



## One Minute Message for August 2011

Oly Storz, VP of PAC

### PPACA and California

In an earlier One Minute Message, we discussed the damage being done to some of the most effective and popular programs available in the private marketplace for individuals and employers. Medicare Advantage was one of the programs discussed. Unless changes are made to PPACA, Medicare Advantage will likely disappear within three years as the subsidies that help make Medicare Advantage plans affordable and attractive are phased out. The AARP will be waiting with open arms and more profitable Medicare Supplement plans. Retirees will end up paying more for their insurance.

Now, let us take a look at what the California Legislature is working on the final days of session. I will use one of several CAHU-opposed bills as an example – AB 792 (Bonilla). AB 792 establishes notification requirements about the availability of coverage through the California Health Benefit Exchange (Exchange) for individuals who are experiencing certain life transitions such as divorce, adoption, loss of employment or loss of health insurance, and initiates an application for enrollment in the Exchange if the individual consents in advance.

The bill provides in subsection (b)(2), that *“The provision of this information shall initiate an application for enrollment in coverage within the meaning of Section 100503 of the Government Code”*. CAHU’s letter of opposition correctly points out that *“the Exchange itself will have many choices of plans --- perhaps as many as 50. Pre-enrollment assumes that the Exchange has special knowledge of the unique benefit needs of each individual even though the Exchange will lack either information or informed consent.”*

I fear that many people will find themselves enrolled in MediCal if AB 792 becomes law. Just imagine thinking you will still be able to use your own doctor and facilities, but then learning you have been auto-enrolled in MediCal! And what can you do? Ask a “navigator” for help? HAH! Keep in mind that AB 792 is just one of the many onerous bills that CAHU is fighting against every day at the State Capitol.

I mention the bill above to remind CAHU members why participating in the CAHU PAC is so important. We need to raise funds for the 2012 elections in order to help elect health insurance friendly legislators. CAHU PAC is integral to that effort. CAHU PAC works hard to educate and support current and future members of the Legislature about our industry and the many challenges facing us under the new Health Benefit Exchange Program.

Through CAHU PAC actions, we can support those that want keep our industry healthy and growing. Remember, CAHU is leading the fight for everyone in our industry! Won’t you join the fight by making a PAC contribution today?