

Bill Summary

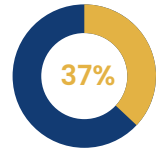
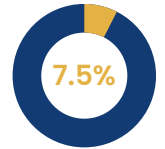
The version of California **Assembly Bill (AB) 298** analyzed by CHBRP would prohibit the use of cost sharing for in-network health services for enrollees under 21.



CHBRP assumes that AB 298 applies to services under the medical benefit and not the pharmacy benefit or durable medical equipment.

Context

In 2022, **7.4%** of Californians under the age of 21 delayed or did not get health care, and over one-third (**37%**) listed cost, lack of insurance, or other insurance-related issues as the cause. Research shows **cost can be a barrier to access** to health care and timely diagnoses and treatment.



Insurance Subject to the Mandate

Of the 22.2 Californians enrolled in state-regulated insurance, 100% are subject the bill, and 13.57 million would be impacted by the bill.

- CDI and DMHC regulated (commercial and CalPERS)
- DMHC-regulated Medi-Cal (already in compliance)
- Federally-regulated (Medicare, self-insured, etc)

Cost Impacts

Postmandate, enrollees would experience an overall **3.66%** decrease in cost sharing. The variation in market segment would range from a **\$1.32 to \$11.8 decrease in cost sharing** per month for enrollees.



Premiums would increase overall by **\$1,405,405,000**. AB 298 would increase total expenditures by **\$711,201,000** or **0.42%**.



Because premium changes would exceed **1%** for several market segments, **6,430** enrollees would **become uninsured**.

Public Health Impacts

Utilization would increase for almost all categories of care due to AB 298, including in behavioral health services, emergency care, office visits and medication use.



There would be **no change in utilization of inpatient** care due to AB 298. To the extent that the increase in utilization leads to improved health outcomes, there could be a public health impact.

Utilization

In the first year postmandate, **3,632,000** enrollees under 21 years with health insurance subject to AB 298 would experience a change in cost sharing requirements and overall increase utilization of health care services.



The increase in utilization would be across commercial and CalPERS market segments, but are estimated to be higher in plans or policies that are **not HSA-qualified** compared to **HSA-qualified** high deductible health plans.