

obtaining coverage. Under current law, an individual who applies for MRMIP is required to submit either a denial letter from a health insurer or health care service plan or an offer of individual coverage at a higher premium than that individual's MRMIP plan choice.

In addition to eliminating these inequities between the two programs, AB 1526 would permit MRMIB to significantly increase administrative efficiencies by further aligning MRMIP's benefits and eligibility requirements with those of PCIP, with which it shares an application.

AB 1526 also would require MRMIB to calculate the subscriber contribution amount without including any increased costs attributable to removing the lifetime and annual benefit limits. As a result, AB 1526 would significantly improve MRMIP benefits without decreasing affordability.

Finally, AB 1526 would be cost-neutral to the state. MRMIB is required by law to administer MRMIP within the funds appropriated by the state budget. In addition, pursuant to the Affordable Care Act's maintenance of effort requirement for PCIP, California has agreed to maintain the current MRMIP appropriation. As a result, MRMIB is limited to its fixed appropriation to cover any increased costs that may result from the elimination of the annual and lifetime benefit limits. Staff currently estimates that the benefit improvements can be achieved within the current appropriation.

Thank you for your efforts to improve access to comprehensive health coverage for individuals with pre-existing conditions through AB 1526. If you have any questions, please contact Jeanie Esajian, Deputy Director of Legislation and External Affairs, at (916) 324-4695.

Sincerely,



Janette Casillas
Executive Director

cc: Members, Assembly Health Committee
Marjorie Swartz, Consultant, Assembly Health Committee
Peter Anderson, Assembly Republican Caucus