

AMENDED IN ASSEMBLY AUGUST 20, 2010

AMENDED IN SENATE MAY 28, 2010

AMENDED IN SENATE APRIL 26, 2010

SENATE BILL

No. 1169

Introduced by Senator Lowenthal

February 18, 2010

~~An act to amend Sections 1367.01, 1371, 1371.35, and 1374.72 of, and to add Section 1370.8 to, the Health and Safety Code, and to amend Sections 10123.13, 10123.135, 10123.147, and 10144.5 of, and to add Section 10123.125 to, the Insurance Code, relating to health care coverage.~~ *An act to amend Section 17516 of the Government Code, and to amend Sections 175, 182, 186, 1055, 1055.2, 1228.5, 1228.7, 1241, 1241.6, 1410, 1675, 1701.3, 1703.6, 13176, 13193, 13204, 13220, 13261, 13274, 13285, 13291, 13304.1, 13320, 13330, 13376, 13392, 13392.5, 13395.5, 13396.7, 13426, 13442, 13521, 13522, 13523, 13523.1, 13528, 13540, 13552.4, 13553, 13576, 13578, 13580.9, 13627, 13627.4, 13755, 13800, 13801, 13903, 13904, and 13952.1 of, to amend the headings of Article 1 (commencing with Section 13300) and Article 2 (commencing with Section 13320) of Chapter 5 of Division 7 of, to amend and renumber Section 13274 of, to add Section 13248 to, and to repeal Sections 1062 and 1241.5 of, the Water Code, relating to water.*

LEGISLATIVE COUNSEL'S DIGEST

SB 1169, as amended, Lowenthal. ~~Health care coverage: claims: prior authorization: mental health.~~ *Water.*

(1) Existing law establishes the State Water Resources Control Board (state board) and the 9 California regional water quality control boards

(regional boards) as the principal state agencies with authority over matters relating to water quality. Existing law authorizes a party aggrieved by a specified decision or order issued by the state board to obtain review of the order in superior court by filing a petition for writ of mandate within 30 days after service of a copy of the state board's decision or order. Existing law authorizes a party aggrieved by a final decision or order of a regional board for which the state board denies review to obtain review of the decision or order of the regional board in superior court by filing a petition for writ of mandate within 30 days after the date on which the state board denies review.

This bill would provide that an aggrieved party must file a petition for reconsideration with the state board to exhaust that party's administrative remedies only if the initial decision or order is issued under authority delegated to an officer or employee of the state board and the state board by regulation has authorized a petition for reconsideration. The bill, with respect to a decision or order of a regional board, would specify that the authorization to obtain review of the decision or order of the regional board applies to a final decision or order of a regional board subject to review under a certain provision of law.

(2) The California Environmental Quality Act (CEQA) prescribes various timelines for commencing an action or proceeding to attack, review, set aside, void, or annul acts or decisions of a public agency on the grounds of noncompliance with CEQA.

This bill would provide that the time for filing an action or proceeding subject to these timelines for a person who seeks review of the regional board's decision or order under a specified provision of law, or who seeks reconsideration under a state board regulation authorizing a petition for reconsideration, shall commence upon the state board's completion of that review or reconsideration.

(3) Under existing law, each California regional water quality control board consists of 9 members who are appointed by the Governor and who serve 4-year terms.

This bill would extend the terms of 2 board members on each regional water quality control board, as specified, to September 30, 2014.

(4) Existing law requires that, prior to the indoor use of recycled water in a condominium project, the agency delivering the recycled water to the condominium project file a report with the regional board and receive written approval of the report from the State Department of Public Health.

This bill instead would require the agency to file the report with the State Department of Public Health.

(5) This bill would update cross-references in, and delete obsolete provisions of, the Water Code, and make various other technical or clarifying changes.

~~Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care and makes a willful violation of the act a crime. Existing law provides for the regulation of health insurers by the Department of Insurance. Existing law requires health care service plans and health insurers to have written policies and procedures establishing the process by which the plans or insurers prospectively, retrospectively, or concurrently review and approve, modify, delay, or deny, based in whole or in part on medical necessity, requests by providers of health care services for enrollees or insureds. Existing law requires health care service plans and health insurers to reimburse uncontested claims within 30 or 45 working days and specifies that a claim is contested if the plan or insurer has not received a completed claim and all information necessary to determine payer liability.~~

~~This bill would require plans and insurers to assign a tracking number to a claim or provider request for authorization, upon receipt thereof, and to provide acknowledgment of receipt thereof, including identification of the tracking number, to the provider, as specified. With respect to claims that are contested on the basis that the plan or insurer has not received all information necessary to determine payer liability for the claim, the bill would require the plan or insurer to provide acknowledgment of receipt of any of that information within 3 working days, as specified.~~

~~Existing law requires a health care service plan contract or health insurance policy to provide coverage for the diagnosis and medically necessary treatment of severe mental illnesses, as defined, of a person of any age, and of serious emotional disturbances of a child, under the same terms and conditions that apply to other medical conditions. Existing law specifies that these terms and conditions include maximum lifetime benefits, copayments, and individual family deductibles.~~

~~This bill would specify that these terms and conditions include, but are not limited to, any form of treatment limitation, or other action by a plan or insurer that may limit the receipt of the covered benefits described above.~~

~~Because a willful violation of the bill’s provisions with respect to health care service plans would be a crime, the bill would impose a state-mandated local program.~~

~~The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.~~

~~This bill would provide that no reimbursement is required by this act for a specified reason:~~

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

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

1 SECTION 1. Section 17516 of the Government Code is
 2 amended to read:

3 17516. “Executive order” means—~~any~~ *an* order, plan,
 4 requirement, rule, or regulation issued by any of the following:

5 (a) The Governor.

6 (b) ~~Any~~*An* officer or official serving at the pleasure of the
 7 Governor.

