Significant Health Legislation/
Legislation Related to Federal Health Care Reform

Senate Bills

SB 56 (Alquist) – Authorizes and facilitate the creation of joint ventures among publicly owned and operated health coverage programs, such as County Organized Health Systems and local initiatives, to provide health care coverage to uninsured individuals and purchasers of health insurance. Location: Assembly Health

SB 227 (Alquist) - Reforms and restructures the Major Risk Medical Insurance Program (MRMIP). Requires health plans and health insurers (collectively "carriers") to accept for coverage all persons eligible for MRMIP, as they are assigned to the carrier by the Managed Risk Medical Insurance Board (MRMIB), or elect instead to pay a fee for support of MRMIP, as specified. Revises subscriber contributions, from a maximum of between 125 percent to 137.5 percent to between 110 and 150 percent, which is set on a sliding scale, and allows further premium subsides for low-income subscribers upon receipt of federal funds. Prohibits coverage in MRMIP from containing an annual benefit limit, and makes other changes regarding benefits. Requires MRMIB to establish a process for eligibility and re-enrollment of persons enrolled in the Guaranteed Issue Pilot (GIP) program, and requires MRMIB to provide certain reports to the Legislature. Expands the duties of MRMIB consistent with the provisions above, and establishes an 11-member advisory board to advise MRMIB. This bill will be amended establish a temporary high risk pool for uninsured individuals with a pre-existing medical condition for the purpose drawing down federal funds made available by federal health care reform. Location: Assembly Appropriations Committee

SB 316 (Alquist) - Broadens an existing statutory disclosure requirement that health plans and insurers must meet on the medical loss ratio (MLR). That existing disclosure provision requires plans, insurers, their employees or their agents to disclose in writing the MLR for the previous calendar year when presenting a plan for examination or sale to any individual or group consisting of 25 or fewer individuals. Under this bill, this MLR disclosure provision will be expanded to individuals and groups consisting of 50 or fewer individuals. Location: Assembly Health Committee

SB 771 (Alquist) – Lengthens the period for which Medi-Cal would allow 12-month continuous Medi-Cal eligibility for children, in order for the state to qualify for additional federal funds via a temporary increase in the Federal Medical Assistance Percentage, contingent upon adoption of legislation that amends American Recovery and Reinvestment Act of 2009 to maintain or extend increased federal financial participation for 2 calendar quarters. Location: Assembly Health

SB 810 (Leno) – Establishes the California Healthcare System (CHS) under which all California residents would be eligible for specified health care benefits. Prohibits the sale of health plan or health insurance policies for services provided through the CHS system. The CHS would negotiate or set fees for health care services provided through the

system, and pay claims for those services. The bill would also establish various boards and offices, with duties as specified, related to the administration of the system. Location: Assembly Health Committee

SB 890 (Alquist) - Allows people to switch to a different individual health plan or insurer on the annual renewal date of their current policy, on a guarantee issue basis, to a policy of equal or lesser value. Requires health plans and health insurers in the individual market to offer standardized products (five preferred provider organization [PPO] products and five health maintenance organization [HMO] products), and prohibits plans and insurers from offering other products. Specifies the cost-sharing requirements for each product in each coverage choice category. Requires health insurers to cover medically necessary basic health care services. Prohibits health plans and health insurers from having an annual or lifetime benefit limit. Requires health plans and health insurers to change premium rates for adults based on one-year changes in a person's age and establishes standard rating factors and limits on premium variation. Requires a minimum health plan and health insurer medical loss ratio of 85 percent for large group and 80 percent for individual and small group. Location: Senate Appropriations Committee

SB 900 (Alquist) - Establishes in the California Health and Human Services Agency the California Health Benefits Exchange (Exchange). Specifies the duties and authority of the Exchange. Requires the Exchange be governed by a board with four-year terms whose members are appointed by the Governor and the Legislature. Requires the Exchange to negotiate and enter into contracts with health plans. Requires the Exchange to offer a choice of health plans in each region of the state, including a choice in each region of the state between the five levels of coverage contained in federal law (a platinum, gold, silver, bronze and catastrophic level benefit plan). Location: Senate Appropriations Committee

SB 1088 (Price) - Requires health plan dependent health care coverage to extend until a person is 26 years. States legislative intent to conform state requirements on health plans and insurers pertaining to coverage of dependent children to the requirements of the federal Patient Protection and Affordable Care Act. Location: Senate Appropriations Committee

SB 1163 (Leno) - Requires health plans and insurers to give 180 days written notice of changes in the premium rate or coverage before such change takes effect. Extends requirements placed on health plans and insurers when they deny individual coverage to when plans and insurers deny group purchasers. Requires health plans and insurers to provide data and demographic information on individual and large group denials of coverage, any changes in rates, any changes in cost sharing, and any changes in covered benefits. Requires health plans and insurers to provide to its regulator specified information, such as provider prices and utilization increases, with respect to rate increases for each product. Location: Senate Appropriations Committee

