

California Health Benefits Review Program

Legislative Briefing about CHBRP:

Providing Independent and Evidence-based Analysis of
Health Insurance Benefit Mandate and Repeal Bills

January 29, 2015



California Health Benefits Review Program

Overview

Garen Corbett, MS
Director

January 29, 2015



Outline for this Briefing

- Overview of CHBRP
 - What, Who, How
 - The Process for Benefit Mandates
- The Health Insurance Landscape in California
- What you will find in CHBRP's Reports
 - Medical Effectiveness Analysis
 - Benefit Coverage, Cost, Utilization Analysis
 - Public Health Analysis
- Other useful other publications/products
- CHBRP Reauthorization

What is CHBRP?

- CHBRP is an independent, analytic resource serving the Legislature, grounded in academia and policy analysis
 - Administered by the University of California
 - Provides timely, evidence-based information to the Legislature
 - Charged with analyzing the:
 - 1) Medical effectiveness;
 - 2) Projected cost(s); and
 - 3) Public health impacts of health insurance benefit mandates or repeals.

CHBRP Reports Enhance Understanding

- Expert – leverages faculty and researchers, policy analysts, and an independent actuary to perform evidence-based analysis
- Neutral – without specific policy recommendations
- Fast – 60 days or less

CHBRP's Website: www.chbrp.org

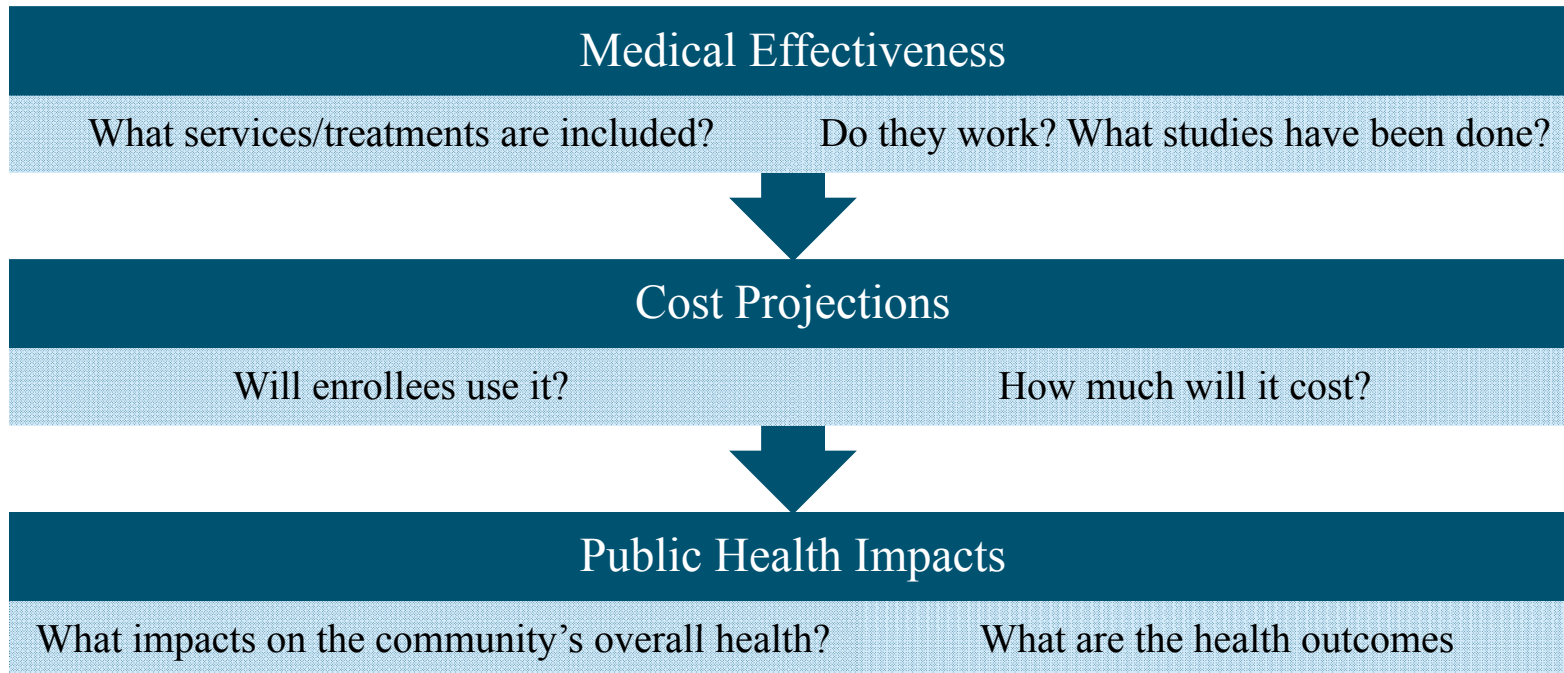
The screenshot shows the CHBRP website homepage. At the top left is the logo for the California Health Benefits Review Program, featuring a magnifying glass over a map of California and the text "CALIFORNIA HEALTH BENEFITS REVIEW PROGRAM Providing Objective Legislative Analysis". To the right of the logo is a search bar with a magnifying glass icon and a red "Search" button. Further right are social media icons for LinkedIn and Twitter, labeled "Social Hubs". Below the logo and search bar is a dark blue navigation menu with the following items: Home, About CHBRP, Completed Analyses, Recent Requests, and Contact. Underneath the navigation menu is a horizontal banner with four images: a large hall with many rows of wooden desks, a document with the word "BENEFITS" and "Contract will", a magnifying glass over a document with the word "Health", and a document with the word "re-search". Below the banner is a grey box with an information icon and the text "Register to attend [CHBRP's 2015 Legislative Briefing on Thursday, January 29th!](#)". To the left of this box is a vertical sidebar with four red buttons: "About CHBRP", "Completed Analyses", "Recent Requests", and a partially visible "Home" button. To the right of the sidebar is a "What's New..." section with two entries: "Updated Resource" with a link to "Health Insurance Benefit Mandates in California State and Federal Law" and "New Resource". To the right of the "What's New..." section is a white box with the text "ADD ME to the MAILING LIST" and a yellow "Click here" button. Below the "What's New..." section is a grey box labeled "Latest Tweets".

