

AMENDED IN ASSEMBLY APRIL 1, 2008

CALIFORNIA LEGISLATURE—2007—08 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2653**

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**Introduced by Assembly Member Garcia**

February 22, 2008

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An act to add Section 1366.1.1 to the Health and Safety Code, to add Section 12693.55 to the Insurance Code, and to add Section 14093.01 to the Welfare and Institutions Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

AB 2653, as amended, Garcia. Hospital access pass.

Existing law provides for regulation of health care service plans by the Department of Managed Health Care. Existing law requires the department to adopt regulations that establish an extended geographic accessibility standard for access to health care providers served by health care service plans in counties with a 500,000 population or less that have 2 or fewer plans providing coverage to the entire county in the commercial market. Existing law creates various programs to provide health care coverage to persons with limited incomes, including the Healthy Families Program administered by the Managed Risk Medical Insurance Board and the Medi-Cal program administered by the State Department of Health Care Services.

This bill would authorize a health plan participating in the Healthy Families Program or the Medi-Cal program to request a hospital access pass from its respective administering agency if the health plan is unable to reach an agreement with a hospital in order to meet the geographic accessibility standard. The bill would require hospital services thereafter provided to plan members to be reimbursed at specified rates set by the California Medical Assistance Commission.

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

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

1 SECTION 1. Section 1366.1.1 is added to the Health and Safety  
 2 Code, to read:  
 3 1366.1.1. (a) Notwithstanding any other provision of law, a  
 4 health care service plan *participating in a publicly funded program*  
 5 that is granted a hospital access pass pursuant to Section 12693.55  
 6 of the Insurance Code or Section 14093.05 of the Welfare and  
 7 Institutions Code shall be considered as meeting the geographic  
 8 accessibility standards under this chapter.  
 9 (b) “Hospital access pass” means a waiver of the geographic  
 10 accessibility standards established by the department pursuant to  
 11 this chapter.  
 12 SEC. 2. Section 12693.55 is added to the Insurance Code, to  
 13 read:  
 14 12693.55. (a) (1) A participating health plan may request a  
 15 hospital access pass from the Managed Risk Medical Insurance  
 16 Board if, after 60 days of good faith ~~effort~~ *negotiation* on the part  
 17 of the plan, the hospital and the plan are unable to reach an  
 18 agreement on a contract. *A participating health plan shall make a*  
 19 *request for a hospital access pass within 15 days after the 60*  
 20 *consecutive days of good faith negotiation.*  
 21 ~~(2) If the board determines that a hospital access pass is~~  
 22 ~~warranted, the hospital shall grant access to any participating health~~  
 23 ~~plan member.~~  
 24 *(2) The board shall grant a hospital access pass unless the*  
 25 *hospital can demonstrate that the plan has acted in bad faith. Once*  
 26 *a pass is granted by the board, the hospital shall grant access to*  
 27 *any participating health plan member.*  
 28 (b) Any hospital service provided to a participating health plan  
 29 member pursuant to this section shall be reimbursed at the area  
 30 prevailing rates established by the California Medical Assistance  
 31 Commission.  
 32 (c) “Hospital access pass” means a waiver of the geographic  
 33 accessibility standards established by the Department of Managed  
 34 Health Care pursuant to Chapter 2.2 (commencing with Section  
 35 1340) of Division 2 of the Health and Safety Code.

1 (d) “Good faith negotiation” means the efforts undertaken by  
2 the participating health plan to contract with a hospital to satisfy  
3 the access requirements reflecting any commensurate rate increase  
4 provided by the board to the participating health plan.

5 SEC. 3. Section 14093.01 is added to the Welfare and  
6 Institutions Code, to read:

7 14093.01. (a) As used in this section, the following terms shall  
8 have the following meanings:

9 (1) “Participating health plan” means any entity contracting  
10 with the director pursuant to Section 14093.05 of the Welfare and  
11 Institutions Code.

12 (2) “Hospital access pass” means a waiver of the geographic  
13 accessibility standards established by the Department of Managed  
14 Health Care pursuant to Chapter 2.2 (commencing with Section  
15 1340) of Division 2 of the Health and Safety Code.

16 (3) “Good faith negotiation” means the efforts undertaken by  
17 the participating health plan to contract with a hospital to satisfy  
18 the access requirements reflecting any commensurate rate increase  
19 provided by the department to the participating health plan.

20 (b) (1) A participating health plan may request a hospital access  
21 pass from the State Department of Health Care Services if, after  
22 60 days of good faith ~~effort~~ negotiation on the part of the plan, the  
23 hospital and the plan are unable to reach an agreement on a  
24 contract. A participating health plan shall make a request for a  
25 hospital access pass within 15 days after the 60 consecutive days  
26 of good faith negotiation.

27 ~~(2) If the department determines that a hospital access pass is~~  
28 ~~warranted, the hospital shall grant access to any eligible~~  
29 ~~participating health plan member, unless the hospital elects to~~  
30 ~~forfeit its status as a Medi-Cal provider.~~

31 (2) The department shall grant a hospital access pass unless  
32 the hospital can demonstrate that the plan has acted in bad faith.  
33 Once a pass is granted by the department, the hospital shall grant  
34 access to any eligible participating health plan member, unless  
35 the hospital elects to forfeit its status as a Medi-Cal provider.

36 (3) Any hospital service provided to an eligible participating  
37 health plan member pursuant to this section shall be reimbursed

- 1 at the area prevailing rates established by the California Medical
- 2 Assistance Commission.

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