8 (c) ~~Any~~*An* agency, department, board, or commission of state
 9 government.

10 “Executive order” does not include ~~any order, plan, requirement,~~
 11 ~~rule, or regulation issued by the State Water Resources Control~~
 12 ~~Board or by any regional water quality control board pursuant to~~
 13 ~~Division 7 (commencing with Section 13000) of the Water Code.~~
 14 It is the intent of the Legislature that the ~~State Water Resources~~
 15 ~~Control Board and regional water quality control boards will not~~
 16 ~~adopt enforcement orders against publicly owned dischargers~~
 17 ~~which mandate major waste water treatment facility construction~~
 18 ~~costs unless federal financial assistance and state financial~~
 19 ~~assistance pursuant to the Clean Water Bond Act of 1970 and 1974,~~
 20 ~~is simultaneously made available. “Major” means either a new~~
 21 ~~treatment facility or an addition to an existing facility, the cost of~~
 22 ~~which is in excess of 20 percent of the cost of replacing the facility.~~

23 SEC. 2. Section 175 of the Water Code is amended to read:

24 175. (a) There is in the ~~Resources California Environmental~~
 25 ~~Protection Agency~~ the State Water Resources Control Board
 26 consisting of five members appointed by the Governor. One of the
 27 members appointed shall be an attorney admitted to practice law

1 in this state who is qualified in the fields of water supply and water
 2 rights, one shall be a registered civil engineer under the laws of
 3 this state who is qualified in the fields of water supply and water
 4 rights, one shall be a registered professional engineer under the
 5 laws of this state who is experienced in sanitary engineering and
 6 who is qualified in the field of water quality, and one shall be
 7 qualified in the field of water quality. One of the above-appointed
 8 persons, in addition to having the specified qualifications, shall be
 9 qualified in the field of water supply and water quality relating to
 10 irrigated agriculture. One member shall not be required to have
 11 specialized experience.

12 ~~Each~~

13 (b) *Each* member shall represent the state at large and not any
 14 particular portion thereof and shall serve full time. The board shall,
 15 to the extent possible, be composed of members from different
 16 regions of the state. The appointments ~~so~~ made by the Governor
 17 shall be subject to confirmation by the Senate in accordance with
 18 Article 2 (commencing with Section 1770) of Chapter 4 of Division
 19 4 of Title 1 of the Government Code.

20 *SEC. 3. Section 182 of the Water Code is amended to read:*

21 182. The Governor shall designate the ~~chairman~~ *chairperson*
 22 of the board from the membership of the board. The person so
 23 designated shall hold the office of ~~chairman~~ *chairperson* at the
 24 pleasure of the Governor. The board shall elect a vice ~~chairman~~
 25 *chairperson*.

26 *SEC. 4. Section 186 of the Water Code is amended to read:*

27 186. (a) The board shall have any powers, and may employ
 28 any legal counsel and other personnel and assistance, that may be
 29 necessary or convenient for the exercise of its duties authorized
 30 by law.

31 (b) For the purpose of administration, the board shall organize
 32 itself, with the approval of the Governor, in the manner it deems
 33 necessary properly to segregate and conduct the work of the board.
 34 The work of the board shall be divided into at least two divisions,
 35 known as the Division of Water Rights and the Division of Water
 36 Quality. The board shall appoint a *deputy director or division chief*
 37 ~~of for~~ each division, who shall supervise the work ~~thereof of the~~
 38 *division* and act as technical adviser to the board on functions under
 39 his or her jurisdiction.

1 (c) The Attorney General shall represent the board, or any
2 affected regional water quality control board, or both the board
3 and the regional board, and the state in litigation concerning affairs
4 of the board, or a regional board, or both, unless the Attorney
5 General represents another state agency that is a party to the action.
6 In that case, the Attorney General may represent the board, the
7 regional board, or both, with the written consent of the board and
8 the other state agency, the board may contract for the services of
9 private counsel to represent the board, the regional board, or both,
10 subject to Section 11040 of the Government Code, or the legal
11 counsel of the board may represent the board, the regional board,
12 or both. Sections 11041, 11042, and 11043 of the Government
13 Code are not applicable to the board. The legal counsel of the board
14 shall advise and furnish legal services, except representation in
15 litigation, to the regional boards upon their request.

16 *SEC. 5. Section 1055 of the Water Code is amended to read:*

17 1055. (a) The executive director of the board may issue a
18 complaint to any person or entity on which administrative civil
19 liability may be imposed pursuant to Section 1052, ~~Section 1536,~~
20 ~~Section 1845, Article 4 (commencing with Section 1845) of Chapter~~
21 ~~12 of Part 2 of Division 2, or Section 5107.~~ The complaint shall
22 allege the act or failure to act that constitutes a trespass or violation,
23 the provision of law authorizing civil liability to be imposed, and
24 the proposed civil liability.

25 (b) The complaint shall be served by personal notice or certified
26 mail, and shall inform the party served that the party may request
27 a hearing not later than 20 days from the date the party was served.
28 The hearing shall be before *the board or* a member of the board
29 ~~as it may specify, in accordance with Section 183.~~

30 ~~(c) After any hearing, the member shall report a proposed~~
31 ~~decision and order to the board and shall supply a copy to the party~~
32 ~~served with the complaint, the board's executive director, and any~~
33 ~~other person requesting a copy. The member of the board acting~~
34 ~~as hearing officer may sit as a member of the board in deciding~~
35 ~~the matter. The board, after making an independent review of the~~
36 ~~record and taking any additional evidence as may be necessary~~
37 ~~that could not reasonably have been offered before the hearing~~
38 ~~officer, may adopt, with or without revision, the proposed decision~~
39 ~~and order.~~

1 (c) *The board, after any necessary hearing, may adopt an order*
2 *setting administrative civil liability, or determining that a liability*
3 *shall not be imposed.*

4 (d) Orders setting administrative civil liability shall become
5 effective and final upon issuance thereof and payment shall be
6 made.

