

AMENDED IN SENATE MAY 24, 2010
AMENDED IN SENATE APRIL 21, 2010

SENATE BILL

No. 1063

Introduced by Senator Cox

February 16, 2010

An act to amend Section 12693.21 of the Insurance Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

SB 1063, as amended, Cox. Healthy Families Program.

Existing law creates the Healthy Families Program, administered by the Managed Risk Medical Insurance Board, to arrange for the provision of health care services to children less than 19 years of age who meet certain criteria, including having a limited gross household income. Existing law requires the board to establish the required copayment levels for specific benefits, as ~~specified~~. ~~Existing law also specified,~~ and prohibits copayments from exceeding the copayment level established for state employees through the Public Employees' Retirement System.

This bill would require the board to structure copayments for prescription drugs and emergency health care services in a specified manner, to the extent consistent with federal law, *and would specify that these copayments do not apply to subscribers in families with household incomes equal to or less than 150% of the federal poverty level.*

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 12693.21 of the Insurance Code is
2 amended to read:
- 3 12693.21. (a) The board may do all of the following consistent
4 with the standards in this part:
- 5 (1) Determine eligibility criteria for the program.
 - 6 (2) Determine the participation requirements of applicants,
7 subscribers, purchasing credit members, and participating health,
8 dental, and vision plans.
 - 9 (3) Determine when subscribers' coverage begins and the extent
10 and scope of coverage.
 - 11 (4) Determine family contribution amount schedules and collect
12 the contributions.
 - 13 (5) Determine who may be a family contribution sponsor and
14 provide a mechanism for sponsorship.
 - 15 (6) Provide or make available subsidized coverage through
16 participating health, dental, and vision plans, in a purchasing pool,
17 which may include the use of a purchasing credit mechanism,
18 through supplemental coverage, or through coordination with other
19 state programs.
 - 20 (7) Provide for the processing of applications, the enrollment
21 of subscribers, and the distribution of purchasing credits.
 - 22 (8) Determine and approve the benefit designs and copayments
23 required by health, dental, or vision plans participating in the
24 purchasing pool component program.
 - 25 (9) Approve those health plans eligible to receive purchasing
26 credits.
 - 27 (10) Enter into contracts.
 - 28 (11) Sue and be sued.
 - 29 (12) Employ necessary staff.
 - 30 (13) Authorize expenditures from the fund to pay program
31 expenses that exceed subscriber contributions, and to administer
32 the program as necessary.
 - 33 (14) Maintain enrollment and expenditures to ensure that
34 expenditures do not exceed amounts available in the Healthy
35 Families Fund and if sufficient funds are not available to cover
36 the estimated cost of program expenditures, the board shall institute
37 appropriate measures to limit enrollment.

1 (15) Issue rules and regulations, as necessary. Until January 1,
2 2000, any rules and regulations issued pursuant to this subdivision
3 may be adopted as emergency regulations in accordance with the
4 Administrative Procedure Act (Chapter 3.5 (commencing with
5 Section 11340) of Part 1 of Division 3 of Title 2 of the Government
6 Code). The adoption of these regulations shall be deemed an
7 emergency and necessary for the immediate preservation of the
8 public peace, health, and safety or general welfare. The regulations
9 shall become effective immediately upon filing with the Secretary
10 of State.

11 (16) Exercise all powers reasonably necessary to carry out the
12 powers and responsibilities expressly granted or imposed by this
13 part.

14 (b) (1) The board shall do both of the following to the extent
15 consistent with the limitations of Section 2103 of Title XXI of the
16 federal Social Security Act (42 U.S.C. Sec. 1397cc):

17 ~~(1)~~

18 (A) Structure copayments for prescription drugs so that the
19 copayment for a brand name drug is at least 150 percent of the
20 copayment for the equivalent generic drug, except where no generic
21 equivalent is available or where the use of the brand name drug is
22 medically necessary.

23 ~~(2)~~

24 (B) Structure copayments for emergency health care services
25 so that the copayment charged for those services is at least 150
26 percent of the highest copayment charged for nonpreventive health
27 care services. The emergency health care services copayment shall
28 be waived if the subscriber is hospitalized.

29 (2) *The copayments established pursuant to paragraph (1) shall*
30 *not apply to a subscriber in a family with an annual household*
31 *income equal to or less than 150 percent of the federal poverty*
32 *level.*