



Community Health Councils, Inc.



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July 21, 2011

The Honorable Diana Dooley
Chair, California Health Benefits Exchange

The Honorable Kim Belshé
The Honorable Paul Fearer
The Honorable Susan Kennedy
The Honorable Robert Ross, M.D.
Members, California Health Benefits Exchange

Re: AB 1296, AB 52, and Other Legislation Affecting ACA Implementation

Dear Members of the California Health Benefits Exchange Board:

We are writing in regard to pending legislations that the Board will be discussing on July 22nd. Community Health Councils (CHC) is a non-profit, community-based healthy policy and advocacy organization committed to improving health and increasing access to quality healthcare for uninsured, under-resourced and underserved populations across our state. We would like to offer our comments regarding specific pieces of legislation affecting implementation of key Affordable Care Act (ACA) provisions.

In order to realize the promise of federal health reform, California must advance policies that promote a culture of coverage in our state and nation. Our state Exchange must protect consumers, ensure access to coverage, and aggressively work to contain and lower healthcare costs. We urge the Board to support pending state legislation that will establish a strong, equitable and affordable healthcare system in California by 2014. We request that you consider our comments as follows:

AB 1296 (Bonilla): To ensure that everyone is able to enroll into the Exchange and access care, federal guidelines require states to have a seamless, “no wrong door” system for determining eligibility and enrollment of people into public health coverage programs. AB 1296 echoes many of the provisions outlined in recently proposed federal guidelines for state exchanges, including streamlined enrollment and eligibility systems; a unified application; application assistance; disability and language accessibility standards; transparency and accountability standards for the IT system; privacy protections for consumers; and opportunities for stakeholders to provide input.

Federal guidelines indicate that state Exchanges must begin operations by October 2013. Given the breadth and depth of policy decisions to be made in the next two years, we recommend that the Board support AB 1296 which allows California to

move forward with implementation and establishment of consumer-oriented processes for enrollment and eligibility determination.

AB 52 (Feuer): Central to the vision of ACA is the need to curtail and contain healthcare costs for all Americans, especially the rising rates and costs of private insurance. Providing the Department of Managed Health Care (DMHC) and California Department of Insurance (CDI) the authority to approve, deny, or amend insurers' ability to institute a rate increase is not only in accordance with ACA vision but an essential consumer protection. The California Exchange, will play a critical role in the private insurance market, representing a very substantial share of the individual market and a lesser but important share of the small business market.

We understand that the Exchange is designed to be an active purchaser with the ability to negotiate and selectively contract with insurers who offer a high-value product in exchange for a large volume of enrollees. However, an outright exemption for the Exchange from AB 52's contemplated rate review process would make it challenging for the Exchange to adhere to federal law requiring that products offered both inside and outside the Exchange have the same premium rate. We recommend that Exchange staff work with legislative staff and advocates to address the timing and process issues in AB 52 to ensure all consumers are afforded the same protections.

Other Legislation (AB 714 & AB 792): CHC supports AB 714 and AB 792 to maximize enrollment into the Exchange and Medi-Cal. The Exchange must use multiple avenues to reach out to consumers to promote enrollment. We believe these measures would provide safeguards against adverse selection and would strengthen our health insurance pools, thereby helping contain and lower healthcare costs for all Californians. Therefore, in order to prepare for 2014 and ensure that eligible consumers receive healthcare coverage, we recommend that the Exchange board support AB 714 and 792.

We look forward to working with the Exchange Board and staff to help realize the promise of federal health reform for each Californian and make ourselves available to support your work to that end. Should you require additional information or have any questions, please feel free to contact Sonya Vasquez, Policy Director, at 323.295.9372 extension 235.

Sincerely,



Lark Galloway-Gilliam, MPA
Executive Director
Community Health Councils