


CALIFORNIA ADVOCATES, INC.



July 24, 2013

TO: Members, Senate Appropriations Committee

FROM: Julianne Broyles 
On Behalf of California Association of Health Underwriters

SUBJECT: **AB 912 (QUIRK-SILVA)--NEW HEALTH CARE MANDATE --
FERTILITY PRESERVATION: NEW GROUP PLAN COST -- OPPOSE
SCHEDULED FOR HEARING: AUGUST 12, 2013**

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The California Association of Health Underwriters (CAHU) has concerns regarding any new benefit mandate imposed above the essential benefit levels mandated by the federal Patient Protection and Affordable Care Act, and for that reason must **OPPOSE AB 912 (Quirk-Silva)**, as amended July 2, 2013.

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 perform many functions for small employers with respect to managing their employee benefits program--at no additional cost to the small employer.

AB 912 seeks to require most policies in the large group markets regulated by the Department of Managed Health Care or Department of Insurance DMHC to meet a new coverage mandate for fertility preservation.

CAHU is concerned that **AB 912**, although very well meaning, will lead to increased costs of employer provided health insurance. That is because health care costs--even those offered through the new Covered California Exchange--are all expected to increase over current levels.

A new Milliman study, Factors Affecting Individual Premium Rate in 2014, March 28, 2013, indicated that the premiums costs will increase by up to 20% in 2014 for those that currently have insurance and income is 400% or more of the federal level. Moreover, the California Health Benefit Review Program has found that **AB 912's** mandate is over and above essential health benefit requirements in the ACA and must therefore be paid for by the state. That is why CAHU believes making health insurance more expensive via additional mandates is not a sensible policy path for California to follow at this time.

For these reasons, CAHU must request a "NO" vote on **AB 912 (Quirk-Silva)** when it comes before you for consideration.

cc: Office of Governor Brown
The Honorable Sharon Quirk-Silva
Brendan McCarthy, Senate Appropriations Committee
Seren Taylor, Senate Republican Caucus