7 *SEC. 6. Section 1055.2 of the Water Code is amended to read:*

8 1055.2. ~~No~~A person or entity shall *not* be subject to both civil
9 liability imposed under Section 1055 and civil liability imposed
10 by the superior court under ~~subdivision (d) of Section 1052, Section~~
11 ~~1536, or Article 4 (commencing with Section 1845 1845) of~~
12 ~~Chapter 12 of Part 2 of Division 2 for the same act or failure to~~
13 ~~act.~~

14 *SEC. 7. Section 1062 of the Water Code is repealed.*

15 ~~1062. (a) The Legislature finds and declares as follows:~~

16 ~~(1) The watershed of the San Francisco Bay/Sacramento-San~~
17 ~~Joaquin Delta Estuary supplies a large percentage of water used~~
18 ~~in California.~~

19 ~~(2) The State Water Resources Control Board and the California~~
20 ~~regional water quality control boards are responsible for protecting~~
21 ~~all beneficial uses of those waters. Beneficial uses include those~~
22 ~~defined in subdivision (f) of Section 13050.~~

23 ~~(3) The board is engaged in a hearing process to consider~~
24 ~~revisions to the water quality standards contained in the existing~~
25 ~~water quality control plan for the Sacramento-San Joaquin Delta~~
26 ~~and Suisun Marsh and to consider new standards for San Francisco~~
27 ~~Bay.~~

28 ~~(4) There is a broad diversity of viewpoints regarding~~
29 ~~appropriate water quality standards and priorities with respect to~~
30 ~~the various beneficial uses.~~

31 ~~(5) Any new or revised standards and plans that derive from the~~
32 ~~hearing process will have a substantial impact on the people of~~
33 ~~California, and there is significant public interest in these~~
34 ~~deliberations.~~

35 (b) It is the intent of the Legislature that the hearing process
36 shall provide for the involvement of all those who wish to
37 participate in these deliberations. It is further the intent of the
38 Legislature that members of the general public shall have full
39 access to the proceedings and to all official records of the hearings.

1 ~~(e) The board shall lodge one copy of the transcripts of the~~
2 ~~hearings referred to in subdivision (a) for inspection and use by~~
3 ~~the general public at the following locations: the headquarters of~~
4 ~~the State Water Resources Control Board in Sacramento; the~~
5 ~~headquarters of the regional water quality control boards in Los~~
6 ~~Angeles, Fresno, and San Diego; and the headquarters of the~~
7 ~~Environmental Protection Agency in San Francisco. The transcripts~~
8 ~~shall be updated on a timely basis throughout the course of the~~
9 ~~board's bay-delta hearing process. At the conclusion of the hearing~~
10 ~~process, one transcript shall be maintained at the headquarters of~~
11 ~~the board in Sacramento.~~

12 ~~(d) The board shall provide for staff services at the headquarters~~
13 ~~of the board in Sacramento and at the headquarters at each of the~~
14 ~~regional water quality control boards listed in subdivision (e) to~~
15 ~~assist the public in utilizing the transcripts and other documents~~
16 ~~and to facilitate participation by interested parties in the hearing~~
17 ~~process.~~

18 ~~(e) During the course of the board's bay-delta hearing process,~~
19 ~~the board shall provide for public access to an electronic data~~
20 ~~retrieval system capable of displaying the text of the hearing~~
21 ~~transcript at the following locations: the headquarters of the board~~
22 ~~in Sacramento; the headquarters of the regional water quality~~
23 ~~control boards in Oakland, Los Angeles, Fresno, Redding,~~
24 ~~Riverside, and San Diego; and the headquarters of the~~
25 ~~Environmental Protection Agency in San Francisco.~~

26 *SEC. 8. Section 1228.5 of the Water Code is amended to read:*

27 1228.5. (a) Registration of a small domestic or livestock
28 stockpond use pursuant to this article shall be renewed prior to the
29 expiration of each five-year period following completed
30 registration.

31 (b) Renewal of registration shall be made upon a form prescribed
32 by the board and shall contain ~~such a~~ report of water use made
33 pursuant to the registration as may be required by the board.

34 (c) The conditions established by the board pursuant to Section
35 1228.6 ~~which that~~ are in effect at the time of renewal of registration
36 shall supersede the conditions ~~which that~~ were applicable to the
37 original completed registration.

38 (d) Failure to renew registration in substantial compliance with
39 the reporting requirements prescribed by the board within the time
40 period specified in subdivision (a), or to pay the renewal fee

1 specified in ~~subdivision (b) of Section 1228.8~~ *Section 1525*, shall
2 result by operation of law in the revocation of any right acquired
3 pursuant to this article.

4 *SEC. 9. Section 1228.7 of the Water Code is amended to read:*

5 1228.7. (a) ~~Any~~A registrant may change the point of diversion
6 or place of use by delivering to the board an amended registration
7 form in accordance with Section 1228.3, including payment of the
8 registration fee specified in ~~subdivision (a) of Section 1228.8~~
9 *Section 1525*, except that the purpose of the use ~~may~~ shall not be
10 changed and the change ~~may~~ shall not operate to the injury of any
11 legal user of the water involved.

12 (b) ~~Any~~A completed amended registration of water use
13 continues in effect the priority of right as of the date of the original
14 completed registration.

15 (c) All provisions of this article regarding appropriations made
16 pursuant thereto, including, but not limited to, provisions regarding
17 enforcement, are applicable to the appropriation as described in
18 the completed amended registration, except that the conditions
19 established by the board pursuant to Section 1228.6 ~~which that~~
20 are in effect at the time of completion of the amended registration
21 shall supersede the conditions ~~which that~~ were applicable to the
22 original completed registration.

