

AMENDED IN SENATE MAY 23, 2001
AMENDED IN SENATE APRIL 30, 2001
AMENDED IN SENATE APRIL 16, 2001
AMENDED IN SENATE MARCH 26, 2001

SENATE BILL

No. 604

Introduced by Senator Vasconcellos
(~~Coauthor: Senator Kuehl~~)
(~~Coauthor: Assembly Member Aroner~~)
(Coauthors: *Senators Kuehl and Romero*)
(Coauthors: *Assembly Members Aroner and Strom-Martin*)

February 22, 2001

An act to amend Section 1347.1 of, and to add Section 1373.15 to, the Health and Safety Code, and to add Section 10178.4 to the Insurance Code, relating to health care.

LEGISLATIVE COUNSEL'S DIGEST

SB 604, as amended, Vasconcellos. Health care service plans and disability insurers.

Existing law, the Knox-Keene Health Care Service Plan Act of 1975, regulates health care service plans. Under existing law, health care service plans and disability insurers are required to provide coverages for specified types of health care that are subject to a copayment or deductible. A willful violation of the act is a misdemeanor.

This bill would create the Health and Wellness Promotion Advisory Subcommittee under the Clinical Advisory Panel in the Department of Managed Health Care. The duties of this subcommittee would be to advise and make recommendations to the Legislature pertaining to

revisions of medical testing and services deemed by the subcommittee to be appropriate for the health promotion benefit required by the bill and to set and annually augment the maximum payment to providers for required testing and services.

This bill would require every health care service plan and disability insurer, *except as specified*, to provide a health promotion benefit with certain tests and services to its subscribers with copayments or deductibles not exceeding \$10.

Because a violation of the provisions of the bill would be a crime, the bill would impose a state-mandated local program.

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 1347.1 of the Health and Safety Code
 2 is amended to read:
 3 1347.1. (a) There is established in the department a Clinical
 4 Advisory Panel consisting of five members appointed by the
 5 director. These members shall be professors of medicine from
 6 California's public and private medical schools and, additionally,
 7 two of the members shall be practicing physicians. The purpose of
 8 the advisory panel shall be to provide expert assistance to the
 9 director in ensuring that the external independent review system
 10 is meeting the quality standards necessary to protect the public's
 11 interest. The panel shall also assist the director with other clinical
 12 issues as needed, such as recommending approaches to globally
 13 reducing clinical errors, improving patient safety, increasing the
 14 practice of evidence-based medicine, and catalyzing clinical
 15 studies when a clear need for additional clinical evidence becomes
 16 evident. The panel shall review the decisions made in external
 17 review to ensure that the decisions are consistent with best
 18 practices and make recommendations for improvements where



1 necessary. The panel shall meet quarterly and shall have staff
2 provided as necessary.

3 (b) The Health and Wellness Promotion Advisory
4 Subcommittee is hereby created under the Clinical Advisory
5 Panel. The subcommittee shall be appointed by the director and
6 consist of three members, each of whom has a background in
7 epidemiology and a demonstrated professional expertise in
8 services, issues, or programs relating to health wellness
9 promotion, who are state residents.

10 (1) The subcommittee shall advise and make recommendations
11 annually to the Legislature pertaining to any revisions of medical
12 testing and services that are deemed by the subcommittee to be
13 appropriate for health promotion and that will encourage health
14 care consumers to engage in healthy lifestyle behaviors that will
15 result in a reduction of the long-term costs of providing health
16 care.

17 (2) In deciding whether a recommendation should be made to
18 add an additional medical test or service to those currently required
19 by Section 1373.15 of this code or Section 10178.4 of the
20 Insurance Code, the subcommittee shall consider the benefits as
21 well as the cost to provide the medical test or service.

22 (3) To assist the subcommittee in its consideration, it shall
23 select two organizations that have established expertise in the areas
24 of epidemiology, sensitivity and predictive value screening,
25 disease protection, and health promotion tests.

26 (4) No additional test or service shall be added to those required
27 under Section 1373.15 of this code or Section 10178.4 of the
28 Insurance Code unless (A) both organizations selected by the
29 subcommittee agree that the medical test or counseling service will
30 improve the quality of life, prolong good quality life, or reduce
31 mortality and (B) the subcommittee, subsequent to the agreement
32 of both organizations, recommends that the additional test or
33 service be made.