SB 1378 (Strickland) prohibits the expansion of eligibility in the Medi-Cal program pursuant to federal health care reform, unless the federal government fully funds the expansion. Location: Senate Health Committee

SCA 29 (Strickland) – Amends the state Constitution to require voter approval of a state or federal program that: (a) requires individuals to obtain health care coverage; (b) requires a health plan or health insurers to guarantee issue to all applicants; (c) requires employers to either provide health care coverage to their employees or pay a fee or tax to the state or the federal government in lieu of providing that coverage; (d) that allows an entity created, operated, or subsidized by the state or federal government to compete with health plans and health insurers in the private sector; and, (e) creates a single-payer health care system. Location: Senate Health Committee

Assembly Bills

AB 786 (Jones) - Requires the Department of Managed Health Care and the California Department of Insurance to jointly develop a system to categorize all health coverage products sold to individuals into coverage choice categories, as specified, and to develop standard definitions and terminology for covered benefits and cost-sharing provisions for individual coverage. Requires health plans and health insurers to set the maximum limit on out-of-pocket costs in individual health care service plan contracts and health insurance policies at $5,000 per person per year, with exceptions. Requires the Office of Patient Advocate to develop and maintain on its Internet website a uniform benefits matrix of all available individual health plan contracts and individual health insurance policies arranged by coverage choice category. Location: Senate Floor Inactive

AB 1595 (Jones) – Requires, commencing January 1, 2014, to the extent required by the Patient Protection and Affordable Care Act, persons who meet all other applicable eligibility requirements to be eligible for benefits under the Medi-Cal program if his or her income does not exceed 133% of the federal poverty level. Location: Assembly Appropriations

AB 1600 (Beall) - Requires health plans and health insurers to cover the diagnosis and medically necessary treatment of a mental illness, as defined to include substance abuse, of a person of any age, and not be limited to coverage for severe mental illness of a person of any age, and serious emotional disturbances of a child, as in existing law. Location: Assembly Appropriations

AB 1602 (Perez) - Enacts the California Patient Protection and Affordable Care Act to implement reforms under the federal Patient Protection and Affordable Care Act (PPACA) in California. As such, prohibits group or individual health care service plans or health insurers (collectively health plans) from establishing lifetime limits or restricted annual limits on the dollar value of benefits. Requires health plans to provide minimum coverage for specified preventive services without cost-sharing. Prohibits health plans from imposing preexisting condition exclusions for enrollees under 19 years of age. Requires health plan dependent health care coverage to extend until a person is 26 years

of age. Creates the California Health Benefit Exchange for the purchase of health care coverage. Location: Assembly Appropriations

AB 1825 (De La Torre) - Requires every individual or group health insurance policy, as specified, to cover maternity services, as defined. Location: Assembly Appropriations

AB 1887 (Villines) - Requires the Managed Risk Medical Insurance Board (MRMIB) to establish a temporary high risk pool to provide health care coverage to specified individuals who have preexisting conditions and have been uninsured in the 6 months prior to applying for coverage in the pool. Requires coverage in the pool to meet specified requirements, including requiring require premiums to be established at a standard rate for a standard population and not have age rating greater than 4 to 1. Requires MRMIB to apply for federal funding in order to operate the pool and would enact other related provisions. Location: Assembly Appropriations

AB 2042 (Feuer) - Prohibits health plans and health insurers from, more than once in a calendar year, altering premiums, cost-sharing (co-payments, deductibles, out-of-pocket costs) or altering benefits of individual plan contracts, 2011, with certain exceptions. Location: Assembly Appropriations

AB 2110 (De La Torre) - Requires health insurance policies issued, amended, or renewed on or after January 1, 2011 to provide a grace period of 50 days for the payment of each premium falling due after the first premium, during which grace period the policy continues in force. Location: Assembly

AB 2244 (Feuer) - Prohibits, effective January 1, 2011 for children, and January 1, 2014 for adults, a health care service plan or health insurer (collectively, health plans) from excluding or limiting coverage due to any preexisting condition. Establishes rating rules, such as rate bands, family size and age categories, for coverage. Location: Assembly Appropriations

AB 2470 (De La Torre) - Establishes requirements for health plans licensed by the Department of Managed Health Care (DMHC) and health insurers subject to regulation by the California Department of Insurance (CDI), related to rescission, or the retroactive cancellation of health coverage. Requires the director of the Department of Managed Health Care, through regulation, to establish standard information and health history questions to be used in individual coverage. Establishes an independent review process of decisions to cancel or rescind individual coverage. Location: Assembly Appropriations

AB 2477 (Jones) - Deletes the provisions requiring Mid-Year Status Reports in Medi-Cal for children from January 1, 2011 to July 1, 2012, thereby establishing continuous eligibility for children in the Medi-Cal Program. Location: Assembly Appropriations

AB 2578 (Jones) - Establishes regulation of premiums and cost-sharing of California health plans and insurers under the jurisdiction of the Department of Managed Health Care and the California Department of Insurance. Location: Assembly Appropriations