AB 72 includes safeguards against consumers having their credit adversely affected, wages garnished, or liens placed on their primary residence because of these surprise bills. At the same time, the legislation assures non-contracting doctors at least a minimum payment of 125% of Medicare or average contracted rate, rather than 100% of Medicare as proposed in AB 533.

"After our sponsored solution stalled last year, consumer advocacy helped make the difference, even against well-heeled interests, as individual Californians shared with lawmakers their own stories of getting these unfair bills," said Wright.

Surprise out-of-network bills have been a big problem for California consumers. In 2015, the Consumer Reports National Research Center conducted a survey of consumer problems with insurance bills. The survey showed that almost 1-in-4 Californians have received a bill for which the insurer paid less than expected (23%); of those, nearly 1-in-5 were charged at an out-of-network rate when they thought the provider was in-network (18%); and most Californians (63%) assume doctors at an in-network hospital are also in-network.

"These unexpected medical bills are a shock to family finances at an already stressful time. This long-standing injustice in our health system is even more intolerable as these bills could financially destabilize many of the lower-income families who are newly insured under the ACA," continued Wright. "This issue has been unresolved in the state legislator since Jerry Brown was first Governor. He now has the opportunity to right a decades-long wrong. California health consumers can't wait any longer for this important protection."

Governor Brown has until September 30th to act on all legislation on his desk.

Reference materials:

[AB 72 fact sheet](#)

[Surprise medical bills consumer stories](#)

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About Health Access California

Health Access California is the statewide health care consumer advocacy coalition, advocating for the goal of quality, affordable health care for all Californians. We represent consumers in the legislature, at administrative and regulatory agencies, in the media, and at public forums. For more information, please visit www.health-access.org.