CHBRP Reports Enhance Understanding of Health Insurance

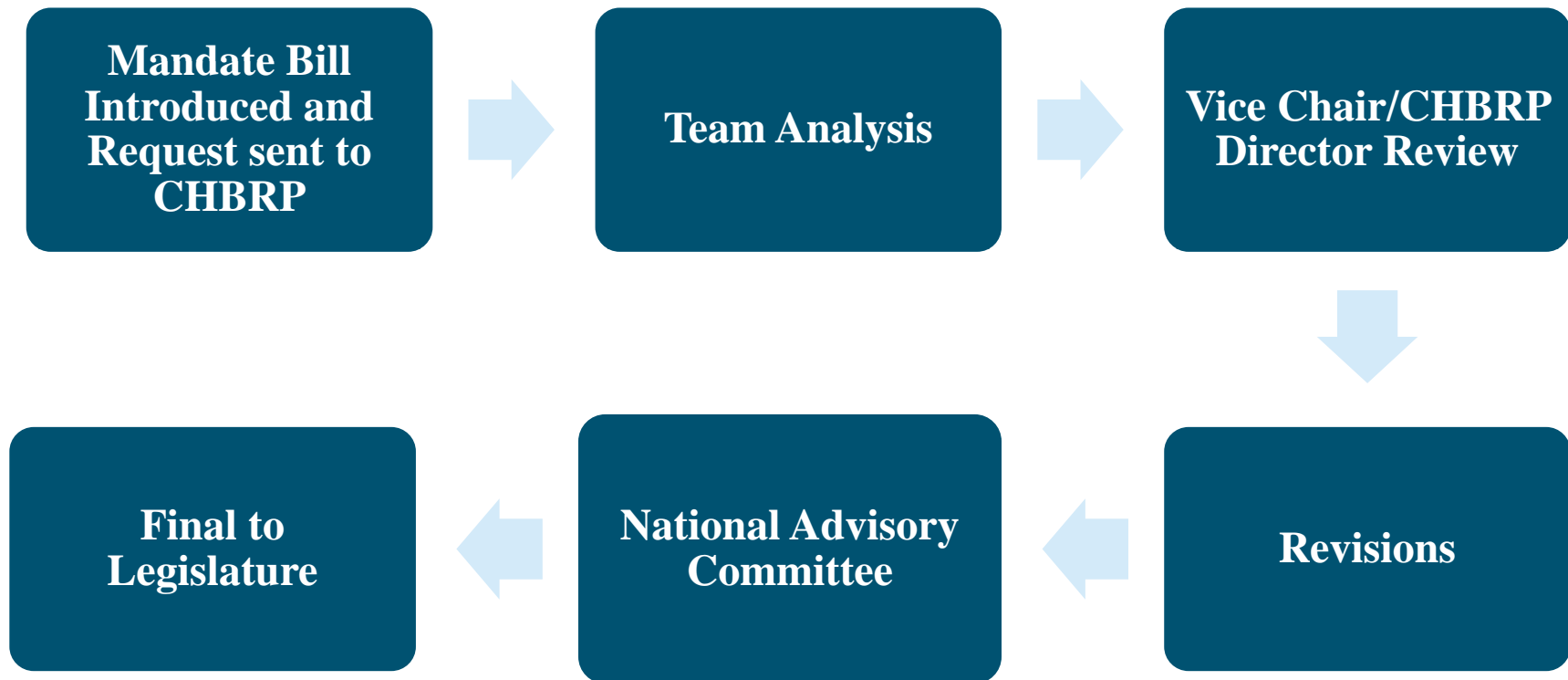
- Health Insurance Benefits:
 - Benefits are tests/treatments/services appropriate for one or more conditions/diseases
- Health Insurance Benefit Mandates are:
 - Requirements imposed on health insurance (whether publicly financed or privately financed) to cover specific benefits or alters terms and conditions of coverage

