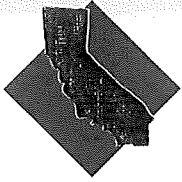


# CALIFORNIA ADVOCATES, INC.



April 16, 2014

The Honorable Mark Leno  
Member, California State Senate  
State Capitol, Room 5100  
Sacramento, CA 95814

**SUBJECT: SB 1182 (LENO)--LARGE GROUP REGULATION AND DATA REPORTING  
OPPOSE  
SENATE HEALTH COMMITTEE  
SET FOR HEARING: APRIL 24, 2014**

*Michael D. Belote*

*Dennis K. Albani*

*Julianne A. Broyles*

*Lexi Purich Howard*

*John F. O'Malley*

*Ralph F. Simoni*

Dear Senator Leno:

The California Association of Health Underwriters (CAHU) regrets we must **OPPOSE** your **SB 1182**, as amended April 10, 2014, that imposes new large group health plan rate review and establishes new data reporting requirements on health plans and health insurers sold in the large group market.

**SB 1182** requires, if a plan proposes a rate increase of 5 percent or more to a large group health plan, that plan must create a voluminous report of detailed data that must be delivered to the Department of Managed Health Care, but then will not be used for any purpose.

**SB 1182** goes to great lengths to establish new specific data reporting requirements related to annual medical trend factors by service category, as well as claims data or de-identified patient-level data for a health plan or health insurers. As agents, we know that health plans go to great lengths to provide as much information as possible (and to the extent permissible under personal medical information privacy requirements) to all size group purchasers to help them evaluate coverage options for their workers in the highly competitive group market. **SB 1182's** extraordinary data demands are not necessary.

Any new statute that adds unnecessary new administrative costs to the healthcare delivery system, as proposed by **SB 1182**, has the potential to raise premium cost down the line for individuals or employers. Raising costs through unjustified new data mandates just as the Exchange begins to prepare for 2014 open enrollment is counterproductive, in our view. The first open enrollment was rocky to say the least and has been very difficult for consumers, plans and licensed agents. CAHU believes the 2015 policy goals should instead be laser-focused on making the new Health Benefit Exchange/Covered California and SHOP work as promised in order to provide a successful, affordable marketplace for all health care consumers.

CAHU 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.

CAHU is available to discuss our concerns regarding **SB 1182** with you and your staff at your convenience.

Sincerely,

Julianne Broyles

On Behalf of California Association of Health Underwriters

cc: Office of Governor Brown  
Members, Senate Health Committee  
Teri Boughton, Senate Health Committee  
Joe Parra and Tim Conaghan, Senate Republican Caucus

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