23 *SEC. 10. Section 1241 of the Water Code is amended to read:*

24 1241. ~~When~~If the person entitled to the use of water fails to
25 use beneficially all or any part of the water claimed by him *or her*,
26 for which a right of use has vested, for the purpose for which it
27 was appropriated or adjudicated, for a period of five years, ~~such~~
28 *that* unused water may revert to the public and shall, if reverted,
29 be regarded as unappropriated public water. ~~Such~~ *That* reversion
30 shall occur upon a finding by the board following notice to the
31 permittee, *licensee, or person holding a livestock stockpond*
32 *certificate or small domestic or livestock stockpond use registration*
33 *under this part* and a public hearing if requested by the permittee,
34 *licensee, certificate holder, or registration holder.*

35 *SEC. 11. Section 1241.5 of the Water Code is repealed.*

36 ~~1241.5. The laws of this State with respect to loss of water~~
37 ~~rights by nonuse, abandonment, prescription, and lack of diligence~~
38 ~~shall not apply to water rights appurtenant to or for use on any~~
39 ~~trust land for the period of five years following the conveyance~~

1 by the United States of an unrestricted title to the land and the
2 water rights appurtenant to or for use on such land.

3 As used in this section, “trust land” means any land in this State
4 (a) to which the United States holds title in trust for any tribe, band,
5 or other group of Indians, or for any particular Indian; or (b) owned
6 by a particular Indian or any tribe, band, or group of Indians subject
7 to a restriction against alienation imposed by the United States; or
8 (c) held by the United States for the use of Indians in California,
9 but not for any particular tribe, band, or group of Indians, or any
10 particular Indian, if any part of such land is occupied by Indians
11 or their families.

12 The Legislature hereby finds and declares that because of
13 historical conditions, the Indians of California will not be in a
14 position fully to utilize and to protect water rights owned by them
15 when unrestricted title to trust land is conveyed to them by the
16 United States. A period is required during which the laws with
17 respect to loss of water rights by nonuse, abandonment,
18 prescription, and lack of diligence are suspended with regard to
19 such land and water rights so that they will not lose the benefit of
20 the water rights and the opportunity to make productive utilization
21 of their land. The Legislature further finds and declares that such
22 a suspension of the laws of this State with regard to such water
23 rights is in the public interest and will promote the public welfare
24 since it will promote the economic and social well-being of the
25 Indians and the communities in which they reside and will
26 encourage the self-sufficiency of the Indians.

27 This section shall become operative upon the enactment of
28 federal legislation authorizing the establishment of a California
29 Indian Water Affairs Commission.

30 *SEC. 12. Section 1241.6 of the Water Code is amended to read:*

31 1241.6. ~~When~~*If* water appropriated for irrigation purposes is
32 not used by reason of compliance with crop control or soil
33 conservation contracts with the United States, and in other cases
34 of hardship as the board may by rule prescribe, the ~~three-year~~
35 *five-year* forfeiture period applicable to water appropriated pursuant
36 to the Water Commission Act or this code, and the forfeiture period
37 applicable to water appropriated prior to December 19, 1914, shall
38 be extended by an additional period of not more than 10 years or
39 the duration of any crop control or soil conservation contracts with
40 the United States if less than 10 years.

1 *SEC. 13. Section 1410 of the Water Code is amended to read:*

2 1410. (a) There shall be cause for revocation of a permit if the
3 work is not commenced, prosecuted with due diligence, and
4 completed or the water applied to beneficial use as contemplated
5 in the permit and in accordance with this division and the rules
6 and regulations of the board.

7 (b) A permit may be revoked *upon request of the permittee or*
8 *under either of the following procedures:*

9 (1) If, after a hearing on a petition for extension of time to
10 complete a project and apply water to beneficial use, the board
11 finds that cause exists to revoke the permit, the board may revoke
12 the permit.

13 (2) If, after an investigation other than a hearing on a petition
14 for extension of time, it appears that cause exists to revoke a permit,
15 the board shall give notice of proposed revocation in writing,
16 mailed in a sealed, prepaid postage and certified letter to the
17 permittee at his or her last known address. If the permittee fails to
18 request a hearing with the time provided under Section 1410.1,
19 the board shall revoke the permit and declare the water subject to
20 appropriation. After a hearing, when a hearing is requested by the
21 permittee pursuant to Section 1410.1, the board may, upon a
22 finding that cause exists, revoke the permit and declare the water
23 subject to appropriation.

24 *SEC. 14. Section 1675 of the Water Code is amended to read:*

25 1675. (a) If, at any time after a license is issued, the board
26 finds that the licensee has not put the water granted under the
27 license to a useful or beneficial purpose in conformity with this
28 division or that the licensee has ceased to put the water to ~~such~~
29 *that* useful or beneficial purpose, or that the licensee has failed to
30 observe any of the terms and conditions in the license, ~~the board,~~
31 ~~after due notice to the licensee and after a hearing when a hearing~~
32 ~~is requested by the licensee pursuant to Section 1675.1, board~~ may
33 revoke the license and declare the water to be subject to
34 appropriation in accordance with this part. ~~As used in this section~~
35 ~~“licensee” includes heirs, successors, or assigns of the licensee.~~

36 (b) *The board may revoke the license upon request of the*
37 *licensee or after due notice to the licensee and after a hearing,*
38 *when a hearing is requested by the licensee pursuant to Section*
39 *1675.1.*

1 (c) As used in this section “licensee” includes the heirs,
 2 successors, or assigns of the licensee.

3 SEC. 15. Section 1701.3 of the Water Code is amended to read:

4 1701.3. (a) After a petition is filed, the board may request
 5 additional information reasonably necessary to clarify, amplify,
 6 correct, or otherwise supplement the information required to be
 7 submitted under this ~~article~~ chapter. The board shall provide a
 8 reasonable period for submitting the information.

9 (b) The additional information may include, but need not be
 10 limited to, any of the following:

11 (1) Information needed to demonstrate that the change will not
 12 injure any other legal user of water.

