Office of Senate Floor Analyses
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THIRD READING

Bill No: AB 85
Author: Weber (D)
Amended: 9/1/23 in Senate
Vote: 21

SENATE HEALTH COMMITTEE: 10-0, 6/28/23
AYES: Eggman, Glazer, Gonzalez, Hurtado, Limón, Menjivar, Roth, Rubio, Wahab, Wiener
NO VOTE RECORDED: Nguyen, Grove

SENATE APPROPRIATIONS COMMITTEE: 5-1, 9/1/23
AYES: Portantino, Ashby, Bradford, Wahab, Wiener
NOES: Jones
NO VOTE RECORDED: Seyarto

ASSEMBLY FLOOR: 61-0, 5/25/23 - See last page for vote

SUBJECT: Social determinants of health: screening and outreach

SOURCE: California Academy of Family Physicians

DIGEST: This bill requires health plans and insurers to cover screenings for social determinants of health (SDOH) and provide primary care providers with adequate access to community health workers, social workers, and other specified types of workers. Requires the Department of Health Care Services or a Medi-Cal managed care plan to provide reimbursement for SDOH screenings as a covered Medi-Cal benefit. Requires the Department of Health Care Access and Information to convene a working group with specified membership to create a standardized model for connecting patients to community resources.

ANALYSIS:

Existing law:

1) Establishes the Department of Managed Health Care (DMHC) to regulate health plans under the Knox-Keene Health Care Service Plan Act of 1975 and the California Department of Insurance (CDI) to regulate health insurers. [HSC §1340, et seq. and INS §106, et seq.]

2) Establishes the Medi-Cal program, administered by the Department of Health Care Services (DHCS), under which low-income individuals are eligible for medical coverage. [WIC §14000, et seq.]

3) Requires DMHC to establish standard measures and annual benchmarks for equity and quality in health care delivery. Requires a health plan to annually submit to DMHC a report containing health equity and quality data and information. Requires DMHC to coordinate with DHCS to support the review of, and any compliance action taken with respect to, Medi-Cal managed care (MCMC) plans to maintain consistency with the applicable federal and state Medicaid requirements governing those plans. Also applies the requirements on health plans to MCMC plans that contract with DHCS to provide health care services to Medi-Cal beneficiaries. [HSC §1399.871-1399.873]

4) Establishes a schedule of benefits under the Medi-Cal program, which includes benefits required under federal law and benefits provided at state option but for which federal financial participation is available. Includes community health worker (CHW) services as a covered Medi-Cal benefit. [WIC §14132, §14132.36]

5) Requires DHCS to require each MCMC plan to develop and maintain a beneficiary-centered population health management (PHP) program that meets specified standards, including identifying and mitigating SDOH and reducing health disparities or inequities. [WIC §14184.204]

6) Establishes the Department of Health Care Access and Information (HCAI) and assigns HCAI various duties in health planning, health policy and research, health professions development, health care demonstrations projects, health data, facilities loan insurance and financing, and facilities design review and construction. [HSC §127000 et seq.]

7) Defines "CHW" to mean a liaison, link, or intermediary between health and social services and the community to facilitate access to services and to improve the access and cultural competence of service delivery. Requires

HCAI, on or before July 1, 2023, to develop and approve statewide requirements for CHW certificate programs and to approve the curriculum required for programs to certify CHWs. Authorizes HCAI to collect workforce data on CHWs from individuals who have enrolled in or completed CHW certificate programs. [WIC §18998, §18998.1, §18998.3]

This bill:

1) Defines "SDOH" to mean the conditions under which people are born, grow, live, work, and age, including housing, food, transportation, utilities, and personal safety.

HCAI Workgroup

2) Requires HCAI to convene a working group to determine the standardized methods of data documentation to be used in recording SDOH screening responses, to create a standardized model and procedures 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.

3) Requires the workgroup to reconvene if the United States Preventive Services Task Force provides recommendations on any provisions related to 2) above to reflect those recommendations.

4) Requires the working group to include representatives from the California Health and Human Services Agency, DMHC, CDI, and Covered California, representatives of physician specialties who provide primary care services, including but not limited to, family medicine, obstetrics and gynecology, and pediatrics, and representatives of health care service plans and health insurers, community-based organizations, social workers, community health worker representatives, and consumer groups. Permits the working group to consult with other individuals, groups, or organizations for additional insight or expertise on issues under consideration by the working group.

