



**LINDSTROM INSURANCE**  
EMPLOYEE BENEFITS • LIFE AND DISABILITY INSURANCE

P.O. BOX 4026, FELTON, CA 95018-4026 • PHONE (831) 335-5812 • FAX (831) 335-5883

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[www.LindstromInsurance.com](http://www.LindstromInsurance.com)

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## **Blue Shield of California Easy\$Pay Changes**

Have you been paying your premium to Blue Shield using an automatic Payment each month? The company has changed their vendor for processing automatic payments, and March 9 was the deadline to re-enroll in the new system.

Letters were sent to all Blue Shield IFP members starting in February advising of the need to take action. If you didn't jump on their instructions, you'll need to write a check to make your April payment. Without making that payment, your coverage will lapse.

On-Exchange members (Covered California) will need to take action in May, so you should have received a letter recently with those instructions.

If you missed the deadline, you can phone the number on your ID card for instructions. For PPO plans, call 888-256-3650 and HMO 844-250-2872.

## **Covered California Required Documents for 2018 -- Deadline Approaching**

If Covered California indicated you needed to upload proof of income, proof of residency, or proof of citizenship during open enrollment and you haven't done so yet, please remember to take care of this detail. Clients who fail to upload their documents in time may lose their subsidy (Advance Premium Tax Credit) for 12 months, and there's nothing we can do to help you avoid this consequence. If the submission deadline has passed, you will need to call Covered CA 1-800-300-1506 and work with them to get the information submitted.

You probably received a letter from Covered California confirming what documents are needed, but if you have misplaced it, you can retrieve a copy by logging in to your account, go to the bottom of the page on the right side and click on "View Past Applications". In the left hand margin you can click on "Documents and Correspondence" and look for any documents that mention **eligibility** or **verification**. Please feel free to call Vicki at 831-335-8202 and she will help you to find those documents.

## **California Attorney General files Lawsuit Against Sutter Health**

California Attorney General Xavier Becerra is suing Northern California Sutter Health for what he calls “anticompetitive practices” that have allegedly jacked up health care costs for consumers.

In Santa Cruz County, we have one Sutter Hospital/Surgery Center and the medical group Palo Alto Medical Foundation.

Sutter Health is the largest Hospital system in Northern California, with 24 acute care hospital facilities, 31 Ambulatory Surgery Centers, 9 major physician organizations (with 8,200 physicians and 48,000 employees located in 19 counties).

The complaint states, “Sutter perpetrated the anticompetitive behavior by allowing insurance companies to negotiate with the system only on an all or nothing system-wide basis, such that insurers are required under the terms of their contracts with Sutter Health to negotiate with the entire Sutter system or face termination of their contract.” Additionally, the complaint claims Sutter prevented insurance companies from giving consumers more low-cost health plan options and set “excessively high” out-of-network rates for patients who had to seek care outside of their provider network, which exceeded those of Sutter’s competitors and Medicare rates. The complaint further alleges that Sutter hindered price transparency by restricting publication of provider cost information and rates.

The Attorney General indicates these business practices violate the Cartwright Act, which prohibits trusts (defined as a combination of capital, skill or acts by two or more persons) to create or carry out restrictions in trade or commerce. It also bans sales or leases of products on the condition that the purchaser

do business with a competitor such that competition is substantially lessened or creates a monopoly.

“Sutter Health is throwing its weight around in the healthcare market, engaging in illegal, anticompetitive pricing that hurts California families,” said Becerra. “These tactics are risking Californian’s lives by driving up the cost of healthcare for everyone. Big business should not be able to throttle competition at the expense of patients.”

A recent report from the University of California, Berkeley indicated that “rampant consolidation in the Northern California Market” had driven up healthcare costs. It said 44 counties in California had highly concentrated hospital Markets, and that Northern California is “considerably more concentrated” than Southern California across all healthcare market concentration measures analysed. Inpatient prices are 70% higher, outpatient prices 17 – 55% higher depending on the physician’s specialty. Affordable Care Act premiums were 35% higher in Northern California than Southern California.

## **Do you have friends or family members losing group coverage?**

There are several options. They may be offered COBRA coverage, which will be the same coverage they had on the group plan. They will have 60 days to enroll.

If they are going on another group plan through a spouse, parent or domestic partner, they will have 30 days to enroll. Individual plans are another option with a 60 day special enrolment period available from the last day of coverage.

Any expenses applied to the deductible or out-of-pocket on the group plan will not carry over to the individual plan. Please contact our office with any questions.

## California's New Drug Pricing Transparency Law Update

Source: Fierce Pharma

California is among a group of states that have taken drug prices into their own hands, with lawmakers last year passing a bill aimed at shining new light on the pricing process. Now, the state is starting to see early results.

Documents obtained by Politico show that Valeant Pharmaceuticals plans a 63% price hike on a generic glaucoma drug, while Teva Pharmaceutical Industries plans a 49% price increase for an inhaled asthma drug at the start of May. While it's unclear whether the warnings will do much to control overall drug costs, state officials hope pricing disclosures can stir up pressure against big hikes.

