July 21, 2026

Honorable Sabrina Cervantes, Chair
Senate Appropriations Committee
State Capitol, 412
Sacramento, CA 95814

RE: AB 1907 (Addis) California Health Benefit Exchange—SUPPORT

Dear Chair Cervantes,

Local Health Plans of California (LHPC), representing all 17 of California's community-based and not-for-profit Medi-Cal managed care plans that collectively serve over 9 million Medi-Cal members, respectfully write in support of AB 1907 (Addis), which modernizes Covered California's automatic enrollment process to promote seamless coverage transitions while generating administrative efficiencies that can help reduce costs across California's health care system. AB 1907 makes targeted improvements to the automatic enrollment process by expanding plan selection options and strengthening enrollee notification requirements. These practical changes will help eligible Californians successfully transition between Medi-Cal and Covered California, reducing avoidable coverage disruptions and improving the overall consumer experience.

From a fiscal perspective, reducing unnecessary coverage churn produces meaningful savings for the state, health plans, providers, and consumers. Individuals who experience gaps in coverage often require repeated eligibility determinations, multiple enrollment transactions, duplicative member outreach, and additional customer service support before coverage is ultimately restored. These avoidable administrative activities consume state and plan resources without improving health outcomes. By making automatic enrollment more effective and intuitive, AB 1907 helps reduce these inefficiencies and allows limited administrative resources to be redirected toward care coordination, member assistance, and quality improvement.

The bill also has the potential to reduce downstream health care costs associated with interruptions in coverage. Individuals who lose coverage—even temporarily—are more likely to delay preventive care, postpone treatment for chronic conditions, and ultimately seek care in higher-cost settings once health needs become more acute. By improving continuity of coverage, AB 1907 supports earlier access to routine care, helping avoid unnecessary emergency department utilization and uncompensated care costs that place financial pressure on California's health care delivery system.

In addition, allowing eligible consumers to enroll in plans that align with family members or provide enhanced cost-sharing assistance increases the likelihood that coverage will be effectuated and maintained. Better family alignment reduces confusion, simplifies navigation of the health care system, and decreases administrative complexity for plans, providers, and Covered California. These operational efficiencies can lower administrative costs over time while improving the overall effectiveness of California's coverage infrastructure.

Finally, strengthening automatic enrollment supports California's longstanding investment in reducing the uninsured rate. Every successful transition from Medi-Cal to Covered California preserves prior public investments in outreach, eligibility determination, and enrollment while minimizing the costs associated with repeated enrollment cycles and avoidable coverage loss.

For these reasons, LHPC respectfully urges your support of AB 1907. This bill represents a thoughtful investment in a more efficient, coordinated, and fiscally responsible coverage system that benefits consumers while reducing unnecessary administrative costs across California's health care programs.

Sincerely,

Katie Andrew
Director of Government Affairs, Quality & Behavioral Health
Local Health Plans of California

cc: Senate Appropriations Committee; Assemblymember Addis