How CHBRP Works

- Upon receipt of the Legislature’s request, CHBRP convenes multi-disciplinary, analytic teams
- CHBRP staff manage the teams, complete policy context
- Each analytic team evaluates:



CHBRP's 60-Day or Less Timeline



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Health Insurance in California

John Lewis, MPA
Associate Director

January 29, 2015



Health Insurance is ...

... insurance against some or all financial loss due to health-related expenses,

or

... an agreement that a 3rd party will help defray medically necessary health spending.

Health Insurance is ...

- Regulated
- Divided into markets
- Subject to benefit mandates

State-regulated health insurance...

- ... defined by a health care service plan contract.
- Subject to CA Health & Safety Code
 - Regulated by DMHC



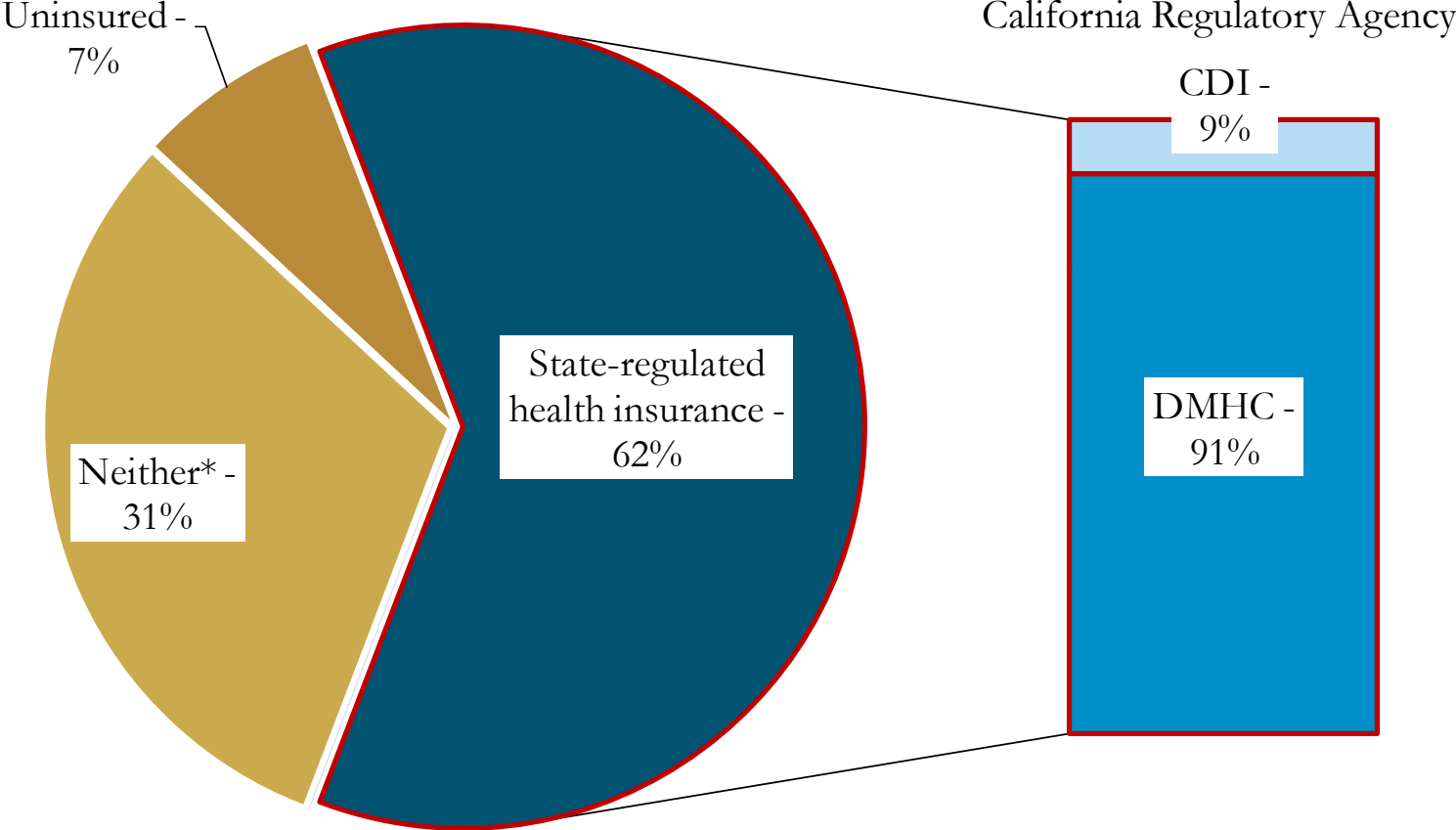
State-regulated health insurance...

