



## CAHP LEGISLATIVE INFORMATION

### AB 414 (Bonta) Chapter 801, Statutes of 2019

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*As a service to our members, the California Association of Health Plans produces guidelines designed to assist in the interpretation and implementation of new laws, and to promote full compliance with those laws. This document, however, is not intended to be authoritative. Any questions about official interpretations of the law should be directed to the appropriate state regulatory agency such as the Department of Managed Health Care or the Department of Health Care Services, as well as your legal counsel.*

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#### **HEALTH CARE COVERAGE: MINIMUM ESSENTIAL COVERAGE**

##### **BACKGROUND**

Assembly Bill 41 was authored by Democratic Assemblymember Rob Bonta. Initially this bill would have enacted a state-based individual coverage mandate in California. The issue of the individual mandate, however, was resolved as part of this year's state budget which was enacted in July. As such, AB 414 morphed into a different bill. The bill was amended to require the Franchise Tax Board (FTB) to report to the Legislature specific information resulting from California's minimum essential health coverage requirement and individual shared responsibility penalty (aka individual mandate).

Supporters of AB 414 like Health Access California believe that this measure will provide important data and information to the Legislature on who pays the penalty, how much they pay, who is exempted, as well as the total amounts of penalties paid and collected.

CAHP supported this measure when it enacted the individual mandate but that changed to a "watch" position when AB 414 was amended into a reporting bill. After those amendments were adopted the bill received unanimous bi-partisan support.

##### **REQUIREMENTS**

AB 414 adds Section 61050 to the Revenue and Taxation Code, relating to health care coverage.

Specifically, AB 414 does the following:

61050. (a) Requires FTB to report to the Legislature on information regarding:

- (1) The total number of applicable households paying the penalty and the total number of qualified dependents for whom applicable households pay the penalty, by county and by adjusted gross income class.
- (2) The total penalty amounts imposed, by county and by adjusted gross income class.
- (3) The total statewide penalty amount imposed.

- (4) The total number of exemptions applied, and the most common qualifications for exemptions applied.
- (5) The number of applicable households who pay the penalty and the number of dependents claimed by applicable households who pay the penalty, by federal poverty level category. The federal poverty level (FPL) shall be estimated using adjusted gross income and number of individuals in the tax household, using the following categories:
  - (A) At or between 0 percent and 138 percent of FPL.
  - (B) At or between 139 percent and 266 percent of FPL.
  - (C) At or between 267 percent and 400 percent of FPL.
  - (D) At or above 401 percent of FPL.
- (6) The number and amount of state financial subsidies paid and adjustments made through reconciliation, by county and by federal poverty level category.

61050. (b) Directs FTB to submit the report on or before March 1, 2022, and annually thereafter.