

## PRESS RELEASE

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### GOVERNOR BROWN SIGNS CONSUMER PROTECTION BILLS, INCLUDING STRONGEST-IN-NATION LEGISLATION TO STOP SURPRISE MEDICAL BILLS

- *Governor Jerry Brown Signs AB 72 Correcting a Long-Standing Injustice Affecting Millions of Californians; California Law Now Ensures Consumers Are Protected Against Surprise Out-Of-Network Bills in Both Emergency and Non-Emergency Situations.*
- *Landmark Laws Could Spur Action in Other States.*
- *Governor Brown Also Signed SB 908 to Give Consumers Notice of Unreasonable Rates and Time to Shop For a New Plan and SB 1135 to Inform Patients of Their Right to Timely Access to Appointments and an Interpreter Capping Off Momentous Year for Consumer Protection.*

SACRAMENTO, CA—Governor Jerry Brown today signed a number of significant consumer protection bills, including AB 72 (Bonta, Bonilla, Dahle, Gonzalez, Maienschein, Santiago, and Wood), which gives millions of California consumers the nation's strongest protections against surprise out-of-network medical bills. The Governor also signed SB 908 (Hernandez) and SB 1135 (Monning) marking a momentous year for health consumer protections in California.

"The Governor's action affirms California's leadership when it comes to protecting consumers in the health care market," said Anthony Wright, executive director for Health Access California, the statewide health consumer advocacy coalition, a sponsor of three pieces of health consumer legislation signed today, including AB 72, which was co-sponsored by the California Labor Federation. "Most notably, with his signature on AB 72, California now takes the most significant step of any state to protect patients from being hit with surprise medical bills, which can sock patients with hundreds or thousands of dollars in unexpected costs. This landmark law protects Californians from the financial calamity that often comes with unexpected out-of-network costs when going to an in-network hospital or other facility. This protection is particularly important to lower-income families who are newly insured under the ACA."

"For far too long, working people have been victimized by surprise medical bills to the tune of thousands of dollars," said California Labor Federation Executive Secretary-Treasurer Art Pulaski. "With the signing of AB 72, the governor puts a stop to this abusive practice, ensuring that patients no longer get zapped with medical bills they shouldn't have to pay. This is a huge victory for workers,

consumers and patients that will have a positive impact on families across the state. The California labor movement commends Assemblymember Bonta and the joint authors for their leadership on this issue and we look forward to continuing to work with the legislature and governor to drive down ever-increasing health care costs.”

Ending the practice of surprise medical bills in California has been years in the making, with the first attempt to solve the problem dating back to the 1970s. After two years of intense focus on the issue by consumer advocates, insurers, and providers, AB 72 provides the strongest consumer protections against surprise medical bills in the nation while also paying out-of-network providers a fair rate. The new law, which takes effect on July 1, 2017, ensures consumers never get billed for more than their in-network cost-sharing, and 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 law assures out-of-network doctors are paid at least a minimum payment of 125% of Medicare or average contracted rate, rather than 100% of Medicare as proposed in an earlier version of the legislation.

### **SB 908 (Hernandez) Lets consumers know when their health plan is imposing an unreasonable rate increase**

Governor Brown also signed important legislation notifying consumers of unreasonable premium rates as well as their right to timely access to care. Over one million Californians have unknowingly had to pay premiums that regulators deemed were unreasonable. With the signing of SB 908, consumers will now be alerted about these unjustified rates so they have time to shop for a more affordable plan.

“In a world where people are compelled to purchase health insurance, this law will empower consumers to make informed decisions about the coverage they are choosing,” continued Wright. “Current law only required the announcement of an unreasonable rate to be posted on a state website where it was often difficult for the average consumer to find the vital information. This law ensures that Californians will not be in the dark about their premium rates.”

The new law taking effect on January 1, 2017 takes two simple steps to make sure consumers know their rights. First, it requires notification to individual consumers and small business owners if California regulators have found a rate to be unreasonable or unjustified. Second, it requires that the information be given well enough ahead of an open enrollment period so that consumers have the opportunity to shop for a plan with rates that are reasonable and justified.

### **SB 1135 (Monning) Provides consumers with information about their rights to get timely access to care**

Consumers will also now be informed of their rights to timely access to care and an interpreter if needed with the signing of SB 1135. The new law requires health plans and insurers to let consumers know about these rights when someone first enrolls in a health plan, including Medi-Cal plans, and when they renew each year. The information would also be provided in the Evidence of Coverage and in a health plan’s provider directory, internet website, and newsletters.



“Consumers have a right to timely access to care, and should not have to wait weeks or months for a doctor’s appointment,” said Wright. “Unfortunately, most consumers don’t know they have these rights and this information will ensure they know what they ought to expect and demand of their health plans and providers.”

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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](http://www.health-access.org).*

