Date of Hearing: May 17, 2023

ASSEMBLY COMMITTEE ON APPROPRIATIONS
Chris Holden, Chair
AB 85 (Weber) – As Amended April 17, 2023

Policy Committee: Health Vote: 12 - 0

Urgency: No State Mandated Local Program: Yes Reimbursable: No

SUMMARY:

This bill requires a health plan or health insurance policy to cover screenings for social determinants of health (SDOH) and provide primary care providers with adequate access to community health workers (CHWs) and other specified types of workers. This bill also requires the Department of Health Care Services (DHCS) to provide reimbursement for SDOH screenings as a covered Medi-Cal benefit. This bill requires the Department of Health Care Access and Information (HCAI) to convene a working group with specified membership.

This bill defines SDOH as the conditions under which people are born, grow, live, work, and age, including housing, food, transportation, utilities, and personal safety.

The bill requires the working group to do the following:

1) Create a standardized model and procedures for connecting patients with community resources.

2) Assess the need for a centralized list of accredited community providers.

3) Determine gaps in research and data to inform policies on system changes to address SDOH.

4) On or before January 1, 2025, submit a report with recommendations to the Legislature.

FISCAL EFFECT:

1) **Coverage of SDOH Screenings.**

   a) Cost pressure to DHCS to include SDOH screening. The California Health Benefits Review Program (CHBRP) indicates Medi-Cal already covers SDOH screening and CHWs; however, this bill removes DHCS' ability to stop covering these services. According to CHBRP, Medi-Cal coverage for SDOH screening costs more than $17 million per year (General Fund, federal funds).

   b) Costs to the Department of Managed Health Care will be minor and absorbable.

   c) Department of Insurance of approximately $125,000 in fiscal year (FY) 2023-24 and $114,000 in FY 2024-25 for additional workload (Insurance Fund).

d) CHBRP estimates premiums for CalPERS health plan enrollees would increase by $415,000 overall, a substantial portion of which would be paid by state and other government agencies (various funds).

2) **Working Group.** HCAI estimates General Fund costs of $5 million In FY 2024-25 to convene meetings and develop recommendations to create a standardized model for connecting patients with community resources, to assess the need for a centralized list of accredited community providers, and to determine gaps in research and data to inform policies on system changes to address SDOH in the six months allowed by the bill.

3) **Budget Request.** Additional General Fund cost pressure in the tens of millions of dollars, as evidenced by a budget request for $41 million submitted by the author and another Assemblymember to fund this bill.

COMMENTS:

1) **Purpose.** This bill is sponsored by the California Academy of Family Physicians (CAFP). According to the author:

> Research shows us that an individual's economic and social conditions influences their health status. Identifying these social determinants of health for individuals and families is a critical step in ensuring health equity and optimal health outcomes for all people in California. Additionally, a recent study discovered that physicians feel discomfort not being able to address their patient's social determinants of health needs. AB 85 will help physicians begin to address patients' needs by referring patients to supportive resources closest to them. Lastly, this bill will also require the Department of Health Care Access and Information to, in part, determine gaps in research and data to inform policy improvements to continue to address social determinants of health for all in California.

2) **Background.**

***SDOH Screening*.** According to CHBRP, one of the primary goals of screening for SDOH is to identify unmet social needs to link patients to appropriate nonmedical resources to ultimately improve or maintain their health. Other goals include data collection to calculate prevalence of social needs to inform risk adjustment or plan social service programs. Such information can also inform clinician treatment choices such as using the information about financial security to choose less expensive medications, avoid refrigerated medications, provide point of care ultrasounds, or change target blood sugar goals.

SDOH screening tools vary in length, format (verbal, electronic, or paper), content (three to six categories), setting in which they are administered (primary care, pediatrics, specialty care, inpatient), and whether the provider or the patient administers the screening. The screening tools are generally free of charge to use, although there appears to be a growing commercial field, including tools embedded in large electronic health record systems. Scoring or interpreting the screener results also varies widely. Some tools do not instruct clinicians about when a referral offer to social needs care is warranted. CHBRP cited a study

that found that although tools are easy to administer, clinician ability to interpret the screening results is limited. According to CHBRP, few SDOH screening tools have been tested for their validity, reliability, or pragmatic properties (cost, length, readability).

CHW Workforce. CHW is a general term that can be used to define several types of frontline public health workers. CHWs are trusted members of communities or understand the communities they serve, which allows them to serve as intermediaries for patients between health care and social service providers and the community. There is evidence of CHW effectiveness in improving chronic disease management and addressing unmet social needs among primary care patients. The 2019 California Future Health Workforce Commission (Commission) noted that CHWs provide an effective and efficient bridge for patients between health care, home, and community, especially when integrated with a care team. The Commission recommended that California modify reimbursement mechanisms to grow the CHW workforce to meet increasing demand for these frontline workers. In July 2022, DHCS added CHW services as a covered Medi-Cal benefit in California.

California does not require certification or licensure of CHWs, although employers or payers may require CHW training and certification as a condition of employment. DHCS requires CHW certification to qualify for Medi-Cal reimbursement. CHW training programs vary in length, scope, content, and cost. HCAI is working on CHW certification and eligibility.

Effect on Overall Expenditures. CHBRP estimates this bill will increase total net annual expenditures by $9.9 million or 0.01% for enrollees in state-regulated insurance. For most commercial market segments, this would translate to increasing premiums by 0.01%. Enrollees with coverage purchased outside of Covered California would experience the largest proportional increase in enrollee premiums (0.03%) due to lower levels of benefit coverage at baseline. Premiums for enrollees in individual plans purchased through Covered California would increase by $0.05 per member per month (0.01%).

Medical and Public Health Effectiveness. CHBRP reviewed recent findings on the evidence that clinical screening for SDOH leads to referrals to CHWs or other social service navigators, to use of social services, and to changes in social outcomes, health care utilization, or health outcomes. CHBRP concluded the evidence on the effectiveness of screening for SDOH in a clinical setting, referral to navigators/social services, and downstream outcomes after screening is a mixture of limited, inconclusive, and insufficient. The effect this bill would have on improved health (or socioeconomic) status and outcomes is unknown. CHBRP estimates an additional 211,000 commercially insured enrollees would receive SDOH screening in a clinical setting; and of those, 25,000 are likely to screen positive for at least one social need; and of those, 7,300 might connect with a CHW.

CHBRP notes the following additional unknowns:

a) Whether the state's supply of CHWs is sufficient.
b) Whether CHWs can successfully connect patients to multiple needed social resources.
c) Whether social services/community-based organizations have adequate resources to meet needs identified by SDOH screenings.
d) Whether commercially insured enrollees would be able to access social services or community-based resources, most of which are income-tested, and may not be easy to access for other reasons, such as distance or time.

e) Whether and to what extent health outcomes would improve.

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