



June 17, 2014

TO: Members, Assembly Health Committee

FROM: Julianne Broyles, CAHU
Shari McHugh, NAIFA-California
John A. Norwood, IIABCal

**SUBJECT: SB 974 (ANDERSON)--PRIVACY: COVERED CALIFORNIA – SUPPORT
SCHEDULED FOR HEARING: JUNE 24, 2014**

The California Association of Health Underwriters (CAHU), the National Association of Insurance and Financial Advisors of California (NAIFA California) and the Independent Insurance Agents and Brokers of California (IIABCal) **SUPPORT SB 974**, as amended May 6, 2014, concerning the handling of consumer personal information by the California Health Benefit Exchange or Covered California.

Our organizations represent California's 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. Agents act as advocates for policyholders and their families when coverage disputes arise. Agents also perform many functions for small employers with respect to managing their employee benefits program--at no additional cost to the employer.

Licensed health insurance agents are already mandated to comply with extensive privacy laws, undergo substantial education on handling of consumer information and ethics, plus annual continuing education in both areas. Agents are also subject to extensive background checks.

Our organizations have met with you and your staff and worked successfully to resolve and address agent concerns with prior versions of **SB 974**. CAHU, NAIFA California and IIABCal strongly support professional handling of private health information (PHI) using the best professional practices that meet the many confidentiality requirements of federal and state law. Our organizations **SUPPORT SB 974**, as amended, as a simple, tailored approach that permits individuals needing assistance in the Covered California enrollment process to affirmatively indicate they need additional help with their applications. Once that affirmative acknowledgement is received, then Covered California sends information to that consumer indicating local certified agents or others that are available to help with the application.

For these reasons, our three organizations urge an "AYE" vote on **SB 974 (Anderson)** when it comes before you for consideration. Please do not hesitate to contact us if you require further information: Juli Broyles (CAHU) at 916-441-5050; Shari McHugh (NAIFA California) at 916-930-1993, or John Norwood (IIABCal) at 916-447-5053.

cc: Lark Park, Office of Governor Brown
The Honorable Joel Anderson
Dharia McGrew, Assembly Health Committee
Peter Anderson/Kevin Hanley, Assembly Republican Caucus