

AMENDED IN SENATE APRIL 4, 2006

SENATE BILL

No. 1764

Introduced by Senator Runner

February 24, 2006

~~An act to amend Section 1363 of the Health and Safety Code, relating to health care coverage. An act to amend Sections 48000 and 48010 of, and to add Section 48012 to, the Education Code, relating to pupil admission.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 1764, as amended, Runner. ~~Health care coverage: disclosures. Kindergarten: age of admission.~~

Existing law requires a child to be admitted to kindergarten at the beginning of a school year, or at any time later in the same year, if the child will have his or her 5th birthday on or before December 2 of that school year. Existing law requires a child to be admitted to the 1st grade of an elementary school during the first month of a school year if the child will have his or her 6th birthday on or before December 2 of that school year.

This bill would instead require that a child be admitted to kindergarten at the beginning of a school year, or at any time later in the same year, if the child will have his or her 5th birthday on or before September 1 of that school year. The bill would also require that a child be admitted to 1st grade of an elementary school during the first month of a school year if the child will have his or her 6th birthday on or before September 1 of that school year.

This bill would provide that any savings realized as a result of this change in age for admission to kindergarten and 1st grade be

appropriated to increase access to preschool programs for at-risk 4-year-old children.

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. Existing law requires each plan to use disclosure forms or materials containing information regarding the benefits, services, and terms of the plan contract.

~~This bill would make nonsubstantive changes to these provisions.~~

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

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

1 SECTION 1. This act shall be known, and may be cited, as
2 the School Readiness Act of 2007.

3 SEC. 2. The Legislature hereby finds and declares all of the
4 following:

5 (a) By delaying the age at which children are permitted to
6 enroll in kindergarten, California’s children will be better
7 prepared to enter into the academic environment that is required
8 by the kindergarten curriculum.

9 (b) Studies have shown that at-risk children benefit the most
10 from preschool programs.

11 (c) The change described in subdivision (a) will result in a
12 decrease in the number of pupils enrolled in kindergarten and
13 that decreased enrollment will affect the class size in each
14 subsequent grade level through and including the 2018–19
15 school year. It is estimated that there will be a 25 percent
16 decrease in the enrollment of kindergarten classes that will affect
17 the subsequent grade levels over the 13-year period.

18 (d) The decrease in enrollment described in subdivision (c)
19 will necessarily decrease the number of units of average daily
20 attendance that a school district may claim for the purpose of
21 computing the amount of state revenue limit aid a school district
22 may receive, thereby allowing the state to realize significant
23 cost-savings.

24 SEC. 3. Section 48000 of the Education Code is amended to
25 read:

26 48000. (a) (1) A child shall be admitted to a kindergarten at
27 the beginning of a school year, or at any later time in the same

1 year, if the child will have his or her fifth birthday on or before
2 ~~December 2~~ *September 1* of that school year.

3 (2) A child who will have his or her fifth birthday on or before
4 ~~December 2~~ *September 1* may be admitted to the prekindergarten
5 summer program maintained by the school district for pupils who
6 will be enrolling in kindergarten in September.

7 (b) The governing board of any school district maintaining one
8 or more kindergartens may, on a case-by-case basis, admit to a
9 kindergarten a child having attained the age of five years at any
10 time during the school year with the approval of the parent or
11 guardian, subject to the following conditions:

12 (1) The governing board determines that the admittance is in
13 the best interests of the child.

14 (2) The parent or guardian is given information regarding the
15 advantages and disadvantages and any other explanatory
16 information about the effect of this early admittance.

17 *SEC. 4. Section 48010 of the Education Code is amended to*
18 *read:*

19 48010. A child shall be admitted to the first grade of an
20 elementary school during the first month of a school year if the
21 child will have his or her sixth birthday on or before ~~December~~
22 ~~2nd~~ *September 1* of that school year. For good cause, the
23 governing board of a school district may permit a child of proper
24 age to be admitted to a class after the first school month of the
25 school term.

