



March 23, 2022

The Honorable Scott Wiener
California State Senate
1021 O St., Ste. 6630
Sacramento, CA 95814

RE: SB 858 (Wiener) Health Plan Accountability — SUPPORT

Dear Senator Wiener,

On behalf of the California State Association of Psychiatrists (CSAP), I write in support of your SB 858, which would ensure meaningful enforcement of California's strong consumer protections for the 27 million Californians enrolled in health plans regulated by the Department of Managed Health Care.

The Department of Managed Health Care (DMHC) protects the health care rights of approximately 26 million Californians and ensures California's strong, nation-leading consumer protections are maintained. DMHC is authorized to impose civil and administrative penalties on health plans when they do not comply with state law. Many of these penalties have not been altered since the enactment of the Knox-Keene Act in 1975 and do not account for ballooning health plan premiums and profits.

Health plan premiums in California for employer-sponsored coverage have quadrupled from \$163 per month in 2000 to \$661 per month in 2020, according to the California Employer Health Benefits Survey conducted by the California Health Care Foundation published in August 2021.

SB 858 would address the increasing cost of premiums by increasing the penalty amounts for health plans from \$2,500 to a floor of \$25,000 when they violate standards such as failing to provide coverage for medically-necessary care, behavioral health services, gender-affirming care, timely access to care, and other critical consumer protections.

While health plans have sometimes acknowledged their failures to uphold consumer protections, they often have made the cost-benefit decision to pay these nominal fines, rather than meaningfully remove barriers to care. SB 858 will ensure that DMHC has the authority to levy penalties sufficient to change plan behavior so that consumers will receive the care they need and are entitled to by law.

For these reasons, CSAP supports SB 858 and would like to thank you for your authorship of this measure.

Sincerely,

A handwritten signature in blue ink, appearing to read "Yoder", with a long horizontal flourish extending to the right.

Paul Yoder
Legislative Advocate

CC: Chair & Members, Senate Health Committee