5) Requires the working group to submit a report to the Legislature with recommendations on the topics listed in 2) above by July 1, 2026.

6) Conditions implementation of this section on an appropriation by the Legislature.

Health Plan and Health Insurance Requirements

7) Requires a health plan contract or a health insurance policy issued, amended, or renewed on or after January 1, 2027, to include coverage, and provide reimbursement to health care providers, for SDOH screenings. Allows providers to focus or expand questions relevant to the patient and to document patient responses using the tools or protocols approved by the workgroup in 2) and 3) above. Exempts specialized health plans from this requirement.

8) Requires a health plan or insurer to provide physicians who provide primary care services with adequate access to peer support specialists, lay health workers, social workers, or CHWs, including Promotores and community health representatives, in counties where the health plan or insurer has enrollees or insureds. Requires the health plan or insurer to inform physicians who provide primary care services of how to access these CHWs, Promotores, community health representatives, peer support specialists, lay health workers, or social workers.

9) Authorizes DMHC and CDI to adopt guidance for health plans and insurers to implement 5) and 6). Conditions implementation of these sections on an appropriation by the Legislature or funding by an outside source.

Medi-Cal Requirements

10) Establishes screenings for SDOH as a Medi-Cal covered benefit and requires DHCS or a Medi-Cal managed care plan to provide reimbursement to a Medi-Cal provider who renders this service, unless the service is already covered under a separate benefit.

11) Requires DHCS to reimburse federally qualified health centers (FQHCs) and rural health clinics (RHCs) for SDOH screenings at the Medi-Cal fee-for-service rate in addition to any other amounts payable with respect to those services, including payments received pursuant to the prospective payment system (PPS) rate and the alternative payment methodology (APM) rate.

Comments

1) *Author's statement.* According to the author, research shows that an individual's economic and social conditions influences their health status. Identifying these SDOH 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. This bill will help physicians begin to address patients' needs by referring patients to supportive resources closest to them. Lastly, this bill will also require the HCAI to, in part, determine gaps in research and data to inform policy improvements to continue to address SDOH for all in California.

2) *Current state efforts to address SDOH in healthcare settings.* SDOH, also referred to as "social drivers of health" refers to the nonmedical factors that influence health outcomes, sometimes more significantly than particular medical diagnoses. For example, if someone has food insecurity, the lack of food and poor nutrition can have a significant short and long term impact on that person's health and can also interfere with other attempts to treat a condition such as diabetes through traditional medical interventions. Several efforts have been made recently in California to screen for and address SDOH through the health care system.

   a) *ACEs Screenings.* In partnership with the California Office of the Surgeon General, DHCS created a statewide effort to screen patients for Adverse Childhood Experiences (ACEs) that lead to trauma and the increased likelihood of ACEs-associated health conditions due to toxic stress with the goal of reducing ACEs and toxic stress by half in one generation. All providers are encouraged to receive training to screen patients for ACEs. According to DHCS, by screening for ACEs, providers can better determine the likelihood a patient is at increased health risk due to a toxic stress response, which can inform patient treatment and encourage the use of trauma-informed care. As of January 1, 2020, DHCS has been paying Medi-Cal providers $29 per screening for children and adults with Medi-Cal coverage. SB 428 (Hurtado, Chapter 641, Statutes of 2021) now requires commercial health plans and health insurers that provide coverage for pediatric services and preventive care to also include coverage for ACEs screenings.

   b) *Medi-Cal's CalAIM initiative.* CalAIM is a collection of Medi-Cal initiatives aimed at addressing SDOH, reducing program complexity and increasing flexibility, and modernizing payment structures to promote better outcomes. The CalAIM initiative started on January 1, 2022, after passage of AB 133 (Committee on Budget, Chapter 143, Statutes of 2021) and after the approval of a federal Section 1115 demonstration waiver and a Section 1915(b) waiver. DHCS received approval on December 29, 2021 for both waivers, effective through December 31, 2026.

