



2016 YEAR IN REVIEW

Major Progress on Surprise Medical Bills, Transparency, Unfair Out-of-Pocket Costs, & Health4All

A Year of Progress

Working with our coalition partners, Health Access California achieved important new victories for health care consumers this year. We have seen the continued implementation and improvement of the Affordable Care Act which has **cut the number of uninsured by more than half**. We expanded **coverage to all California children regardless of immigration status**, and a pending innovative waiver would similarly **open up Covered California to all adults**. Various counties instituted reforms toward a more inclusive and smarter safety-net. Legislation helped to create **new patient protections against unfair out-of-pocket costs, from surprise medical bills to unjustified rate increases** as well as oversight over health plans to ensure **timely access, network adequacy**, and accurate and updated **provider directories**. There have been new resources for Medi-Cal (through a revamped MCO tax and new Medicaid waiver, and hopefully from pending ballot measures) and **key investments for health and human services**. This year also saw the passage of the strongest **tobacco control policies** in a generation including **raising the smoking age and regulating e-cigarettes**, as part of our growing prevention efforts and general work to improve access, quality, equity, transparency, and value in our health system. In its work as California's health care consumer advocacy coalition, here are more details on Health Access' successful 2016:

Health4All

- Covered California submitted in September a **1332 waiver to allow all Californians regardless of immigration status to buy health insurance through the state's health insurance marketplace**. This "nifty" proposal follows the passage and signing of [SB10 \(Lara\)](#), which the California Legislature passed on a bipartisan, supermajority 2/3 vote in both houses. Health Access has met with HHS, Treasury and White House officials in Washington, DC multiple times to facilitate the application process.
- In May, we helped launch the **expansion of Medi-Cal to cover all children regardless of immigration status**—which means every California child, in every classroom and every playground, now has access to affordable coverage. We monitored and advocated for an aggressive implementation, especially with an eye to ensure an easy transition of children into full-scope Medi-Cal from emergency Medi-Cal as well as existing programs like county initiatives and Kaiser charity care coverage. As a result, just four months in, over 150,000 undocumented children are enrolled.
- We spotlighted county progress, such as the expansion of a new primary care benefit to many rural Californians without regard to immigration status, through the 35 counties in the County Medical Services Program (CMSP). While at the beginning of 2015, **only nine**

counties provided non-emergency care to the undocumented, today that number is 47. These changes are spotlighted in Health Access' new report, [“Profiles of Progress: California Counties Taking Steps to a More Inclusive and Smarter Safety Net.”](#)

- We are actively working with local advocates in several counties--including in Los Angeles, Monterey, Contra Costa, as well as Riverside, San Bernardino, San Joaquin, Ventura, Kern--to take **additional steps for more inclusive and smarter safety net**, especially under the new opportunities including the new Global Payment Program incentives under the new Medi-Cal 2020 waiver that we helped advanced last year.

Legislation: Patients' Rights and Transparency Against Unfair Costs

We advanced a Health Access California-sponsored package of patients' rights legislation, of which four of our five sponsored bills made it to the Governor's desk and were signed into law:

- [SB 908](#) (Hernandez) would notify patients of “unreasonable” or “unjustified” health plan rate increases enough ahead of open enrollment to give them time to shop around.
- [SB 923](#) (Hernandez) would prevent insurers from raising co-pays and cost-sharing mid-year.
- [SB 1135](#) (Monning) to provide patients **more information about their rights to timely access to care and language translation.**
- [AB 72](#) (Bonta, Bonilla, Dahle, Gonzalez, Maienschein, Santiago, and Wood) to **stop surprise medical bills** from out-of-network providers at an in-network facility.

The biggest consumer victory is **AB 72, bipartisan legislation to protect consumers from surprise medical bills.** Co-sponsored with the California Labor Federation, and with seven joint authors including two Republicans and four legislators who didn't support our previous effort, we were able to break the logjam of last year's stalled AB 533. AB 72 provides the strongest consumer protections in the nation, both in terms of making sure patients do not receive a balance bill as well as holding down health care costs by basing reimbursement for out-of-network providers on what public (Medicare) and private (commercial insurance) payers reimburse for services, not physicians' billed charges.

Visit our [legislative action webpage](#) to see fact sheets and sample letters. Also, see a [full bill matrix](#) of Health Access supported legislation that advanced and in many cases passed.

These advances to prevent unfair out-of-pocket costs joins other bills supported by Health Access that were signed into law last year and are now being implemented. This includes SB 137 (Hernandez) to require accurate and updated provider directories and AB 339 (Gordon) to ensure access to medications and caps the cost-sharing of specialty drugs, as well as laws against junk insurance and double deductibles.

Even in areas where we didn't achieve final passage, we did make advances. Our SB 1010 (Hernandez), co-sponsored with the California Labor Federation, would have provided notice and disclosure on rising **prescription drug costs.** While another prescription drug price transparency measure earlier this session never got out of its first committee, SB 1010 passed the Senate floor and the Assembly Health Committee, before getting significantly amended in the Appropriations Committee, to the point where the author and sponsors decided not to proceed this year. Another bill SB 932 (Hernandez) would have imposed more scrutiny over mergers, and barred certain anti-

competitive behavior by hospitals. In the effort to reduce cost, and increase quality, value and equity in our health system, we fully expect to revisit these topics next year.

Administrative Advocacy to Keep Insurers Accountable

Beyond legislation and implementation, our administrative advocacy helped keep health insurers and the industry accountable—our **MergerWatch** efforts were successful in either opposing increasing industry consolidation, or seeking key conditions including new commitments to consumer protection and community investment. In part as a result of our advocacy, **Covered California adopted new metrics and outcomes with regard to quality and equity**, in its new “Attachment 7” to their model contract with insurers.

Budget Restorations and Investments

We were pleased that the new state budget included **some investments to key health and human services priorities**, including child care, housing, and repealing the maximum family grant policy in CalWORKS.

In health care, the 2016-2017 budget **limits estate recovery in Medi-Cal** to long-term care, an inequitable and counterproductive policy that threatened the family home of low-income Californians in Medi-Cal managed care. Other changes included some public health program restorations, the passage of a pilot program on medical interpreters, and the restoration of the acupuncture benefit in Medi-Cal. Our [Budget Scorecard](#) details what was included—and what was not—in the final budget.

Revenues

Our success at preventing cuts and making investments in this and future years hinged on tax and revenue decisions in 2016. At the beginning of the year, California secured a new **“Medi-Cal 2020” waiver** to maintain or bring in new federal resources, and the legislature passed a **revamped managed care organization (MCO) tax** preventing over a billion dollars in Medi-Cal cuts. Two other opportunities are up to the voters this November, in considering Propositions 55 and 56—both campaigns Health Access California is actively supporting.

Prop 55 would maintain the existing upper-income tax brackets, and allow that money to be used to invest in education and other vital services. Beyond the general fund, up to \$2 billion could potentially be dedicated to Medi-Cal.

Prop 56 would raise the tobacco tax by \$2 per pack and could raise up to \$1 billion to improve Medi-Cal, especially access to care. Health Access has been especially active in its support, from policy development to editorial boards to grassroots actions.

Prevention: Tobacco Control

Even before the results of Prop 56 are known, 2016 has been a landmark year in smoking prevention, with the passage of a package of tobacco control legislation that Health Access helped support. These bills, representing the **most significant anti-tobacco legislative actions in California in a generation**, have most notably **raised the tobacco age to 21, and put regulations on e-cigarettes**. A recent FDA ruling which placed “vaping” under tobacco regulation was another victory for public health. A victory for Proposition 56 would represent additional progress in preventing and reducing smoking.