... defined by a health insurance policy.

- Subject to CA Insurance Code
- Regulated by CDI



Health Insurance in California



*Neither = Federally regulated health insurance, such as Medicare, veterans, or self-insured plans.
Source: California Health Benefit Review Program, 2014

Health Insurance Markets in California

DMHC-Regulated Plans	CDI-Regulated Policies
Large Group	Large Group
Small Group	Small Group
Individual	Individual
Medi-Cal Managed Care	-----

Benefit Mandates

Laws requiring health insurance to:

- Cover screening, diagnosis, or treatment for a condition or disease;
- Cover specific treatments or services;
- Cover specific types of providers; and/or
- Apply specific terms to benefit coverage (such as visit limits, co-pays, etc).

Benefit Mandates

State Laws (Health & Safety/Insurance Codes)

- 63 benefit mandates in California

Federal Laws

- Pregnancy Discrimination Act
- Newborns' & Mothers' Health Protection Act
- Women's Health and Cancer Rights Act
- Mental Health Parity and Addiction Equity Act
- Affordable Care Act

Benefit Mandates

California Health Benefits Review Program

Resource:

[Health Insurance Benefit Mandates in
California State and Federal Law](#)

January 14, 2014



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What will you find in a CHBRP report?

Laura Grossmann and Hanh Kim Quach
Principal Analysts

January 29, 2015



What will you find in a CHBRP report?

- What is in a CHBRP report? What questions does the report ask and answer?
- How is the report structured? Where can I find the information I am looking for?
- A CHBRP report can get pretty technical – what do I need to know to understand a CHBRP report?
- What other resources does CHBRP have that I might find useful?

What is in a CHBRP report?



CHBRP Reports Provide:

- A description of what the bill would do.
- An explanation of how the mandate would interact with:
 - Existing state law and state mandates; and
 - Existing federal law and federal mandates.
- Information on the bill's subject matter (e.g., background information, context).
 - General categories of bill topics: Disease/condition-specific; treatment-specific; or general health insurance issue. Information can include:
 - Description;
 - Estimates;
 - Information on treatment(s);
 - The impact of the disease, treatment/technology, and/or health insurance constraint on specific populations.

A CHBRP Report Answers the Questions:

- Does scientific evidence indicate whether the treatment/service works?
- What are the estimated impacts on coverage, utilization and costs of the treatment/service?
- What is the potential value of a proposed health benefit mandate? What health outcomes are improved at what cost?
- What are the potential benefits and costs of a mandate in the long-term?