26 *SEC. 5. Section 48012 is added to the Education Code, to*
27 *read:*

28 48012. *Any savings realized by the state as a result of the*
29 *change in age for admission to kindergarten pursuant to*
30 *subdivision (a) of Section 48000, as amended, and to first grade*
31 *pursuant to Section 48010, as amended by Senate Bill 1764 of*
32 *the 2005–06 Regular Session, shall be appropriated to increase*
33 *access to preschool programs for at-risk children that are four*
34 *years old and who do not meet the minimum age requirement for*
35 *kindergarten admission.*

36 ~~SECTION 1. Section 1363 of the Health and Safety Code is~~
37 ~~amended to read:~~

38 ~~1363. (a) The director shall require the use by each plan of~~
39 ~~disclosure forms or materials containing information regarding~~
40 ~~the benefits, services, and terms of the plan contract as the~~

1 director may require, so as to afford the public, subscribers, and
2 enrollees with a full and fair disclosure of the provisions of the
3 plan in readily understood language and in a clearly organized
4 manner. The director may require that the materials be presented
5 in a reasonably uniform manner in order to facilitate comparisons
6 between plan contracts of the same or other types of plans.
7 Nothing contained in this chapter shall preclude the director from
8 permitting the disclosure form to be included with the evidence
9 of coverage or plan contract.

10 The disclosure form shall provide for at least the following
11 information, in concise and specific terms, relative to the plan,
12 together with additional information as may be required by the
13 director, in connection with the plan or plan contract:

14 (1) The principal benefits and coverage of the plan, including
15 coverage for acute care and subacute care.

16 (2) The exceptions, reductions, and limitations that apply to
17 the plan.

18 (3) The full premium cost of the plan.

19 (4) Any copayment, coinsurance, or deductible requirements
20 that may be incurred by the member or the member's family in
21 obtaining coverage under the plan.

22 (5) The terms under which the plan may be renewed by the
23 plan member, including any reservation by the plan of any right
24 to change premiums.

25 (6) A statement that the disclosure form is a summary only,
26 and that the plan contract itself should be consulted to determine
27 governing contractual provisions. The first page of the disclosure
28 form shall contain a notice that conforms with all of the
29 following conditions:

30 (A) (i) States that the evidence of coverage discloses the
31 terms and conditions of coverage.

32 (ii) States, with respect to individual plan contracts, small
33 group plan contracts, and any other group plan contracts for
34 which health care services are not negotiated, that the applicant
35 has a right to view the evidence of coverage prior to enrollment,
36 and, if the evidence of coverage is not combined with the
37 disclosure form, the notice shall specify where the evidence of
38 coverage can be obtained prior to enrollment.

39 (B) Includes a statement that the disclosure and the evidence
40 of coverage should be read completely and carefully and that

1 individuals with special health care needs should read carefully
2 those sections that apply to them.

3 (C) Includes the plan's telephone number or numbers that may
4 be used by an applicant to receive additional information about
5 the benefits of the plan or a statement where the telephone
6 number or numbers are located in the disclosure form.

7 (D) For individual contracts, and small group plan contracts as
8 defined in Article 3.1 (commencing with Section 1357), the
9 disclosure form shall state where the health plan benefits and
10 coverage matrix is located.

11 (E) Is printed in type no smaller than that used for the
12 remainder of the disclosure form and is displayed prominently on
13 the page.

14 (7) A statement as to when benefits shall cease in the event of
15 nonpayment of the prepaid or periodic charge and the effect of
16 nonpayment upon an enrollee who is hospitalized or undergoing
17 treatment for an ongoing condition.

18 (8) To the extent that the plan permits a free choice of provider
19 to its subscribers and enrollees, the statement shall disclose the
20 nature and extent of choice permitted and the financial liability
21 that is, or may be, incurred by the subscriber, enrollee, or a third
22 party by reason of the exercise of that choice.

23 (9) A summary of the provisions required by subdivision (g)
24 of Section 1373, if applicable.

25 (10) If the plan utilizes arbitration to settle disputes, a
26 statement of that fact.

27 (11) A summary of, and a notice of the availability of, the
28 process the plan uses to authorize, modify, or deny health care
29 services under the benefits provided by the plan, pursuant to
30 Sections 1363.5 and 1367.01.

31 (12) A description of any limitations on the patient's choice of
32 primary care physician, specialty care physician, or nonphysician
33 health care practitioner, based on service area and limitations on
34 the patient's choice of acute care hospital care, subacute or
35 transitional inpatient care, or skilled nursing facility.

36 (13) General authorization requirements for referral by a
37 primary care physician to a specialty care physician or a
38 nonphysician health care practitioner.

39 (14) Conditions and procedures for disenrollment.

