

AMENDED IN SENATE AUGUST 20, 2010

CALIFORNIA LEGISLATURE—2009–10 REGULAR SESSION

ASSEMBLY BILL

No. 1825

Introduced by Assembly Member De La Torre

February 11, 2010

An act to add Section 10123.865 to, *and to add and repeal Section 10123.866 of*, the Insurance Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

AB 1825, as amended, De La Torre. Maternity services.

Existing law provides for the regulation of health insurers by the Department of Insurance. Under existing law, a health insurer that provides maternity coverage may not restrict inpatient hospital benefits, as specified, and is required to provide notice of the maternity services coverage.

This bill would require ~~new forms for~~ health insurance policies ~~submitted to the department~~ *issued, amended, or renewed on or after January July 1, 2011, and prior to January 1, 2014*, to provide coverage for maternity services, as defined ~~and would require health insurance policies issued, amended, or renewed on or after January 1, 2014, to provide coverage for maternity services consistent with the federal Patient Protection and Affordable Care Act, as specified.~~ *With respect to policy forms on file with the department as of January 1, 2011, the bill would require health insurers to submit to the department, on or before March 1, 2011, revised policy forms that provide coverage for maternity services and would require insurers to include that coverage in the corresponding policies that are issued, amended, or renewed following the department's approval of the revised forms, as specified. The bill would also, until January 1, 2014, to the extent permitted under*

federal law, authorize certain individual health insurance policies to include an exclusionary period of up to 12 months on maternity services, as specified, and would require the insurer to provide a specified notice regarding that exclusionary period at the time of solicitation for the policy.

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. The Legislature finds and declares the following:

2 (a) In actual practice, health care service plans have been
3 required by the Knox-Keene Health Care Service Plan Act of 1975
4 (Chapter 2.2 (commencing with Section 1340) of Division 2 of
5 the Health and Safety Code) to provide maternity services as a
6 basic health care benefit.

7 (b) At the same time, existing law does not require health
8 insurers to provide designated basic health care services and,
9 therefore, health insurers are not required to provide coverage for
10 maternity services.

11 (c) Therefore, it is essential to clarify that all health care
12 coverage made available to California consumers, whether issued
13 by health care service plans regulated by the Department of
14 Managed Health Care or by health insurers regulated by the
15 Department of Insurance, must include maternity services.

16 SEC. 2. Section 10123.865 is added to the Insurance Code, to
17 read:

18 10123.865. (a) ~~With respect to a pending or approved~~
19 ~~individual or group health insurance policy form on file with the~~
20 ~~department as of January 1, 2011, a health insurer shall submit to~~
21 ~~the department, on or before March 1, 2011, a revised policy form~~
22 ~~that provides coverage for maternity services. The corresponding~~
23 ~~policy issued, amended, or renewed on or after 30 days following~~
24 ~~the department's approval of the revised form shall include~~
25 ~~coverage for maternity services.~~

26 (b) ~~New forms for individual or group policies of health~~
27 ~~insurance submitted to the department after January 1, 2011, shall~~
28 ~~provide coverage for maternity services. (1) A group or individual~~
29 ~~health insurance policy that is issued, amended, or renewed on or~~
30 ~~after July 1, 2011, and on or before December 31, 2013, shall~~

1 *provide coverage for maternity services. The policy shall also*
2 *comply with any other maternity coverage requirement imposed*
3 *under federal law or regulation.*

4 ~~(e)~~

5 (2) For purposes of this ~~section~~ *subdivision*, “maternity services”
6 include prenatal care, ambulatory care maternity services,
7 involuntary complications of pregnancy, neonatal care, and
8 inpatient hospital maternity care, including labor and delivery and
9 postpartum care.

10 (b) *To the extent required under federal law, a group or*
11 *individual health insurance policy issued, amended, or renewed,*
12 *on or after January 1, 2014, shall cover maternity services*
13 *consistent with the rules and regulations issued by the United*
14 *States Secretary of Health and Human Services pursuant to*
15 *subdivision (b) of Section 1302 of the federal Patient Protection*
16 *and Affordable Care Act (Public Law 111-148).*

17 ~~(d)~~

18 (c) This section shall not apply to specialized health insurance,
19 Medicare supplement insurance, short-term limited duration health
20 insurance, CHAMPUS-supplement insurance, or TRI-CARE
21 supplement insurance, or to hospital indemnity, accident-only, or
22 specified disease insurance.

23 SEC. 3. *Section 10123.866 is added to the Insurance Code, to*
24 *read:*

25 10123.866. (a) *To the extent permitted under federal law, an*
26 *individual health insurance policy that is issued, amended, or*
27 *renewed on or after July 1, 2011, and that applies a preexisting*
28 *condition provision, a waiting or affiliation period, or a waived*
29 *condition provision may include an exclusionary period of up to*
30 *12 months for maternity services, except for those services required*
31 *to be covered under federal law and those services covered under*
32 *the policy prior to July 1, 2011. An insurer shall credit the time*
33 *an individual was covered under creditable coverage against the*
34 *12-month exclusionary period, provided that the individual*
35 *becomes eligible for coverage under the succeeding insurance*
36 *policy within 62 days of termination of prior coverage, exclusive*
37 *of any waiting or affiliation period, and applies for coverage under*
38 *the succeeding insurance policy within the applicable enrollment*
39 *period.*

1 (b) A health insurer that offers an individual health insurance
2 policy with an exclusionary period for maternity services as
3 described in subdivision (a) shall make available, at the time of
4 solicitation and as part of the sales material for the policy, the
5 following notice in 12-point type:

6
7 “IMPORTANT NOTICE: PLEASE BE AWARE THAT YOU MAY
8 BE ENROLLING IN A POLICY THAT DOES NOT COVER OR
9 PROVIDE BENEFITS FOR MATERNITY CARE FOR UP TO
10 TWELVE MONTHS IMMEDIATELY FOLLOWING
11 ENROLLMENT. NO BENEFITS WILL BE PAID FOR
12 MATERNITY SERVICES DURING THIS PERIOD, AS
13 DESCRIBED IN THE CERTIFICATE OF INSURANCE.”

14
15 (c) For purposes of this section, “maternity services” has the
16 same meaning as that term is defined in Section 10123.865.

17 (d) This section shall not apply to specialized health insurance,
18 Medicare supplement insurance, short-term limited duration health
19 insurance, CHAMPUS-supplement insurance, or TRI-CARE
20 supplement insurance, or to hospital indemnity, accident-only, or
21 specified disease insurance.

22 (e) This section shall remain in effect only until January 1, 2014,
23 and as of that date is repealed, unless a later enacted statute, that
24 is enacted before January 1, 2014, deletes or extends that date.