



1100 K Street
Suite 101
Sacramento
California
95814

Telephone
916.327-7500

Facsimile
916.441.5507

April 2, 2013

TO: CSAC Health & Human Services Policy Committee
FROM: Kelly Brooks-Lindsey, CSAC Senior Legislative Representative
Farrah McDaid Ting, CSAC Associate Legislative Representative

Re: Legislative Special Session on Health Reform

At the March 29, 2013, CSAC Health & Human Services Policy Committee, members requested a written summary of the Special Session bills on health reform.

Special Session

Please recall that Governor Brown, via Executive Order, called the Special Session on health reform in January. The Legislature convened the Special Session, and they operate the session at their discretion.

Three issues are being addressed in the Special Session:

- **Medi-Cal expansion.** ABX1 1 (Pérez) and SBX1 1 (Steinberg/Hernandez) would make various changes to state law to implement the mandatory and optional Medi-Cal expansions. The mandatory expansion includes the federal law changes required by the ACA that affect enrollment and Medi-Cal eligibility. ABX1 1 and SBX1 1 would also expand Medi-Cal to childless adults and parents up to 138 percent of federal poverty (optional expansion); the measures also describe the benefit package for the Medi-Cal expansion population.

The Senate and Assembly have passed each measure and the bills are in the second house awaiting policy committee hearings. The Administration has requested extensive amendments to ABX1 1 and SBX1 1. Policy differences include documentation and verification requirements, treatment of former foster youth, benefit levels for current Medi-Cal eligibles, and authority provided to the Director of the Department of Health Care Services. CSAC is supporting both measures, which are identical.

- **Individual Market Reforms.** The ACA also requires a number of changes to individual health insurance markets. California has not implemented these changes. ABX1 2 (Pan) and SBX1 2 (Hernandez) establish health insurance market reforms contained in the ACA specific to individual purchasers, such as prohibiting insurers from denying coverage based on preexisting conditions; and makes conforming changes to small employer health insurance laws resulting from new draft federal regulations.
- **Medi-Cal Bridge Plan.** SBX1 3 (Hernandez) would create an affordable “bridge” health care plan through Covered California, the state’s health benefit exchange.

The Bridge Plan will allow low-income individuals to affordably purchase health insurance while maintaining provider continuity and a medical home. The Bridge targets individuals with incomes approximately between \$15,000 and \$22,000 – those most at risk of being unable to

afford coverage. Even with federal subsidies, these individuals will still have monthly premiums and co-pays. Developing affordable coverage options is crucial to ensure individuals and families enroll in coverage, particularly since we know that under best case scenarios 3 to 4 million Californians will remain uninsured five years after health reform implementation.

Additionally, the Bridge Plan would allow low-income individuals to retain their existing health care providers. Many individuals with incomes between 138% and 200% of the federal poverty level are currently enrolled in Low Income Health Programs. The Bridge can help ensure continuity of care for these patients and a seamless transition into managed care.

SBX1 3 is scheduled for hearing in Senate Appropriations on April 8. CSAC is supporting the bill.

Summary of Special Session Bills

Bill Number	Author	Topic	Location	CSAC Position
ABX1 1	Pérez	Medi-Cal Expansion	In Senate. Awaiting hearing.	Support
SBX1 1	Steinberg/ Hernandez	Medi-Cal Expansion	In Assembly. Awaiting hearing.	Support
ABX1 2	Pan	Insurance Market Reforms	Set for hearing on April 10 in Senate Health.	Watch
SBX1 2	Hernandez	Insurance Market Reforms	Awaiting hearing in Assembly Health.	Watch
SBX1 3	Hernandez	Medi-Cal Bridge Plan	Set for hearing on April 8 in Senate Appropriations.	Support