


# CALIFORNIA ADVOCATES, INC.



August 12, 2013

TO: Members, Assembly Appropriations Committee

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

SUBJECT: **SB 746 (LENO) – HEALTH CARE COVERAGE: NEW PAPERWORK  
MANDATES – OPPOSE  
SCHEDULED FOR HEARING: AUGUST 14, 2013**

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The California Association of Health Underwriters (CAHU) must **OPPOSE SB 746 (Leno)**, as amended August 6, 2013, that would place burdensome new reporting requirements on all large group health plans.

As amended, **SB 746** will mandate annual disclosure of new aggregated data pertaining to health plan products in the large group market. The bill goes further to specifically target just one plan in California for significantly increased reporting mandates.

**SB 746** would require just one plan to file their overall annual medical trend factor assumptions in nearly a dozen categories. These new data points include the amount of the projected aggregate trend in the large group market attributable to the use of services, price inflation; fees and risk for annual plan contract trends by each major service category. The bill goes on to require the targeted plan to report the amount of projected trend attributable to numerous factors relating to price and cost; as well as information on the amount and portion of costs attributable to the medical groups that would not have been attributable as medical losses if incurred by the health plan rather than the medical group.

CAHU is concerned that the new reporting mandate is excessive and attempts to insert the Legislature into the ongoing contract discussions between the targeted plan and certain plan customers. CAHU believes policy goals should instead focus on making the new Health Benefit Exchange/Covered California and SHOP successful as we move towards open enrollment in just 4 months time.

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.

For these reasons, CAHU must request a **"NO"** vote on **SB 746 (Leno)** when it comes before you for consideration.

cc: Lark Park, Office of the Governor  
The Honorable Mark Leno  
Lisa Murawski, Assembly Appropriations Committee  
Anthony Archie, Assembly Republican Caucus Fiscal Office

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