Population Health Management (PHM) is a specific initiative within CalAIM that identifies and manages member risk and need through whole person care approaches while focusing on and addressing SDOH. DHCS issued guidance to Medi-Cal managed care plans on collecting SDOH data, stating that SDOH data is vital to the success of the PHM initiative. The PHM initiative collects SDOH data not just based on information obtained while screening plan enrollees, but also by coding and documenting SDOH among network providers and subcontractors, including providers of enhanced care management and community support services providers, which include social services providers in addition to traditional medical providers. The PHM policy guide details efforts to streamline several initial screening processes by eliminating some questionnaires that duplicate information and relying on data otherwise available to reduce screening fatigue among Medi-Cal enrollees while still meeting the goals of the program and federal and the National Committee for Quality Assurance (NCQA) requirements. Medi-Cal managed care contracts require plans to identify and track SDOH and develop partnerships with local agencies to support community needs, including supports like housing and other non-health-related programs.

In addition to the PHM initiative, as part of CalAIM, CHW services were added as a Medi-Cal benefit starting July 1, 2022. CHW services are intended to prevent disease, disability, and other health conditions or their progression; to prolong life; and, promote physical and mental health. Covered CHW services include health education, screening and assessment that does not require a license, individual support or advocacy, and health navigation. Health navigation services are intended to help a beneficiary access health care, understand the health system, or connect to community resources necessary to promote a beneficiary's health including enrolling or maintaining enrollment in government programs or other assistance if those programs would improve their health. Given concerns about the lack of CHW workforce, in 2022, HCAI was tasked with developing a statewide requirements to certify CHWs and to approve curriculum requirements for programs to certify CHWs in consultation with specified stakeholders through the health trailer bill SB 184 (Committee on Budget and Fiscal Review, Chapter 47, Statutes of 2022) by July 1, 2023. HCAI is also tasked with collecting workforce data on CHWs.

c) *DMHC Health Equity and Quality Committee*. DMHC convened a Health Equity and Quality Committee in 2022 to make recommendations for standard health equity and quality measures, including annual benchmark

standards for assessing equity and quality in health care delivery as required by AB 133. The Committee included consumer representatives, health plan representatives, providers, and quality measurement and health equity experts, along with non-voting members representing various state agencies. The Committee met nine times in 2022 and voted on a final list of 13 recommended measures. The Committee did consider including a new measure being proposed by health plan accreditor NCQA for social needs screening and intervention, but ultimately determined due to the stage of development of this proposed measure, it was too early to propose for inclusion in its final recommended measure set. Among the issues to be determined at the time for whether this tool would be adopted by NCQA was what screening tools should be used and expected intervention performance rates.

d) *Covered California.* Covered California contracts with its qualified health plans contain several provisions designed to reduce health disparities and increase health equity. With regards to SDOH screenings in particular, Covered California contracts require plans to screen all Covered California enrollees for food insecurity using the Accountable Health Communities Health-Related Social Needs tool developed by the Centers for Medicare and Medicaid Services that has been tested on Medicare and Medicaid populations. The contract highly encourages screening for additional health-related social needs. Health plans must report on their process for screening for SDOH, which questions are used, and actions the plan takes to coordinate screening and linkage to services within its provider network and to resources to address the social need.

3) *California Health Benefits Review Program (CHBRP) analysis.* For a summary of the CHBRP analysis see the Senate Health Committee Analysis.

4) *Policy Comment.* A literature review published in July 2022 by the Social Interventions Research & Evaluation Network at UC San Francisco that reviewed social screening practices found that there is no consensus as to what topics should be included in such screening tools and that the tools had rarely been tested using gold standard tools for assessing psychometric validity screening practices in health care. The author should consider language that permits providers to use tools that have been approved by an outside body such as one of the state departments or the NCQA.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

According to the Senate Appropriations Committee,

- One-time General Fund costs, likely millions, for the Department of Health Care Access and Information (HCAI) for activities related to the working group.
- Unknown General Fund costs, likely hundreds of thousands, due to an increase in CalPERS health plan premiums.
- Minor and absorbable costs for the Department of Managed Health Care (DMHC) for state operations (Managed Care Fund). Costs to the Managed Care Fund could be offset to the extent outside funding sources are appropriated.
- Unknown one-time costs, likely hundreds of thousands, for the California Department of Insurance (CDI) for state operations (Insurance Fund). Costs to the Insurance Fund could be offset to the extent outside funding sources are appropriated.