How is the report structured?



Structure of a CHBRP Report

- Executive Summary
- Full report – 6 sections:
 - Policy Context
 - Background
 - Medical Effectiveness
 - Cost Impacts (Benefit Coverage, Utilization, and Cost Impacts)
 - Public Health Impacts
 - Long-Term Impacts

Medical Effectiveness Categories of Evidence

Clear & Convincing	Preponderance of Evidence	Ambiguous / Conflicting	Insufficient Evidence
It works. OR It doesn't work.	It seems to work. OR It seems not to work.	The evidence cuts both ways.	There is not enough evidence to determine whether it does or does not work.

Cost Impact Analysis Answers Policymakers' Questions

- Cost Impact Analysis measures incremental change in three areas:
 - **Coverage:** Will more enrollees have coverage for the treatment/service?
 - **Utilization:** Now that enrollees have coverage for the treatment/service, will use of the treatment/service change?
 - **Cost:** What is the change in total cost – taking into account *both* the change in coverage and change in utilization of a treatment/service.

Public Health Impacts Conclusions

Quantitative	Qualitative	No Impact	Unknown Impact
Tobacco Cessation Services +5,000 quitters and +40,000 life years	Maternity Services Less infant mortality and fewer pre-term births	Cancer Related Lumpectomy Already covered, therefore no change.	Telephonic and Electronic Office Visits Enrollee and provider behavior unknown; therefore PH impact of change unknown

Long-Term Impacts

- **Estimates reflect 12-month timeframe:**

The report estimates reflect only the 12 months after enactment of the benefit.

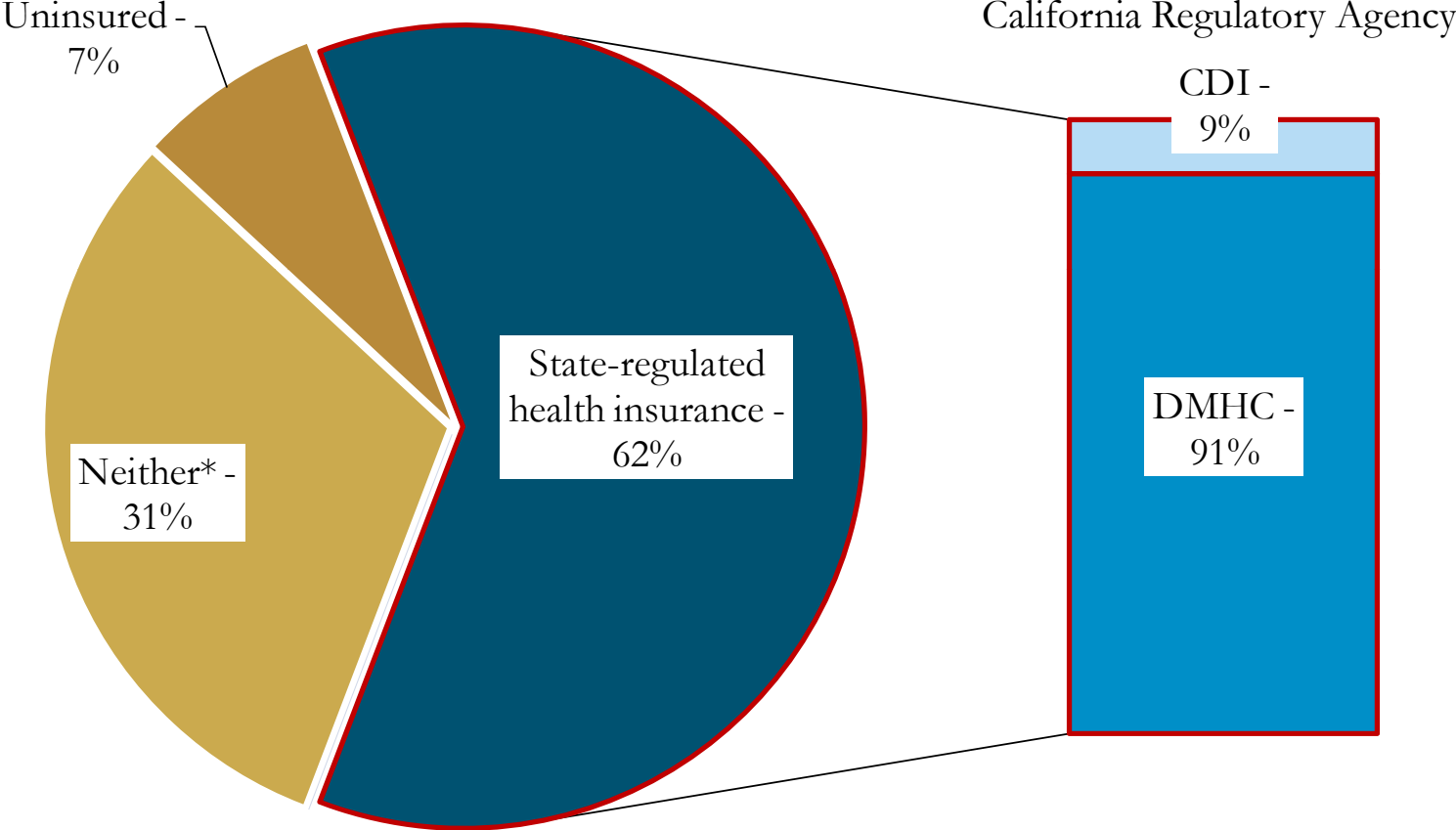
- **Mandates are in effect longer than 12 months:**