13 (2) Information needed to demonstrate that the change will
 14 comply with any applicable requirements of the Fish and Game
 15 Code or the federal Endangered Species Act of 1973 (16 U.S.C.
 16 Sec. 1531 et seq.).

17 (3) Information needed to comply with Division 13
 18 (commencing with Section 21000) of the Public Resources Code.

19 SEC. 16. Section 1703.6 of the Water Code is amended to read:

20 1703.6. (a) The board may cancel a protest or petition for
 21 failure to provide information requested by the board under this
 22 ~~article~~ chapter within the period provided.

23 (b) Except as provided in subdivisions (c) and (d), the board
 24 ~~may~~ shall not cancel a protest for failure to submit information
 25 not in the possession or under the control of the protestant if the
 26 protest meets the requirements of Section 1703.2 and the petitioner
 27 is or could be required to submit the information under Section
 28 1701.1, 1701.2, ~~and~~ or 1701.3.

29 (c) If a protest is based on injury to a legal user of water, the
 30 board may cancel the protest if the protestant fails to submit any
 31 of the following information requested by the board:

32 (1) Information that the protestant is required to submit to the
 33 board to comply with Part 5.1 (commencing with Section 5100)
 34 during any period after the protest is filed.

35 (2) Information that is reasonably necessary to determine if the
 36 protestant ~~has a valid water right~~ is a legal user of water.

37 (3) Information concerning the protestant’s historical, current,
 38 or proposed future diversion and use of water that is reasonably
 39 necessary to determine if the proposed change will result in injury

1 to the protestant’s exercise of its water right *or other legal use of*
2 *water*.

3 (d) If the protest is based on an allegation other than injury to
4 a legal user of water, the board may cancel the protest for failure
5 to submit information requested by the board if the board
6 determines both of the following:

7 (1) The public review period has expired for any draft
8 environmental document or negative declaration required to be
9 circulated for public review and comment pursuant to Division 13
10 (commencing with Section 21000) of the Public Resources Code.

11 (2) In the absence of the requested information, there is no
12 substantial evidence in light of the whole record to support the
13 allegation.

14 (e) If a protest is subject to both subdivisions (c) and (d), the
15 part of the protest subject to subdivision (c) may be canceled
16 pursuant to subdivision (c) and the part of the protest subject to
17 subdivision (d) may be canceled pursuant to subdivision (d).

18 *SEC. 17. Section 13176 of the Water Code is amended to read:*

19 13176. (a) The analysis of any material required by this
20 division shall be performed by a laboratory that has accreditation
21 or certification pursuant to Article 3 (commencing with Section
22 100825) of Chapter 4 of Part 1 of Division 101 of the Health and
23 Safety Code.

24 (b) ~~No~~A person or public entity of the state shall *not* contract
25 with a laboratory for environmental analyses for which the State
26 Department of ~~Health Services~~ *Public Health* requires accreditation
27 or certification pursuant to this chapter, unless the laboratory holds
28 a valid certification or accreditation.

29 *SEC. 18. Section 13193 of the Water Code is amended to read:*

30 13193. (a) As used in this section, the following terms have
31 the following meanings:

32 (1) “Collection system owner or operator” means the public or
33 private entity having legal authority over the operation and
34 maintenance of, or capital improvements to, the sewer collection
35 system.

36 (2) “GIS” means Geographic Information System.

37 (b) On or before January 1 of a year in which the Legislature
38 has appropriated sufficient funds for this purpose, the state board,
39 in consultation with representatives of cities, counties, cities and
40 counties, special districts, public interest groups, the State

1 Department of ~~Health Services~~ *Public Health*, and the regional
2 boards shall develop a uniform overflow event report form to be
3 used for reporting of sanitary sewer system overflows as required
4 in subdivision (c). This event report form shall include, but not be
5 limited to, all of the following:

6 (1) The cause of the overflow. The cause shall be specifically
7 identified, unless there is an ongoing investigation, in which case
8 it shall be identified immediately after completion of the
9 investigation. The cause shall be identified, at a minimum, as
10 blockage, infrastructure failure, pump station failure, significant
11 wet weather event, natural disaster, or other cause, which shall be
12 specifically identified. If the cause is identified as a blockage, the
13 type of blockage shall be identified, at a minimum, as roots, grease,
14 debris, vandalism, or multiple causes of which each should be
15 identified. If the cause is identified as infrastructure, it shall be
16 determined, at a minimum, whether the infrastructure failure was
17 due to leaks, damage to, or breakage of, collection system piping
18 or insufficient capacity. If the cause is identified as a significant
19 wet weather event or natural disaster, the report shall describe both
20 the event and how it resulted in the overflow. If the precise cause
21 cannot be identified after investigation, the report shall include a
22 narrative explanation describing the investigation conducted and
23 providing the information known about the possible causes of the
24 overflow.

25 (2) An estimate of the volume of the overflow event.

26 (3) Location of the overflow event. Sufficient information shall
27 be provided to determine location for purposes of GIS mapping,
28 such as specific street address or the latitude and longitude of the
29 event.

30 (4) Date, time, and duration of the overflow event.

31 (5) Whether or not the overflow reached or may have reached
32 waters of the state.

33 (6) Whether or not a beach closure occurred or may have
34 occurred as a result of the overflow.

35 (7) The response and corrective action taken.

36 (8) Whether or not there is an ongoing investigation, the reasons
37 for it and expected date of completion.

38 (9) The name, address, and telephone number of the reporting
39 collection system owner or operator and a specific contact name.

1 (c) Commencing on July 1 of a year in which the Legislature
2 has appropriated sufficient funds for this purpose, in the event of
3 a spill or overflow from a sanitary sewer system that is subject to
4 the notification requirements set forth in Section 13271, the
5 applicable collection system owner or operator, in addition to
6 immediate reporting duties pursuant to Section 13271, shall submit
7 to the appropriate regional board, within 30 days of the date of
8 becoming aware of the overflow event, a report using the form
9 described in subdivision (b). The report shall be filed electronically,
10 if possible, or by fax or mail if electronic submission is not
11 possible.