SUPPORT: (Verified 8/21/23)

California Academy of Family Physicians (source)
Aguilas
Alliance of Catholic Health Care
American College of Obstetricians and Gynecologists District IX
Black Leadership Council
California Association of Social Rehabilitation Agencies
California Black Health Network
California Chronic Care Coalition
California Dialysis Council
California Health+ Advocates
California Life Sciences
California Long-Term Care Ombudsman Association
California Medical Association
California Pan - Ethnic Health Network
California State Association of Psychiatrists
California Telehealth Network
Central Valley Immigrant Integration Collaborative
Children's Choice Dental Care
Children's Specialty Care Coalition
Community Clinic Association of Los Angeles County

Crohns and Colitis Foundation
Having Our Say Coalition
Health Access California
Health Officers Association of California
Mom's Meals
National Association of Social Workers, California Chapter
National Health Law Program
Nomi Health
Ochin, Inc.
Planned Parenthood Affiliates of California
Rady Children's Hospital
Steinberg Institute
Sutter Health
The Children's Hospital
The Los Angeles Trust for Children's Health
UCLA Chapter of Universities Allied for Essential Medicines
Venice Family Clinic
Welbe Health
Western Center on Law & Poverty

OPPOSITION: (Verified 8/21/23)

America's Health Insurance Plans
Association of California Life & Health Insurance Companies
California Association of Health Plans
Department of Finance

ARGUMENTS IN SUPPORT: Sponsors the California Academy of Family Physicians write that screening for SDOH can help physicians better contextualize the care they are providing patients. The challenge is the lack of resources to operationalize a large task with many factors into a busy practice environment in a manner that is actionable and practical. Moreover, physicians don't know how to address the needs of patients outside the clinic walls. This bill would require health plans and insurers to pay for the SDOH screening. It will also increase efforts to bridge patients to community resources or government social services to address their SDOH needs by requiring health plans and insurers to provide access to CHWs or social workers. Access to CHWs or social workers will provide the linkage between the healthcare team and community resources, which will close the gap in follow-ups after screening. Lastly, the bill will establish a workgroup to create a standardized model and procedures for connecting patients with community resources, assess the need for a centralized list of accredited

community providers, and determine gaps in research and data to inform policies on system changes to address SDOH.

ARGUMENTS IN OPPOSITION: The California Association of Health Plans, the Association of California Life and Health Insurance Companies, and America's Health Insurance Plans write in opposition to this along with 22 other health insurance mandate bills. These bills include mandates for health plans and insurers to cover specific services, as well as bills that eliminate cost sharing and limit utilization management, which have similar cost impacts as coverage mandates. Moreover, they will increase costs, reduce choice and competition, and further incent some employers and individuals to avoid state regulation by seeking alternative coverage options. State mandates increase costs of coverage – especially for families who buy coverage without subsidies, small business owners who cannot or do not wish to self-insure, and California taxpayers who foot the bill for the state's share of those mandates. The Department of Finance (DOF) is opposed to this bill because it creates costs and pressures not included in the 2023-24 budget plan. These costs could also potentially increase health care premiums. DOF also points to existing state law and programs addressing SDOH.

ASSEMBLY FLOOR: 61-0, 5/25/23
AYES: Addis, Alvarez, Arambula, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Juan Carrillo, Wendy Carrillo, Cervantes, Connolly, Mike Fong, Friedman, Gabriel, Garcia, Gipson, Grayson, Haney, Hart, Holden, Irwin, Jackson, Jones-Sawyer, Kalra, Lee, Low, Lowenthal, Maienschein, McCarty, McKinnor, Muratsuchi, Stephanie Nguyen, Ortega, Pacheco, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Reyes, Luz Rivas, Robert Rivas, Rodriguez, Blanca Rubio, Santiago, Schiavo, Soria, Ting, Valencia, Villapudua, Waldron, Ward, Weber, Wicks, Wilson, Wood, Zbur, Rendon
NO VOTE RECORDED: Aguiar-Curry, Alanis, Chen, Megan Dahle, Davies, Dixon, Essayli, Flora, Vince Fong, Gallagher, Hoover, Lackey, Mathis, Papan, Jim Patterson, Joe Patterson, Sanchez, Ta, Wallis

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9/2/23 12:38:40

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