The benefits and costs of a mandate do not often accrue until many years after a mandate has been enacted.

What do I need to know
to understand a CHBRP
report?



CHBRP Analyzes Incremental Impact on State-Regulated Health Insurance



*Neither = Federally regulated health insurance, such as Medicare, veterans, or self-insured plans.
Source: California Health Benefit Review Program, 2014

Important to Note About Cost Impact Analysis

- **Estimates:** They are estimates.
- **12-month timeframe:** They reflect the 12 months after enactment of the benefit.
- **Affects only state-regulated health insurance:** Not all enrollees with health insurance will be affected, only those with state-regulated health insurance, or insurance specified in the proposed mandate.

What are the other
resources CHBRP has
that I might find useful?



Other CHBRP Resources:

- Health Insurance Benefit Mandates in California State and Federal Law
- Outpatient Prescription Drug Coverage 101
- What is Cost Sharing in Health Insurance?
- California State Benefit Mandates and the Affordable Care Act's "Essential Health Benefits"
- Forthcoming:
 - A brief on network adequacy
 - A brief on that further changes the ACA will bring in the coming years
 - Estimates of Sources of Health Insurance in California for 2016
 - Federal Preventive Services Benefit Mandate and California Benefits Mandates (update)
- All available at: www.chbrp.org.

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Reauthorization

Garen Corbett, MS
Director

January 29, 2015



Reauthorization

AB 1578 (2014) would have:

- Suggested a more flexible analytic timeline.
- Broadened CHBRP's scope to include:
 - Assessing “legislation that impacts health insurance benefit design, cost sharing, premiums, and other health insurance topics,” and
 - Analyzing proposed mandates' impacts on essential health benefits and Covered California.
- Kept CHBRP's funding level.
- Extended CHBRP's sunset date beyond Dec 31, 2015.

What We Have Heard

- Well-respected
- Independent
- Work is of high quality
- Rigorous

What We Also Heard

CHBRP's Operations

More Flexibility

- Loosen “rules” for using CHBRP
- Faster turnaround options
- Ongoing analysis of amendments

More Readability

- Shorter, more accessible reports

More Transparency

- Around budgets, staffing, faculty costs
- Increased Sacramento visibility/ presence

CHBRP's Charge

Broader

- Additional analysis of benefit design, cost-sharing, specialty drugs, emerging technology, and EHBs, as “traditional” benefit mandate bills may be introduced less often

What We Are Proposing

CHBRP's Operations:

- Re-imagined reports - designed to support busy staff with a greater focus on brevity and layperson terms
- Flexible turnaround times - faster than 60 days, depending on situation

CHBRP's Charge:

- Broader analytic capabilities - analyses on a broader array of health insurance topics
- Annual off-season reports - deeper analyses on issues of interest to the Legislature

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Questions and Answers

CHBRP's website: www.chbrp.org

January 29, 2015

CALIFORNIA HEALTH BENEFITS REVIEW PROGRAM