12 (d) (1) Commencing on July 1 of a year in which the Legislature
13 has appropriated sufficient funds for this purpose, in the event of
14 a spill or overflow from a sanitary sewer system that is not subject
15 to the reporting requirements set forth in Section 13271 that is
16 either found by the State Department of ~~Health Services~~ *Public*
17 *Health* or any local health officer to result in contamination
18 pursuant to Section 5412 of the Health and Safety Code, or is found
19 by the State Department of ~~Health Services~~ *Public Health* to result
20 in pollution or nuisance pursuant to Section 5413 of the Health
21 and Safety Code, the agency making the determination shall submit
22 to the appropriate regional board, within 30 days of making the
23 determination, a report that shall include, at a minimum, the
24 following information:

25 (A) Date, time, and approximate duration of the overflow event.

26 (B) An estimate of the volume of the overflow event.

27 (C) Location of the overflow event.

28 (D) A description of the response or corrective action taken by
29 the agency making the determination.

30 (E) The name, address, and telephone number of the reporting
31 collection system owner or operator, and a specific contact name.

32 (2) The report shall be filed electronically, if possible, or by fax
33 or mail if electronic submission is not possible.

34 (e) Before January 1 of a year in which the Legislature has
35 appropriated sufficient funds for this purpose, the state board, in
36 consultation with representatives of cities, counties, cities and
37 counties, and special districts, public interest groups, the State
38 Department of ~~Health Services~~ *Public Health*, and regional boards,
39 shall develop and maintain a sanitary sewer system overflow

1 database that, at a minimum, contains the parameters described in
2 subdivisions (b) and (d).

3 (f) Commencing on July 1 of a year in which the Legislature
4 has appropriated sufficient funds for this purpose, each regional
5 board shall coordinate with collection system owners or operators,
6 the State Department of ~~Health Services~~ *Public Health*, and local
7 health officers to compile the reports submitted pursuant to
8 subdivisions (c) and (d). Each regional board shall report that
9 information to the state board on a quarterly basis, to be included
10 in the sanitary sewer system overflow database.

11 (g) The state board shall make available to the public, by
12 Internet and other cost-effective means, as determined by the state
13 board, information that is generated pursuant to this section. In a
14 year in which the Legislature has appropriated sufficient funds for
15 the purposes described in this subdivision, the state board shall
16 prepare a summary report of the information collected in the
17 sanitary sewer system overflow database, and make it available to
18 the general public through the Internet and other cost-effective
19 means, as determined by the state board. To the extent resources
20 and the data allow, this report shall include GIS maps compiling
21 coastal overflow events.

22 *SEC. 19. Section 13204 of the Water Code is amended to read:*

23 13204. Each regional board shall hold at least six regular
24 meetings each calendar year and ~~such~~ *the* additional special
25 meetings or hearings as shall be called by the ~~chairman~~ *chairperson*
26 or any two members of the regional board.

27 *SEC. 20. Section 13220 of the Water Code is amended to read:*

28 13220. Each regional board shall do all of the following:

29 (a) Establish an office.

30 (b) Select one of its members as ~~chairman~~ *chairperson* at the
31 first regular meeting held each year.

32 (c) Appoint as its confidential employee, *who may be exempt*
33 from civil service under Section 4 of Article VII of the California
34 Constitution, and fix the salary of, an executive officer who shall
35 meet technical qualifications as defined by the ~~State Water~~
36 ~~Resources Control Board~~ *state board*. The executive officer shall
37 serve at the pleasure of the regional board.

38 (d) Employ any other assistants ~~which~~ *that* may be determined
39 necessary to assist the executive officer.

40 *SEC. 21. Section 13248 is added to the Water Code, to read:*

1 13248. (a) *At any time, the state board may, on its own motion,*
2 *review the regional board's failure to act under this article.*

3 (b) *The state board may find that the failure of the regional*
4 *board to act was appropriate and proper. Upon finding that the*
5 *failure of the regional board to act was inappropriate or improper,*
6 *the state board may direct that appropriate action be taken by the*
7 *regional board, refer the matter to another state agency having*
8 *jurisdiction, take appropriate action itself, or take any combination*
9 *of those actions. In taking any action, the state board is vested*
10 *with all the powers of the regional boards under this division.*

11 SEC. 22. *Section 13261 of the Water Code is amended to read:*

12 13261. (a) ~~Any~~ *A person failing who fails to furnish a report*
13 *or pay a fee under Section 13260 when so requested by a regional*
14 *board is guilty of a misdemeanor and may be liable civilly in*
15 *accordance with subdivision (b).*

16 (b) (1) *Civil liability may be administratively imposed by a*
17 *regional board or the state board in accordance with Article 2.5*
18 *(commencing with Section 13323) of Chapter 5 for a violation of*
19 *subdivision (a) in an amount that may not exceed exceeding one*
20 *thousand dollars (\$1,000) for each day in which the violation*
21 *occurs. For purposes of this section only, the state board shall have*
22 *the same authority and shall follow the same procedures as set*
23 *forth in Article 2.5 (commencing with Section 13323) of Chapter*
24 *5, except that the executive director shall issue the complaint with*
25 *review by the state board. Civil liability may Civil liability shall*
26 *not be imposed by the regional board pursuant to this section if*
27 *the state board has imposed liability against the same person for*
28 *the same violation.*

29 (2) *Civil liability may be imposed by the superior court in*
30 *accordance with Article 5 (commencing with Section 13350) and*
31 *Article 6 (commencing with Section 13360) of Chapter 5 for a*
32 *violation of subdivision (a) in an amount that may not exceed*
33 *exceeding five thousand dollars (\$5,000) for each day the violation*
34 *occurs.*

35 (c) ~~Any~~ *A person discharging who discharges or proposing*
36 *proposes to discharge hazardous waste, as defined in Section 25117*
37 *of the Health and Safety Code, who knowingly furnishes a false*
38 *report under Section 13260, or who either willfully fails to furnish*
39 *a report or willfully withholds material information under Section*

1 13260 despite actual knowledge of that requirement, may be liable
2 in accordance with subdivision (d) and is guilty of a misdemeanor.
3 This subdivision does not apply to any waste discharge that is
4 subject to Chapter 5.5 (commencing with Section 13370).