California passed its transparency bill back in October despite pushback from the pharma industry. It requires health insurers to disclose certain costs and forces pharmaceutical manufacturers to give advance warning of their price hikes. Drug manufacturers must also justify large price increases. Certain pricing information will be published on a government website.

At the time, a spokeswoman for industry trade group PhRMA said the bill was "based on misleading rhetoric instead of what's in the best interest of patients." The organization has sued to stop the bill's implementation.

The state also passed a law that targets the branded drug industry's copay coupons. That bill, signed by Gov. Brown the same day as the pricing transparency act, limits the use of coupons when cheaper generics are available.

As the situation plays out in California, Michigan is considering a proposal that would force drug manufacturers to disclose manufacturing and marketing costs for expensive medications, according to MiBiz.com; the bill is in a state health policy committee. Massachusetts and Arizona are asking for more power to manage drugs in their Medicaid programs.

All of the state-level legislation represents a new risk for the drug industry as pricing reform continues to command broad public support, and as lawmakers in Washington, D.C., haven't advanced any major proposals on the issue. More than half of the U.S. public believes drug pricing is a "top priority," according to a new Kaiser Family Foundation Poll.

State lawmakers around the country are considering 51 bills focused on drug price transparency, 12 on price gouging and dozens more on a range of topics, according to the National Academy for State Health Policy. Maryland, Nevada and Oregon have each passed bills that focus on different aspects of the drug industry and supply chain.

At the federal level, President Donald Trump and HHS secretary Alex Azar said at a recent speech the administration's pricing plan is coming in "about a month."

## Are you eligible for a Special Enrollment?

Open enrollment for individual plans ended on February 28<sup>th</sup>, but there are some qualifying events which will allow you to enroll or change your health plan before the next enrollment period beginning November 1<sup>st</sup> for a January 2019 effective date.

1. Having a child or adopting a child, receiving a child into foster care, or placing a child in adoption or in a foster home.
2. Getting married or entering into a domestic partnership.
3. Losing health coverage (Medi-Cal or other coverage, such as employee benefits lost when your job ends or when a child turns age 26).
4. Change in address which causes you to lose your current coverage. This includes moving to California from another state, moving to a new County within California (for example moving to Monterey County and losing your Blue Shield or Kaiser HMO plan).
5. Returning from active duty military service.
6. Being a “card carrying” member of a federally recognized American Indian or Alaska Native tribe.
7. No longer being incarcerated.

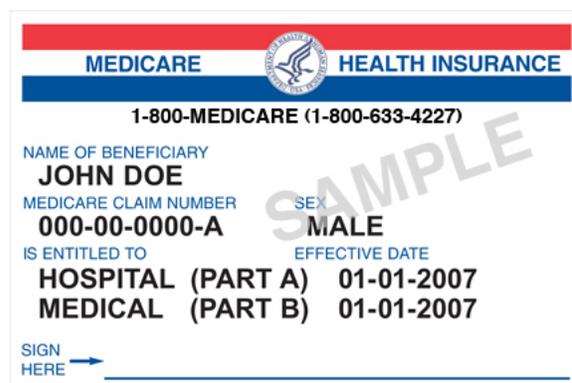
If you'd like to read more about qualifying events, here's the link to the official website:

<http://www.coveredca.com/individuals-and-families/getting-covered/special-enrollment/qualifying-life-events/>

Remember, most qualifying events give you a short time period to enroll in a new plan. For example, losing your coverage (except for non-payment of premiums) gives you a 60 day window to select a new plan.

Another available option is a short term plan, however, these plans will help you avoid the tax penalty for not having coverage. Important factors to consider are that they do not cover pregnancy, preventive visits, prescriptions or pre-existing conditions. Short term plans can be found on our website:

<https://www.lindstrominsurance.com/quotes/short-term-health/>



## Turning 65 Soon? Want to learn about Medicare?

We're happy to help you understand how Medicare works, what the “holes” are, the options for Supplements, Part D (prescription drug plans), and Medicare Advantage options.

Each year, both Betty and Vicki recertify to offer Medicare plans and we enjoy working with our clients in this area. We'll help you find the best value for you based on any prescriptions you're using and the other needs you have, with an eye to your budget.

We're always happy to talk with new Medicare Beneficiaries, so please feel free to refer your family and friends!

## Carrier Contact Information

Carrier	Phone	Website
Anthem Blue Cross	800-333-0912	Anthem.com/ca
Blue Shield	800-393-6130	Blueshieldca.com
Covered California	800-300-1506	Coveredca.com
Health Net	888-926-4988 for Covered CA plans; 800-522-0088 for non-Covered CA	Healthnet.com
Kaiser	800-464-4000	kaiserpermanente.org
Sutter Health Plus	855- 315-5800	sutterhealthplus.org