

AMENDED IN SENATE AUGUST 5, 2002

AMENDED IN SENATE APRIL 1, 2002

AMENDED IN SENATE FEBRUARY 20, 2002

AMENDED IN ASSEMBLY JANUARY 24, 2002

AMENDED IN ASSEMBLY JANUARY 22, 2002

AMENDED IN ASSEMBLY JANUARY 9, 2002

CALIFORNIA LEGISLATURE—2001–02 REGULAR SESSION

ASSEMBLY BILL

No. 1282

Introduced by Assembly Member Cardoza
(Principal coauthor: Assembly Member Matthews)
(Coauthor: Senator Soto)

February 23, 2001

An act to ~~amend Section 1347 of, and to add Section 1366.1 to,~~ the Health and Safety Code, relating to health care service plans.

LEGISLATIVE COUNSEL'S DIGEST

AB 1282, as amended, Cardoza. Health care service plans.

Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the regulation of health care service plans by the Department of Managed Health Care and makes a willful violation of the act's provisions a crime. ~~The act establishes within the department, the Advisory Committee on Managed Health Care, which among other matters makes recommendations to the department's director for improving the health care delivery system and quality of care, taking into consideration information received from the public.~~

This bill would require the department to adopt regulations that establish an extended geographic accessibility standard for access to health care providers served by a health care service plan in counties with a population of 500,000 or less that have 2 or fewer health care service plans providing coverage to the entire county in the commercial market. The bill would also require ~~the advisory committee a health care service plan~~ to hold ~~a public meetings meeting~~ in areas of the state where coverage by health care service plans is expected to be withdrawn a county with a population of 500,000 or less if the plan intends to withdraw coverage from that county or a portion thereof.

Because a willful violation of ~~the regulation~~ these provisions by a health care service plan would be a crime, ~~this~~ the bill would impose a state-mandated local program by creating a new crime.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. ~~Section 1347 of the Health and Safety Code is~~
2 ~~amended to read:~~
3 1347. (a) (1) ~~There is established in the Department of~~
4 ~~Managed Health Care the Advisory Committee on Managed~~
5 ~~Health Care consisting of 22 members, as follows:~~
6 (A) ~~The director.~~
7 (B) ~~Eleven members appointed by the Governor, to be~~
8 ~~appointed as follows:~~
9 (i) ~~A physician and surgeon with five years' experience in~~
10 ~~providing services to enrollees of a full service health care service~~
11 ~~plan.~~
12 (ii) ~~An executive officer or medical director of a full service~~
13 ~~health care service plan.~~
14 (iii) ~~A person with expertise and five years' experience in an~~
15 ~~administrative capacity of a health care service plan.~~



- 1 ~~(iv) An executive officer with five years' experience with a~~
2 ~~contracting medical group.~~
3 ~~(v) A medical director with a contracting medical group.~~
4 ~~(vi) A member of the department's Financial Solvency~~
5 ~~Standards Board.~~
6 ~~(vii) A physician-executive from an academic medical center.~~
7 ~~(viii) A member of the department's clinical advisory panel.~~
8 ~~(ix) A medical director or senior officer with a dental service~~
9 ~~plan.~~
10 ~~(x) A medical director or senior officer with a vision service~~
11 ~~plan.~~
12 ~~(xi) A medical director or senior officer with a mental health~~
13 ~~service plan.~~
14 ~~(C) (i) Ten public members, four of whom shall be appointed~~
15 ~~by the Governor and three each by the Speaker of the Assembly~~
16 ~~and the Senate Committee on Rules who have a broad~~
17 ~~understanding of health and managed care issues and who have no~~
18 ~~financial interest in the delivery of health care services or in plans~~
19 ~~except that public members may be enrollees in a health care~~
20 ~~service plan or specialized health care service plan.~~
21 ~~(ii) Of the public members appointed by the Governor, at least~~
22 ~~two of these members shall have significant academic~~
23 ~~backgrounds in the area.~~
24 ~~(iii) Of the members appointed by the Speaker of the Assembly~~
25 ~~and the Senate Committee on Rules at least one public member~~
26 ~~appointed by each appointing power shall represent a health care~~
27 ~~consumer advocacy organization, with the Speaker's appointee~~
28 ~~representing an organization that devotes at least 50 percent of its~~
29 ~~time to resolving consumer complaints. The Speaker of the~~
30 ~~Assembly and the Senate Committee on Rules shall also each~~
31 ~~appoint one public member with significant background~~
32 ~~experience in the area of health care.~~
33 ~~(D) With respect to members appointed by the Governor, if~~
34 ~~members with the qualifications specified in this subdivision are~~
35 ~~not available for service, other factors such as relevant health care~~
36 ~~experience and education shall be substituted at the discretion of~~
37 ~~the Governor.~~
38 ~~(2) Except as otherwise specified in this paragraph, all~~
39 ~~appointments to the committee shall be for a period of three years.~~
40 ~~The initial appointments shall commence January 1, 2000. Of the~~



1 initial appointments made by the Governor, four shall serve for a
2 term of one year and five shall serve for a term of two years, as
3 designated by the Governor. Of the initial appointments made by
4 the Speaker of the Assembly and the Senate Committee on Rules,
5 one member appointed by each appointing power shall serve for
6 a term of one year, and one shall serve for a term of two years, as
7 designated by the appointing power.