5 (d) (1) Civil liability may be administratively imposed by a
6 regional board in accordance with Article 2.5 (commencing with
7 Section 13323) of Chapter 5 for a violation of subdivision (c) in
8 an amount ~~that may not exceed~~ *exceeding* five thousand dollars
9 (\$5,000) for each day the violation occurs.

10 (2) Civil liability may be imposed by the superior court in
11 accordance with Article 5 (commencing with Section 13350) and
12 Article 6 (commencing with Section 13360) of Chapter 5 for a
13 violation of subdivision (c) in an amount ~~that may not exceed~~
14 *exceeding* twenty-five thousand dollars (\$25,000).

15 *SEC. 23. Section 13274 of the Water Code, as amended by*
16 *Section 162 of Chapter 485 of the Statutes of 1998, is amended to*
17 *read:*

18 13274. (a) (1) The state board or a regional board, upon receipt
19 of applications for waste discharge requirements for discharges of
20 dewatered, treated, or chemically fixed sewage sludge and other
21 biological solids, shall prescribe general waste discharge
22 requirements for that sludge and those other solids. General waste
23 discharge requirements shall replace individual waste discharge
24 requirements for sewage sludge and other biological solids, and
25 their prescription shall be considered to be a ministerial action.

26 (2) The general waste discharge requirements shall set minimum
27 standards for agronomic applications of sewage sludge and other
28 biological solids and the use of that sludge and those other solids
29 as a soil amendment or fertilizer in agriculture, forestry, and surface
30 mining reclamation, and may permit the transportation of that
31 sludge and those other solids and the use of that sludge and those
32 other solids at more than one site. The requirements shall include
33 provisions to mitigate significant environmental impacts, potential
34 soil erosion, odors, the degradation of surface water quality or fish
35 or wildlife habitat, the accidental release of hazardous substances,
36 and any potential hazard to the public health or safety.

37 (b) The state board or a regional board, in prescribing general
38 waste discharge requirements pursuant to this section, shall comply
39 with Division 13 (commencing with Section 21000) of the Public
40 Resources Code and guidelines adopted pursuant to that division,

1 and shall consult with the State Air Resources Board, the
2 Department of Food and Agriculture, and the ~~California Integrated~~
3 ~~Waste Management Board~~ *Department of Resources Recycling*
4 *and Recovery*.

5 (c) The state board or a regional board may charge a reasonable
6 fee to cover the costs incurred by the board in the administration
7 of the application process relating to the general waste discharge
8 requirements prescribed pursuant to this section.

9 (d) Notwithstanding any other ~~provision of~~ law, except as
10 specified in subdivisions (f) to (i), inclusive, general waste
11 discharge requirements prescribed by a regional board pursuant
12 to this section supersede regulations adopted by any other state
13 agency to regulate sewage sludge and other biological solids
14 applied directly to agricultural lands at agronomic rates.

15 (e) The state board or a regional board shall review general
16 waste discharge requirements for possible amendment upon the
17 request of any state agency, including, but not limited to, the
18 Department of Food and Agriculture and the State Department of
19 ~~Health Services~~ *Public Health*, if the board determines that the
20 request is based on new information.

21 (f) ~~Nothing in this~~ *This* section is *not* intended to affect the
22 jurisdiction of the ~~California Integrated Waste Management Board~~
23 *Department of Resources Recycling and Recovery* to regulate the
24 handling of sewage sludge or other biological solids for
25 composting, deposit in a landfill, or other use.

26 (g) ~~Nothing in this~~ *This* section is *not* intended to affect the
27 jurisdiction of the State Air Resources Board or an air pollution
28 control district or air quality management district to regulate the
29 handling of sewage sludge or other biological solids for
30 incineration.

31 (h) ~~Nothing in this~~ *This* section is *not* intended to affect the
32 jurisdiction of the Department of Food and Agriculture in enforcing
33 Sections 14591 and 14631 of the Food and Agricultural Code and
34 any regulations adopted pursuant to those sections, regarding the
35 handling of sewage sludge and other biological solids sold or used
36 as fertilizer or as a soil amendment.

37 (i) ~~Nothing in this~~ *This* section ~~restricts~~ *does not restrict* the
38 authority of a local government agency to regulate the application
39 of sewage sludge and other biological solids to land within the
40 jurisdiction of that agency, including, but not limited to, the

1 planning authority of the Delta Protection Commission, the
2 resource management plan of which is required to be implemented
3 by local government general plans.

4 *SEC. 24. Section 13274 of the Water Code, as added by Section*
5 *13 of Chapter 814 of the Statutes of 1997, is amended and*
6 *renumbered to read:*

7 ~~13274.~~

8 *13275.* (a) Notwithstanding any other provision of law, ~~any a~~
9 public water system regulated by the State Department of *Public*
10 ~~Health Services~~ shall have the same legal rights and remedies
11 against a responsible party, when the water supply used by that
12 public water system is contaminated, as those of a private land
13 owner whose groundwater has been contaminated.

14 (b) For purposes of this section, “responsible party” has the
15 same meaning as defined in Section 25323.5 of the Health and
16 Safety Code.

