

Date of Hearing: August 16, 2023

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Chris Holden, Chair

SB 595 (Roth) – As Amended June 29, 2023

Policy Committee:	Privacy and Consumer Protection	Vote:	11 - 0
	Health		15 - 0

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

SUMMARY:

This bill allows Covered California to share information about applicants for Employment Development Department (EDD) programs with Covered California’s vendors without obtaining consent from each individual applicant.

FISCAL EFFECT:

Minimal state costs, if any. Covered California reports that its costs will be minor and absorbable. EDD estimates possible staffing costs if its data sharing contract with Covered California must be updated. If these costs occur, they will likely be less than \$150,000.

COMMENTS:

1) **Purpose.** According to the author:

Access to information regarding health insurance options is one of the primary barriers to achieving universal healthcare coverage in the State, especially as Californians experience transitions in employment and income. SB 595 is follow-up legislation to Senator Leyva’s SB 644, which was signed into law last year. It will make certain that the provisions of the bill enable timely communication to individuals to reduce burdens of applying for health insurance and to minimize gaps in coverage. SB 595 is a simple fix that maintains the greater accessibility to health insurance established by SB 644—while protecting Californians from receiving cold calls from outside entities.

2) **Background.** The Patient Protection and Affordable Care Act (ACA) is a federal law that provided a series of policies, regulations, and guidelines to enable the states to enact major health care reform. Among other features, the ACA requires each state to establish a marketplace through which low- and middle- income people can obtain health insurance coverage. California’s marketplace, Covered California, is a state-run government agency that offers subsidized federal health insurance plans to the state’s residents in compliance with the ACA.

Covered California is obligated by law to conduct marketing and outreach activities to inform Californians about the availability of health care coverage and related federal subsidies, and to facilitate maximum enrollment in the marketplace. To that end, the

Legislature passed SB 644 (Levy), Chapter 983, Statutes of 2022, which requires Covered California to request data from EDD about applicants for EDD's unemployment compensation, disability, and paid family leave programs and use the data in its outreach and marketing activities. However, among the privacy protections included in SB 644 is a provision that prohibits Covered California from sharing an EDD applicant's personal information without first obtaining the applicant's consent. Because Covered California contracts with a third party vendor to conduct the agency's outreach and marketing, this consent requirement was so burdensome that it effectively prevents Covered California from providing health insurance information to EDD applicants.

This bill allows Covered California to share personal information it obtains from EDD with specified vendors without obtaining consent from each affected person. The bill requires any person or entity that receives such personal information from Covered California to fulfill certain confidentiality and information security requirements, and requires Covered California to ensure that the information it shares is used appropriately. Finally, the bill requires Covered California to provide an accessible mechanism through which an EDD applicant may opt out of any future health care exchange marketing.

Analysis Prepared by: Annika Carlson / APPR. / (916) 319-2081