

ASSEMBLY BILL

No. 1795

Introduced by Assembly Member Reyes

January 15, 2002

An act to add Section 1367.03 to the Health and Safety Code, and to add Section 10123.146 to the Insurance Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

AB 1795, as introduced, Reyes. Health care coverage: contracts with rural hospitals.

Existing law provides for regulation of health care service plans by the Department of Managed Health Care and for regulation of disability insurers by the Insurance Commissioner. Existing law provides that a willful violation of provisions governing health care service plans is a crime.

This bill would require certain health care service plans and disability insurers to contract with rural hospitals, as defined, for provision of health care to enrollees and insureds. Because a willful violation of this provision with regard to a health care service plan would be a crime, the bill would impose a state-mandated local program by creating 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 1367.03 is added to the Health and
2 Safety Code, to read:
3 1367.03. (a) Every health care service plan that covers
4 hospital, medical, or surgical expenses in this state shall contract
5 with all rural hospitals in this state for provision of health care to
6 enrollees.
7 (b) As used in this section, “rural hospital” shall have the same
8 meaning as “primary health service hospital,” as that term is
9 defined in Section 1339.9.

10 SEC. 2. Section 10123.146 is added to the Insurance Code, to
11 read:
12 10123.146. (a) Every insurer issuing group or individual
13 policies of disability insurance that cover hospital, medical, or
14 surgical expenses in this state shall contract with all rural hospitals
15 in this state for provision of health care to insureds.
16 (b) As used in this section, “rural hospital” shall have the same
17 meaning as “primary health service hospital,” as that term is
18 defined in Section 1339.9 of the Health and Safety Code.

19 SEC. 3. No reimbursement is required by this act pursuant to
20 Section 6 of Article XIII B of the California Constitution because
21 the only costs that may be incurred by a local agency or school
22 district will be incurred because this act creates a new crime or
23 infraction, eliminates a crime or infraction, or changes the penalty
24 for a crime or infraction, within the meaning of Section 17556 of
25 the Government Code, or changes the definition of a crime within
26 the meaning of Section 6 of Article XIII B of the California
27 Constitution.

