



April 12, 2022

The Honorable Anthony Portantino
Member, California State Senate
1021 O Street, Room 7630
Sacramento, CA 95814

RE: SB 987 (Portantino) – OPPOSE

Dear Senator Portantino:

The California Association of Health Plans (CAHP), which represents 44 public and private health care service plans that collectively provide coverage to more than 25 million Californians, has respectfully taken an **OPPOSE** position on your Senate Bill 987. This bill would require Medi-Cal managed care plans to include in their contracted provider networks at least one National Cancer Institute (NCI) Designated Cancer Center and ensure that any beneficiary diagnosed with a complex cancer diagnosis is referred to an NCI-Designated Cancer Center within 15 business days of the diagnosis unless the beneficiary selects a different cancer treatment provider.

While we certainly appreciate the intent of the bill and agree that ensuring access to complex cancer treatment is critical, we are concerned that this bill will unintentionally lead to significant disruptions in patient care and create significant administrative and compliance challenges for managed care plans and providers. Specifically, we are concerned that this bill would require a Medi-Cal managed care plan to include an NCI-Designated Cancer Center within its primary plan network without the ability to delegate this responsibility to its delegated provider networks.

Delegated provider networks are often responsible for utilization management and authorization procedures on behalf the primary health plan. Thus, creating a new process for which to submit authorizations back to the primary plan would create a significant burden on health plans and may cause delays in approval that would jeopardize our ability to meet existing contractually required time frames for such approvals. Additionally, we would note that the Department of Health Care Services is currently working on rules that would subject subcontracted networks to the same requirements as primary plan networks later this year. It is not clear how imposing a contracting requirement only on the primary managed care plan would impact the implementation of this bill.

This bill also permits beneficiaries to initiate a pre-service authorization request directly to their managed care plan. Currently, there is no existing process by which a beneficiary initiates a pre-service authorization request to the managed care plan. The beneficiary's treating provider typically makes the authorization request to the managed care plan for approval. If a treating provider denies a request of the beneficiary, the beneficiary can then file a grievance with their managed care plan. We are concerned that this provision disrupts existing processes that will lead to confusion and potentially disrupt patient care.



California Association of
Health Plans

Lastly, we are concerned with the provisions of the bill that mandate that managed care plans must inform beneficiaries of their treatment options and review any request for treatment under the expedited review time frames. While our members strive to incorporate evidence-based care, they do not directly engage in the practice of medicine by facilitating treatment advice. If a beneficiary is seeking treatment for a complex cancer diagnosis, those decisions should be made by an oncologist or other treating clinical professional. Physicians may request expedited review based on medical necessity criteria and their assessment of a particular patient's medical condition. Thrusting managed care plans into the position of overriding medical urgency recommendations of physicians is contrary to the practice of allowing clinical judgment to determine the urgency of a situation.

For these reasons, we **OPPOSE** SB 987. Please feel free to contact me if you have any questions or if I can provide any additional information regarding our position.

Respectfully,

Jedd Hampton
Director of Legislative Affairs
CAHP

cc: Melissa Melendez, Vice-Chair, Senate Health Committee
Members, Senate Health Committee
Jen Flory, Consultant, Senate Health Committee
Joe Parra, Consultant, Senate Republican Caucus
Tim Conaghan, Consultant, Senate Republican Caucus
Carol Gallegos, Department of Health Care Services
Tam Ma, Deputy Legislative Secretary, Governor's Office