1 ~~(15) A description as to how an enrollee may request~~
2 ~~continuity of care as required by Section 1373.96 and request a~~
3 ~~second opinion pursuant to Section 1383.15.~~

4 ~~(16) Information concerning the right of an enrollee to request~~
5 ~~an independent review in accordance with Article 5.55~~
6 ~~(commencing with Section 1374.30).~~

7 ~~(17) A notice as required by Section 1364.5.~~

8 ~~(b) (1) As of July 1, 1999, the director shall require each plan~~
9 ~~offering a contract to an individual or small group to provide~~
10 ~~with the disclosure form for individual and small group plan~~
11 ~~contracts a uniform health plan benefits and coverage matrix~~
12 ~~containing the plan's major provisions in order to facilitate~~
13 ~~comparisons between plan contracts. The uniform matrix shall~~
14 ~~include the following category descriptions together with the~~
15 ~~corresponding copayments and limitations in the following~~
16 ~~sequence:~~

17 ~~(A) Deductibles.~~

18 ~~(B) Lifetime maximums.~~

19 ~~(C) Professional services.~~

20 ~~(D) Outpatient services.~~

21 ~~(E) Hospitalization services.~~

22 ~~(F) Emergency health coverage.~~

23 ~~(G) Ambulance services.~~

24 ~~(H) Prescription drug coverage.~~

25 ~~(I) Durable medical equipment.~~

26 ~~(J) Mental health services.~~

27 ~~(K) Chemical dependency services.~~

28 ~~(L) Home health services.~~

29 ~~(M) Other.~~

30 ~~(2) The following statement shall be placed at the top of the~~
31 ~~matrix in all capital letters in at least 10-point boldface type:~~

32 ~~THIS MATRIX IS INTENDED TO BE USED TO HELP YOU~~
33 ~~COMPARE COVERAGE BENEFITS AND IS A SUMMARY~~
34 ~~ONLY. THE EVIDENCE OF COVERAGE AND PLAN~~
35 ~~CONTRACT SHOULD BE CONSULTED FOR A DETAILED~~
36 ~~DESCRIPTION OF COVERAGE BENEFITS AND~~
37 ~~LIMITATIONS.~~

38 ~~(c) Nothing in this section shall prevent a plan from using~~
39 ~~appropriate footnotes or disclaimers to reasonably and fairly~~

1 describe coverage arrangements in order to clarify any part of the
2 matrix that may be unclear.

3 ~~(d) All plans, solicitors, and representatives of a plan shall,~~
4 ~~when presenting any plan contract for examination or sale to an~~
5 ~~individual prospective plan member, provide the individual with~~
6 ~~a properly completed disclosure form, as prescribed by the~~
7 ~~director pursuant to this section for each plan so examined or~~
8 ~~sold.~~

9 ~~(e) In the case of group contracts, the completed disclosure~~
10 ~~form and evidence of coverage shall be presented to the~~
11 ~~contractholder upon delivery of the completed health care service~~
12 ~~plan agreement.~~

13 ~~(f) Group contractholders shall disseminate copies of the~~
14 ~~completed disclosure form to all persons eligible to be a~~
15 ~~subscriber under the group contract at the time those persons are~~
16 ~~offered the plan. If the individual group members are offered a~~
17 ~~choice of plans, separate disclosure forms shall be supplied for~~
18 ~~each plan available. Each group contractholder shall also~~
19 ~~disseminate or cause to be disseminated copies of the evidence of~~
20 ~~coverage to all applicants, upon request, prior to enrollment and~~
21 ~~to all subscribers enrolled under the group contract.~~

22 ~~(g) In the case of conflicts between the group contract and the~~
23 ~~evidence of coverage, the provisions of the evidence of coverage~~
24 ~~shall be binding upon the plan notwithstanding any provisions in~~
25 ~~the group contract that may be less favorable to subscribers or~~
26 ~~enrollees.~~

27 ~~(h) In addition to the other disclosures required by this section,~~
28 ~~every health care service plan and any agent or employee of the~~
29 ~~plan shall, when presenting a plan for examination or sale to any~~
30 ~~individual purchaser or the representative of a group consisting~~
31 ~~of 25 or fewer individuals, disclose in writing the ratio of~~
32 ~~premium costs to health services paid for plan contracts with~~
33 ~~individuals and with groups of the same or similar size for the~~
34 ~~plan's preceding fiscal year. A plan may report that information~~
35 ~~by geographic area, provided the plan identifies the geographic~~
36 ~~area and reports information applicable to that geographic area.~~

1 ~~(i) Subdivision (b) shall not apply to any coverage provided by~~
2 ~~a plan for the Medi-Cal program or the Medicare program~~
3 ~~pursuant to Title XVIII and Title XIX of the Social Security Act.~~

O