



April 19, 2016

TO: Members, California State Senate

FROM: Julianne Broyles, California Association of Health Underwriters
Shari McHugh, National Association of Insurance and Financial Advisors, CA Chapter
John Norwood, Independent Insurance Agents and Brokers of California

SUBJECT: **SB 923 (HERNANDEZ) HEALTH CARE COVERAGE: COST SHARING
CHANGES - SUPPORT
SENATE THIRD READING**

The California Association of Health Underwriters (CAHU), the National Association of Insurance and Financial Advisors (NAIFA California) and the Independent Insurance Agents and Brokers of California (IIABCal) are pleased to **SUPPORT SB 923**, as introduced, that provides a sensible clarification to current law.

Our organizations **SUPPORT SB 923** that makes it clear that in the individual (grandfathered and non-grandfathered) and non-grandfathered small group markets, a health care service plan contract or health insurance policy that is issued, amended, or renewed on or after January 1, 2017, may not change any cost sharing requirements during the plan year or policy year. The only exception is when a change is required by a change in state or federal law. **SB 923** defines cost sharing as any copayment, coinsurance, deductible, or any other form of cost sharing by the enrollee other than the premium or share of premium.

No one likes to be presented with a higher charge than what was originally agreed to in a policy or contract. Our organizations believe the language in **SB 923** protects those who purchase health coverage for themselves or for their small business from unexpected price changes during the term of the contract.

The California Association of Health Underwriters, the Independent Insurance Agents and Brokers of California, and the National Association of Insurance and Financial Advisors of California represent California's licensed health insurance agents. Our licensed members provide reliable insurance advice, act as the consumer's advocate when dealing with carriers and provide a number of essential services relating to the individual and group insurance coverage and obligations post-enrollment. Our members also act as a trusted and effective marketing and distribution channel for health insurance information for all consumers and potential consumers of health care insurance coverage.

For these reasons, CAHU, NAIFA California, and IIABCal urge an **AYE** vote on **SB 923 (Hernandez)** when it comes before you for consideration.

Cc: The Honorable Ed Hernandez
Donna Campbell, Office of the Governor
Teri Boughton, Senate Health Committee
Joe Parra, Tim Conaghan, Senate Republican Caucus