



March 30, 2016

The Honorable Jim Patterson
Member, California State Assembly
State Capitol, Room 3132
Sacramento, California 95814

**SUBJECT: AB 1839 (PATTERSON) HEALTH CARE CHOICES FOR CALIFORNIA FAMILIES – SUPPORT
ASSEMBLY HEALTH COMMITTEE
SET FOR HEARING: APRIL 5, 2016**

The California Association of Health Underwriters is pleased to SUPPORT your AB 1839, as introduced, that seeks to resolve a problem that arises when financial circumstances dictate the splitting of the family health care coverage between subsidized coverage and Medi-cal.

The California Association of Health Underwriters represents 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.

AB 1839 is a very simple bill that resolves a problem facing numerous families that try to use their taxpayer subsidy to enroll in a single family plan offered through Covered California—but the system then splits parents into a Covered California product and puts children into Medi-Cal plans due to income requirements.

AB 1839 asks that parents whose family income places them in this situation be given two options. Option number one is to let the system split the family and enroll in a plan with subsidized coverage for himself or herself and enroll the eligible child or children in Medi-Cal.

Important to note that even if parents successfully remove their children from Medi-Cal, they are not allowed to add their kids onto their own family health plan purchased through Covered California. Their only option is to purchase a completely separate private market plan.

Option 2 would be to enroll the entire family in a single plan that preserves the enrollee's subsidized coverage and purchase unsubsidized coverage under the same Covered California plan for the child or children under 19 years of age.

The second option is very important, because it simplifies the family coverage, but also protects the family out of pocket maximum for that family.

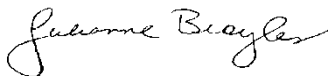
An example of this is where a family of five who qualified for a subsidized Silver plan through Covered California. One of the children has a speech problem and sees a specific specialist that is not in a Medi-Cal provider. So the parents decided to put the three children into a Blue Shield plan that covers the specialist. Blue Shield enrolls each child on their own ID number thus making this family who is subsidy eligible have to meet five separate out of pocket maximums (OOPM).

The maximum out-of-pocket limit for self-only coverage is \$6,850 (up from \$6,600 in 2015). For coverage other than self-only (such as family coverage), the maximum out-of-pocket limit is \$13,700 (up from \$13,200 in 2015).

This is the wrong result for the right decision. There are times when families have to make the decision to not put their children with Medi-Cal. They do understand that it is higher out of pocket cost on the premiums, however it should not be a higher out of pocket expense on the out of pocket (OOP) maximums.

For that reason and more, **CAHU SUPPORTS AB 1839 (Patterson).**

Sincerely,



Julianne Broyles

Cc: Members, Assembly Health Committee
Rosielyn Pulmano, Principal Consultant, Assembly Health
Peter Anderson, Assembly Republican Caucus