

AMENDED IN SENATE AUGUST 4, 2008

AMENDED IN ASSEMBLY MAY 23, 2008

AMENDED IN ASSEMBLY APRIL 10, 2008

CALIFORNIA LEGISLATURE—2007—08 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2910**

---

---

**Introduced by Assembly Member Huffman**

February 22, 2008

---

---

An act to add Section 1344.5 to the Health and Safety Code, relating to health care service plans.

LEGISLATIVE COUNSEL'S DIGEST

AB 2910, as amended, Huffman. 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. Existing law authorizes the director of the department to adopt, amend, and rescind rules, forms, and orders as are necessary to carry out the provisions of the act. Existing law authorizes the director to waive any requirement of those rules or forms in specified situations, and authorizes the director to adopt rules or issue orders in the public interest exempting certain persons or plan contracts from the provisions of the act. Existing law also authorizes the director, upon request of the Director of Health Care Services, to exempt from the act any county-operated pilot program contracting with the Department of Health Care Services, as specified. Existing law requires a health care service plan contract to provide subscribers and enrollees all basic health care services, as specified, but authorizes the director to, for good cause, by rule or order, exempt a plan contract or any class of plan contract from that requirement.

This bill would require the Director of the Department of Managed Health Care, in taking any action to waive the requirement of a rule or form, to exempt persons from the act in the public interest, or to exempt plan contracts from the requirement to provide subscribers and enrollees with basic health care services, to meet specified notice, consultation, and public discussion requirements. The bill would also require the director, after granting any of the above waivers or exemptions, or, in exempting from the act, a county-operated pilot program contracting with the State Department of Health Care Services, to notify the appropriate policy and fiscal committees of the Legislature and, to post certain information on the Department of Managed Health Care’s Internet Web site, and to provide other specified notifications.

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 1344.5 is added to the Health and Safety
- 2 Code, to read:
- 3 1344.5. (a) In taking action to exempt any class of persons or
- 4 plan contracts from this chapter pursuant to subdivision (b) of
- 5 Section 1343, to waive a requirement of a rule or form pursuant
- 6 to subdivision (a) of Section 1344, or to exempt a plan contract or
- 7 any class of plan contracts from the requirement to provide all of
- 8 the basic health care services pursuant to subdivision (i) of Section
- 9 1367, the director shall do all of the following:
- 10 (1) Mail or e-mail to every person who has filed a request for
- 11 notice of regulatory action with the department *notification* that a
- 12 waiver or exemption has been requested.
- 13 (2) Provide in plain English, using a coherent and easily readable
- 14 style, the rationale for the proposed exemption or waiver and its
- 15 practical effect on health care service plan enrollees and subscribers
- 16 if the waiver or exemption is granted.
- 17 (3) Notify and consult with interested parties, including the
- 18 appropriate policy committees in the Legislature and
- 19 representatives of purchasers and patient advocacy organizations,
- 20 regarding requests for waivers or exemptions at least 45 days prior
- 21 to taking action on a waiver or exemption request.

1 (4) To increase public participation, involve parties who would  
2 be affected by the proposed waiver or exemption in public  
3 discussions regarding the waiver or exemption request.

4 (5) Post on its *Internet* Web site information related to the  
5 request for a waiver or exemption in order to assist the public to  
6 gain access to the proposed waiver or exemption.

7 (b) The director, after granting a waiver or exemption pursuant  
8 to subdivision (b) or (c) of Section 1343, subdivision (a) of Section  
9 1344, or subdivision (i) of Section 1367, shall notify the appropriate  
10 policy and fiscal committees of the Legislature and prepare and  
11 post on the department's *Internet* Web site the order granting the  
12 waiver or exemption, the reasons for granting the waiver or  
13 exemption, including, in the case of an exemption under  
14 subdivision (b) of Section 1343, the findings required by that  
15 subdivision, and what recourse an enrollee or subscriber of a plan  
16 has when a waiver or exemption is granted. *The director shall*  
17 *e-mail every person who has filed a request for notice of regulatory*  
18 *action with the department a notification that the waiver or*  
19 *exemption has been granted and the order is available on the*  
20 *department's Internet Web site.*