34 (5) The subcommittee shall have the authority to set and
35 annually augment the maximum payment to providers for those
36 tests or services required by subdivision (b) of Section 1373.15 of
37 this code and Section 10178.4 of the Insurance Code.

38 (c) *This section shall not be construed to do the following:*

39 (1) *Limit the amount, duration, or scope of services required to*
40 *be provided to Medi-Cal enrollees including, but not limited to,*



1 *required screening services under the Early, Periodic Screening,*
2 *Diagnosis and Treatment Program (EPSDT).*

3 (2) *Permit copayments in the Medi-Cal program that are not*
4 *otherwise authorized under state or federal law.*

5 SEC. 2. Section 1373.15 is added to the Health and Safety
6 Code, to read:

7 1373.15. (a) Every health care service plan contract that is
8 issued, amended, delivered, or renewed in this state that provides
9 hospital, medical, or surgical benefits shall provide for an annual
10 health wellness promotion benefit with a copayment or deductible
11 not to exceed ten dollars (\$10) for the enrollee or subscriber. This
12 benefit shall be consistent with the tests and services as published
13 in the “Guide to Preventive Services” by the United States
14 Preventive Services Task Force.

15 (b) Health care service plan contracts that provide benefits to
16 enrollees through preferred provider contracting arrangements,
17 subject to all other terms and conditions of the contract that apply
18 generally to all other benefits, shall provide for an annual health
19 wellness promotion benefit with a copayment or deductible not to
20 exceed ten dollars (\$10) for the enrollee or subscriber. This benefit
21 shall be consistent with the tests and services as published in the
22 “Guide to Preventive Services” by the United States Preventive
23 Services Task Force.

24 (c) A health care service plan that contracts directly with an
25 individual provider or provider organization shall not delegate the
26 risk adjusted treatment cost of providing services under this
27 section unless the requirements of Section 1375.5 are met.

28 (d) *This section shall not be construed to do the following:*

29 (1) *Limit the amount, duration, or scope of services required to*
30 *be provided to Medi-Cal enrollees including, but not limited to,*
31 *required screening services under the Early, Periodic Screening,*
32 *Diagnosis and Treatment Program (EPSDT).*

33 (2) *Permit copayments in the Medi-Cal program that are not*
34 *otherwise authorized under state or federal law.*

35 SEC. 3. Section 10178.4 is added to the Insurance Code, to
36 read:

37 10178.4. (a) Every insurer issuing, amending, delivering, or
38 renewing group or individual policies of disability insurance that
39 cover hospital, medical, or surgical benefits shall provide
40 coverage with a copayment or deductible not to exceed ten dollars



1 (\$10) to any insured for an annual health wellness promotion
2 benefit, subject to all other terms and conditions of the contract
3 that apply generally to all other benefits. This benefit shall be
4 consistent with the tests and services as published in the “Guide
5 to Preventive Services” by the United States Preventive Services
6 Task Force.

7 *(b) This section shall not apply to vision-only, dental-only,*
8 *accident-only, specified disease, hospital indemnity, Medicare*
9 *supplement, CHAMPUS supplement, long-term care, or disability*
10 *income insurance, except that for accident-only, specified disease,*
11 *or hospital indemnity insurance, coverage for benefits under this*
12 *section shall apply to the extent that the benefits are covered under*
13 *the general terms and conditions that apply to all other benefits*
14 *under the policy or contract. Nothing in this section shall be*
15 *construed as imposing a new benefit mandate on accident-only,*
16 *specified disease, or hospital indemnity insurance.*

17 *(c) This section shall not be construed to do the following:*

18 *(1) Limit the amount, duration, or scope of services required to*
19 *be provided to Medi-Cal enrollees including, but not limited to,*
20 *required screening services under the Early, Periodic Screening,*
21 *Diagnosis and Treatment Program (EPSDT).*

22 *(2) Permit copayments in the Medi-Cal program that are not*
23 *otherwise authorized under state or federal law.*

24 SEC. 4. No reimbursement is required by this act pursuant to
25 Section 6 of Article XIII B of the California Constitution because
26 the only costs that may be incurred by a local agency or school
27 district will be incurred because this act creates a new crime or
28 infraction, eliminates a crime or infraction, or changes the penalty
29 for a crime or infraction, within the meaning of Section 17556 of
30 the Government Code, or changes the definition of a crime within
31 the meaning of Section 6 of Article XIII B of the California
32 Constitution.

