



**Alameda County Board of Supervisors  
Personnel, Administration, and Legislation (PAL) Committee  
LEGISLATIVE POSITION REQUEST FORM**

- Initiating department completes this form in order to propose a legislative advocacy position to the PAL Committee. When multiple departments/agencies are impacted by a PAL item, each one must add its analysis and agree to the position. Instructions for completing the form are on the back and in the flow chart.
- Prior to submitting this form: the County's legislative advocates (State and federal) are available to assist you with questions you may have. Please include the CAO Legislative Analyst in these communications.
- Please complete each item below.
- **Submission deadline is noon on the Monday two weeks prior to the PAL meeting.**

**CONNECTION TO ADOPTED LEGISLATIVE PLATFORM OR PRINCIPLE: State – Health Chapter – Health Care Access, Quality, and Affordability.**

- **Increase access to health care.** The County supports legislation that provides lower cost and more accessible treatment alternatives in community settings; promotes efficiency; incentivizes physicians to go into primary care; incentivizes expanded medical staffing, including use of advanced-practice nurses where there are physician shortages and the use of a wider range of healthcare team members, such as community health workers. The County supports legislation that preserves and increases funding for community health centers in order to meet the increased demand for health center services among the ACA's Medicaid Coverage Expansion population.

**REQUESTER'S INFORMATION:**

Name: Colleen Chawla

Initiating Agency/Department: Health Care Services Agency

Title: Agency Director

List other impacted Agency/Departments as applicable:

CAO Legislative Analyst: Theresa Rude

CAO Budget, Performance and Policy Analyst: Peter Coletto

**RECOMMENDATION:**

Requester's Recommendation: Support

Other Impacted Agency(ies)/Department(s) N/A

Each impacted agency check one: Co-sponsor:

Endorse:

No Position:

**BILL INFORMATION:**

**Bill Number, Author:** SB 1255 (Hernandez)

**Bill Title:** Health insurance market: financial assistance

**Current Bill Status** (include last Committee action and date): Approved by Senate Appropriations Committee (5-2) and ordered to third reading. (5/25/18).

**Current Law/Context:** Existing law establishes, under the Affordable Care Act (ACA), an advanced and refundable tax credit for qualified individuals who purchase a qualified health plan through a health benefit exchange and cost sharing reductions for qualified individuals who choose specified plans.

Under the ACA, qualified individuals are able to obtain financial assistance to help pay for health insurance premiums and cost-sharing if health insurance is purchased through a health benefit exchange (in California this is Covered California). A person must be a citizen or lawfully present, must have qualifying income (between 138% and 400% FPL, which is approximately \$34,948 and \$98,400 for a family of four), and not be eligible for government programs or have affordable coverage through an employer (which is considered affordable if the premium for the employee only, not including dependents, is less than 9.5% of the employee's household income).

There are two main types of help to pay for coverage: premium assistance and cost-sharing subsidies. Premium assistance is a tax credit (formally called the Advanced Premium Tax Credit, or APTC) to reduce a person's monthly

premium cost. This subsidy works to cap the amount people who receive this subsidy pay for their premiums to an amount that can be no more than 9.56% of household income. The government either pays the tax credit directly to an insurance company each month, and the insurer bills the individual for the rest of the premium cost; or, an individual can choose to pay the full price of the health insurance premium payment each month and then receive the entire premium assistance amount in the form of a tax refund when the individual's tax return is completed for the year. APTCs are funded by the federal government.

Cost-sharing reductions are subsidies to reduce an individual's out-of-pocket costs (copays, coinsurance, deductible and out-of-pocket maximum). Individuals are eligible if he or she has an annual household income up to 250% FPL (\$61,500 for a family of four) and chooses a "silver" level plan (silver refers to the actuarial value level of the plan). The cost sharing subsidies are automatically applied. Cost-sharing reductions are required to be applied under the ACA and were funded by the federal government until 2018. Many states (including California) have developed work-arounds to limit the impacts of this policy change on premium increases for most enrollees.

**Description of Bill:** This bill would require Covered California to administer financial assistance to help low- and middle-income Californians access affordable coverage, as specified, if the Legislature appropriates funds for that purpose. Specifically, this bill would provide that priority for financial assistance shall be given to an individual whose premium payment is equal to or greater than 8% of his or her annual household income, as specified, or an individual whose annual household income is equal to or greater than 200% of the federal poverty level, as specified.

The position of support for SB 1255 (Hernandez) is recommended because State level subsidies will help support those who are having difficulty affording health care coverage and promote broad participation in the health insurance marketplace during these uncertain times.

**Potential financial and program impact to Alameda County** (include impact to other County agencies/departments. When there is impact to multiple County agencies/departments, they must indicate co-sponsor, endorse, or no position on the request.): According to Covered California, 66,300 Alameda County residents are enrolled in Covered California for health coverage in 2018. Out of the approximately 66,300 residents, around 4,200 enrollees' incomes are at 400% federal poverty level (FPL) or higher, while 30,650 are between 200% FPL to 400% FPL. Approximately 68,650 residents are still uninsured in Alameda County based on recent data from the American Community Survey.

Alameda County is considered one of the highest cost counties in the State in many aspects that include housing, transportation, child care, food, and health care costs. Unaffordable coverage is a huge barrier to accessing care. Many struggle to afford premiums, causing financial problems and putting retention of coverage at-risk. This bill may provide financial assistance to Alameda County's low-and middle-income residents to access affordable health care coverage who are currently enrolled in Covered California and may potentially reduce Alameda County's number of uninsured residents.

**Anticipated Opposition/Support:**

**Support:** Health Access California, AIDS Project Los Angeles Health, California Immigrant Policy Center, California Labor Federation, California Pan-Ethnic Health Network, Children Now, Consumers Union, Maternal and Child Health Access, National Health Law Program, SEIU California, National Association of Social Workers – California Chapter, and the Western Center on Law and Poverty.

**Oppose:** None to date

**Proposed Amendments** (include amendments you are proposing): N/A

**MEETING DATE REQUESTS:**

Please specify the PAL Committee meeting date for your request: June 11, 2018

Please specify the Board of Supervisors meeting date for your request: Next available

**SUBMIT COMPLETED FORM via email to: (1) Tisa Potter, PAL Clerk, tisa.potter@acgov.org (2) CAO Legislative Analyst; (3) Your Department's CAO Budget, Performance and Policy Analyst; (4) PAL Chair contact (5) State/Federal Legislative Advocate. For PAL meeting dates, contact the Board Committee Clerk at 208-3916.**