

SENATE THIRD READING
SB 439 (Weber Pierson)
As Amended April 10, 2025
2/3 vote

SUMMARY

Extends the operation of the University of California (UC)-administered California Health Benefit Review Program (CHBRP) and the Health Care Benefits Fund (the fund for CHBRP) through July 1, 2033. Extends the continued assessment of the annual charge on health plans and health insurers for the purpose of funding CHBRP for the 2026–27 to 2032–33 fiscal years, inclusive. Increases the maximum allowable total annual assessment on health plans and health insurers from \$2.2 million to \$3.2 million. Deletes an obsolete reference to the Healthy Families Program.

COMMENTS

CHBRP was created by AB 1996 (Thomson), Chapter 795, Statutes of 2002 with the intent to provide current, accurate data and quality information on both the quality and cost of proposed legislation for the purpose of determining whether certain mandated health insurance benefits should be part of the basic health insurance benefit package, enabling the Legislature to be better informed when making decisions on mandated benefit legislative proposals.

According to CHBRP, a team of analytic staff at UC Berkeley works with a task force of faculty and researchers from several campuses of the UC, as well as actuarial consultants to complete each analysis during a 60-day period, usually before the Legislature begins formal consideration of a mandate bill. CHBRP indicates that each analysis summarizes sound scientific evidence relevant to the proposed legislation but does not make recommendations, deferring policy decision-making to the Legislature.

Over the last 22 years, CHBRP indicates it produced nearly 300 analyses in addition to dozens of supporting publications to assist policymakers in understanding the impact of proposed legislation. Legislative requests for analyses vary by year, and can range from between 10 and 22. CHBRP indicates it aims to have the capacity to complete between 12 to 15 bill analyses per year. CHBRP also indicates the cost of each analysis varies significantly, and depending upon the complexity of the bill, actuarial costs generally range from \$15,000 to \$70,000 or more, most of which are \$45,000 and up. CHBRP's expenses include staff salary and benefits (42%), operational expenses such as training, rent, travel, information technology (4%), faculty and researcher task force (28%), actuarial costs (19%- 28%), editors, contractors, librarians, and content experts (3%-6%), and National Advisory Council Honorariums (1%).

According to the Author

CHBRP utilizes faculty and researchers from UC to provide the Legislature with timely, neutral, and evidence-based analyses of health insurance benefits-related legislation. Very frequently, CHBRP analyzes proposed health insurance benefit mandates. These analyses include information related to medical effectiveness and utilization rates of treatments and services, and the impact on individual plan premiums if benefits coverage was expanded. The Legislature, and other stakeholders involved in the legislative process, rely on these analyses to inform their discussions and decisions throughout the process. The analyses published by CHBRP provide valuable information that is challenging to access in such detail on a legislative timeframe. This

bill extends the program's operating date until 2032-33 and increases the program's funding by \$1 million to meet the growing demand of requests and increased operational costs.

Arguments in Support

This bill is sponsored by UC and supported by the California Chamber of Commerce and Health Access California. UC writes that CHBRP provides independent, objective analysis to the California Legislature on the medical, financial, and public health impacts of proposed health insurance benefit mandates and the repeal of any benefit mandates. CHBRP staff work in partnership with appointed faculty and researchers selected from across the UC system in order to deliver a rigorous, scientific, high-quality analysis in a tight 60-day timeline. UC states it values the work of CHBRP and its partnership with the State of California, and that CHBRP needs a funding increase and a sunset extension to maintain quality and meet its legislative workload. UC states the bills sent by the Legislature to CHBRP for analysis are increasingly complex and require full analytic teams to comprehensively and successfully deliver useful analyses. While CHBRP's budget has remained mostly flat, the costs of operating the analytical program have steadily increased over the years due to inflationary pressures for faculty and staff expertise, an increase in the complexity of bills, and rising costs for actuarial analyses. There has also been a steady increase in the annual number of requests, and the requested workload is typically higher than CHBRP can undertake. An increase to \$3.2 million would mitigate these challenges and ensure quality, appropriate levels of expertise, sustainable staffing levels, and meet legislative needs to analyze more bills. UC concludes that CHBRP's continued existence and ongoing funding helps support UC faculty and students, expands health policy research and analysis efforts and informs legislative decision-making.

Health Access California writes in support that CHBRP analyses are crucial to consumer advocates across the state as CHBRP analyzes critical policy that affect different populations, including low-income groups, and communities of color, and their access to health care. CHBRP's analyses are critical to understand the gaps in health care, impacts of policies and crucial to help push inclusive and equitable health policy that improves coverage for Californians in underserved communities. Health Access concludes that the funding increase is important as it ensures CHBRP can deliver comprehensive and well-resourced analyses for the legislature every year.

Arguments in Opposition

None.

FISCAL COMMENTS

According to the Assembly Appropriations Committee, annual costs of \$1 million in fiscal year (FY) 2026-27 (due to increasing the assessment from the current maximum of \$2.2 million, to \$3.2 million) and \$3.2 million in FY 2027-28 through FY 2032-33 (Health Care Benefits Fund). The Department of Health Care Services (DHCS) notes 13 million Medi-Cal beneficiaries are enrolled in managed care plans that are subject to the CHBRP fee; therefore, \$300,000 to \$400,000 of the assessments in the Health Care Benefits Fund would be paid by Medi-Cal managed care plans (General Fund, federal funds). DHCS anticipates resulting rate increases would be negligible.

VOTES

SENATE FLOOR: 38-0-2

YES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener

ABS, ABST OR NV: Hurtado, Reyes

ASM HEALTH: 15-0-1

YES: Bonta, Chen, Addis, Aguiar-Curry, Caloza, Carrillo, Flora, Mark González, Krell, Patel, Patterson, Celeste Rodriguez, Sanchez, Schiavo, Sharp-Collins

ABS, ABST OR NV: Stefani

ASM APPROPRIATIONS: 13-0-2

YES: Wicks, Sanchez, Arambula, Calderon, Caloza, Dixon, Elhawary, Fong, Mark González, Ahrens, Pacheco, Pellerin, Solache

ABS, ABST OR NV: Ta, Tangipa

UPDATED

VERSION: April 10, 2025

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FN: 0001415