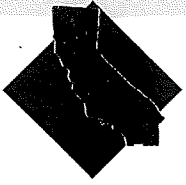


CALIFORNIA ADVOCATES, INC.



June 24, 2013

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

Dennis K. Albiani

Michael D. Belote

Julianne A. Broyles

John F. O'Malley

Ralph F. Simoni

**SUBJECT: SB 746 (LENO) – HEALTH CARE COVERAGE: NEW PAPERWORK
MANDATES – OPPOSE
ASSEMBLY HEALTH COMMITTEE
SCHEDULED FOR HEARING – JULY 2, 2013**

Dear Senator Leno:

The California Association of Health Underwriters (CAHU) must **OPPOSE** your **SB 746**, as amended June 17, 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 this reason, CAHU must **OPPOSE** your **SB 746**. 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: Lark Park, Office of the Governor
Members, Assembly Committee on Health
Teri Boughton, Assembly Committee on Health
Kevin Hanley, Assembly Republican Caucus

925 L Street, Suite 1250 Sacramento, CA 95814

phone: (916) 441-5050 fax: (916) 441-5859 email: mail@caladvocates.com