8 (b) The committee shall meet at least quarterly and at the call
9 of the chairperson. The director or the director's designee shall be
10 chairperson of the committee. The committee may establish its
11 own rules and procedures. All members shall serve without
12 compensation, but the consumer representatives and public
13 members shall be reimbursed from department funds for expenses
14 actually and necessarily incurred by them in the performance of
15 their duties.

16 (c) The purpose of the committee is to assist and advise the
17 director in the implementation of the director's duties under this
18 chapter and to make recommendations that it deems beneficial and
19 appropriate as to how the department may best serve the people of
20 the state. The committee shall produce an Internet-accessible
21 annual public report that will, at a minimum, contain
22 recommendations made to the director. At a minimum, the report
23 shall include the following:

24 (1) Recommendations to the director on producing a report
25 eard to the public on the comparative performance of the managed
26 care organizations overseen by the department, including health
27 care service plans and subcontracting providers, building on the
28 work of the private sector and other government entities and
29 including complaint information received by the state.

30 (2) (A) The committee's top five recommendations for
31 improving the health care delivery system and quality of care
32 taking into consideration information received from the public.

33 (B) To assist the committee in formulating its
34 recommendations, the views and suggestions of the public should
35 be solicited. The committee shall accompany the director at least
36 twice each year for public hearings (with at least one in northern
37 California and at least one in southern California).

38 (C) This report shall be delivered to the director, the Governor,
39 and to the appropriate policy committees of the Legislature.



1 ~~(d) The director shall consult with the advisory committee on~~
2 ~~regulations and the recommendations of the committee shall be~~
3 ~~made a part of the record with regard to these regulations. The~~
4 ~~committee shall be given at least 40 days to review and comment~~
5 ~~on regulations prior to setting a notice of hearing for proposed~~
6 ~~regulations. Nothing in this subdivision prohibits the director from~~
7 ~~promulgating emergency regulations pursuant to the provisions of~~
8 ~~the Administrative Procedure Act. The director shall discuss~~
9 ~~budget changes relating to the administration of this chapter with~~
10 ~~the committee, and the committee may make recommendations to~~
11 ~~the director regarding the proposed budget changes.~~

12 ~~(e) The advisory committee shall hold public meetings in areas~~
13 ~~of the state where coverage by health care service plans is expected~~
14 ~~to be withdrawn. The meetings shall involve health care service~~
15 ~~plans, health care providers, residents of the affected areas,~~
16 ~~advocates, and government officials. The advisory committee~~
17 ~~shall provide notice of those meetings to interested parties and to~~
18 ~~the public.~~

19 ~~SEC. 2.~~—Section 1366.1 is added to the Health and Safety
20 Code, to read:

21 1366.1. (a) The department shall adopt regulations on or
22 before July 1, 2003, that establish an extended geographic
23 accessibility standard for access to health care providers served by
24 a health care service plan in counties with a population of 500,000
25 or less, and that, as of January 1, 2002, have two or fewer health
26 care service plans providing coverage to the entire county in the
27 commercial market.

28 (b) This section shall not apply to specialized health care
29 service plans or health care service plan contracts that provide
30 benefits to enrollees through any of the following:

- 31 (1) Preferred provider contracting arrangements.
- 32 (2) The Medi-Cal program.
- 33 (3) The Healthy Families program.

34 (c) *(1) At least 30 days before a health care service plan files*
35 *for modification of its license with the department in order to*
36 *withdraw from a county with a population of 500,000 or less, or*
37 *a portion of that county, the health care service plan shall hold a*
38 *public meeting in the county or portion of the county from which*
39 *it intends to withdraw, and shall do all of the following:*



1 (A) Provide notice announcing the public meeting at least 30
2 days prior to the public meeting to all affected enrollees, health
3 care providers, advocates, public officials, and other interested
4 parties.

5 (B) Provide notice announcing the public meeting at least 30
6 days prior to the public meeting in a newspaper of general
7 circulation within the affected county or portion of the affected
8 county.

9 (C) At the public meeting, allow testimony, which may be
10 limited to a certain length of time by the health care service plan,
11 of all interested parties.

12 (D) Send a summary of the comments received at the public
13 meeting to the department.

14 (E) Send a summary of the comments received at the public
15 meeting to the Centers for Medicare and Medicaid Services if the
16 modification would affect Medicare beneficiaries.

17 (F) File with the department for review, no less than 30 days
18 prior to the date of mailing or publication, the notices required
19 under subparagraphs (A) and (B).

20 (2) A representative of the department shall attend the public
21 meeting.

22 ~~SEC. 3.~~

23 SEC. 2. No reimbursement is required by this act pursuant to
24 Section 6 of Article XIII B of the California Constitution because
25 the only costs that may be incurred by a local agency or school
26 district will be incurred because this act creates a new crime or
27 infraction, eliminates a crime or infraction, or changes the penalty
28 for a crime or infraction, within the meaning of Section 17556 of
29 the Government Code, or changes the definition of a crime within
30 the meaning of Section 6 of Article XIII B of the California
31 Constitution.

