

# CALIFORNIA ADVOCATES, INC.



April 23, 2015

The Honorable Richard Gordon  
Member, California State Assembly  
State Capitol, Room 3013  
Sacramento, CA 95814

*Michael D. Belote*

*Dennis K. Albiani*

**SUBJECT: AB 339 (GORDON)--OUT PATIENT PRESCRIPTION DRUGS – OPPOSE  
ASSEMBLY HEALTH COMMITTEE  
HEARING: APRIL 28, 2015**

*Julianne A. Broyles*

*Lexi Purich Howard*

Dear Assembly Member Gordon:

*John F. O'Malley*

The California Association of Health Underwriters (CAHU) regrets we must **OPPOSE** your **AB 339**, as amended April 7, 2015, that unnecessarily raises costs for most health care consumers by mandating a cost shift from those that use high cost drugs to those that do not.

*Ralph F. Simoni*

**AB 339** mandates health plan contracts offered, renewed, or amended after January 1, 2016, and that provides coverage for outpatient prescription drugs, to provide coverage for medically necessary prescription drugs that do not have a therapeutic equivalent, and requires copayments, coinsurance, and other cost sharing for these drugs to be reasonable.

CAHU believes that **AB 339** will increase premiums for our clients and may interfere with the benefit design offerings of Covered California. Furthermore, the Affordable Care Act's out of pocket maximum are already in place to address the issue of high cost specialty drugs. **AB 339's** real world impact, if enacted, will be to ensure that costs for specialty drugs are shifted from out of pocket costs to premiums increases for all health care consumers.

The California Association of Health Underwriters is the state's largest association of health insurance agents, brokers and other health insurance industry professionals. Our members help millions of individual Californians and businesses evaluate, select, purchase and use their health care coverage plans, resulting in greater health and financial security. CAHU agents and brokers also act as advocates for policyholders and their families when coverage disputes arise. CAHU agents and brokers also perform many functions for small employers with respect to managing their employee benefits program--at no additional cost to the small employer.

For these reasons, CAHU must **OPPOSE AB 339 (Gordon)**. We are available to discuss our concerns with you or your staff at your convenience.

Sincerely,

Julianne Broyles

On Behalf of California Association of Health Underwriters

cc: Members, Assembly Health Committee  
Roger Dunstan, Sr. Health Committee Consultant  
Peter Anderson and Bill Lewis, Assembly Republican Caucus