17 *SEC. 25. Section 13285 of the Water Code is amended to read:*

18 *13285.* (a) ~~Any~~A discharge from a storage tank, pipeline, or
19 other container of methyl tertiary-butyl ether (MTBE), or of any
20 pollutant that contains MTBE, that poses a threat to drinking water,
21 or to groundwater or surface water that may reasonably be used
22 for drinking water, or to coastal waters shall be cleaned up to a
23 level consistent with subdivisions (a) and (b) of Section 25296.10
24 of the Health and Safety Code.

25 (b) (1) ~~No~~A public water system, or its customers, shall *not* be
26 responsible for remediation or treatment costs associated with
27 MTBE, or a product that contains MTBE. However, the public
28 water system may, as necessary, incur MTBE remediation and
29 treatment costs and include those costs in its customer rates and
30 charges that are necessary to comply with drinking water standards
31 or directives of the State Department of ~~Health Services~~ *Public*
32 *Health* or other lawful authority. Any public water system that
33 incurs MTBE remediation or treatment costs may seek recovery
34 of those costs from parties responsible for the MTBE
35 contamination, or from other available alternative sources of funds.

36 (2) If the public water system has included the costs of MTBE
37 treatment and remediation in its customer rates and charges, and
38 subsequently recovers all, or a portion of, its MTBE treatment and
39 remediation costs from responsible parties or other available
40 alternative sources of funds, it shall make an adjustment to its

1 schedule of rates and charges to reflect the amount of funding
2 received from responsible parties or other available alternative
3 sources of funds for MTBE treatment or remediation.

4 (3) Paragraph (1) ~~shall~~ *does* not prevent the imposition of
5 liability on any person for the discharge of MTBE if that liability
6 is due to the conduct or status of that person independently of
7 whether the person happens to be a customer of the public water
8 system.

9 *SEC. 26. Section 13291 of the Water Code is amended to read:*

10 13291. (a) On or before January 1, 2004, the state board, in
11 consultation with the State Department of ~~Health Services~~ *Public*
12 *Health*, the California Coastal Commission, the California
13 Conference of Directors of Environmental Health, counties, cities,
14 and other interested parties, shall adopt regulations or standards
15 for the permitting and operation of all of the following onsite
16 sewage treatment systems in the state and shall apply those
17 regulations or standards commencing six months after their
18 adoptions:

19 (1) Any system that is constructed or replaced.

20 (2) Any system that is subject to a major repair.

21 (3) Any system that pools or discharges to the surface.

22 (4) Any system that, in the judgment of a regional board or
23 authorized local agency, discharges waste that has the reasonable
24 potential to cause a violation of water quality objectives, or to
25 impair present or future beneficial uses of water, to cause pollution,
26 nuisance, or contamination of the waters of the state.

27 (b) Regulations or standards adopted pursuant to subdivision
28 (a), shall include, but shall not be limited to, all of the following:

29 (1) Minimum operating requirements that may include siting,
30 construction, and performance requirements.

31 (2) Requirements for onsite sewage treatment systems adjacent
32 to impaired waters identified pursuant to subdivision (d) of Section
33 303 of the Clean Water Act (33 U.S.C. Sec. 1313(d)).

34 (3) Requirements authorizing a qualified local agency to
35 implement those requirements adopted under this chapter within
36 its jurisdiction if that local agency requests that authorization.

37 (4) Requirements for corrective action when onsite sewage
38 treatment systems fail to meet the requirements or standards.

39 (5) Minimum requirements for monitoring used to determine
40 system or systems performance, if applicable.

1 (6) Exemption criteria to be established by regional boards.

2 (7) Requirements for determining a system that is subject to a
3 major repair, as provided in paragraph (2) of subdivision (a).

4 (c) This chapter does not diminish or otherwise affect the
5 authority of a local agency to carry out laws, other than this chapter,
6 that relate to onsite sewage treatment systems.

7 (d) This chapter does not preempt any regional board or local
8 agency from adopting or retaining standards for onsite sewage
9 treatment systems that are more protective of the public health or
10 the environment than this chapter.

11 (e) Each regional board shall incorporate the regulations or
12 standards adopted pursuant to subdivisions (a) and (b) into the
13 appropriate regional water quality control plans.

14 *SEC. 27. The heading of Article 1 (commencing with Section*
15 *13300) of Chapter 5 of Division 7 of the Water Code is amended*
16 *to read:*

17
18 Article 1. Administrative Enforcement and Remedies ~~by~~
19 Regional Boards
20

21 *SEC. 28. Section 13304.1 of the Water Code is amended to*
22 *read:*

23 13304.1. (a) A groundwater cleanup system that commences
24 operation on or after January 1, 2002, and that is required to obtain
25 a discharge permit from the regional board pursuant to the regional
26 board’s jurisdiction, and that discharges treated groundwater to
27 surface water or groundwater, shall treat the groundwater to
28 standards approved by the regional board, consistent with this
29 division and taking into account the beneficial uses of the receiving
30 water and the location of the discharge and the method by which
31 the discharge takes place.

32 (b) In making its determination of the applicable water quality
33 standards to be achieved by the operator of a groundwater cleanup
34 system that commences operation on or after January 1, 2002, that
35 draws groundwater from an aquifer that is currently being used,
36 or has been used at any time since 1979 as a source of drinking
37 water supply by the owner or operator of a public water system,
38 and that discharges treated groundwater to surface water or
39 groundwater from which a public water system draws drinking
40 water, the regional board shall consult with the affected

1 groundwater management entity, if any, affected public water
 2 systems, and the State Department of ~~Health Services~~ *Public Health*
 3 to ensure that the discharge, spreading, or injection of the treated
 4 groundwater will not adversely affect the beneficial uses of any
 5 groundwater basin or surface water body that is or may be used
 6 by a public water system for the provision of drinking water.

7 *SEC. 29. The heading of Article 2 (commencing with Section*
 8 *13320) of Chapter 5 of Division 7 of the Water Code is amended*
 9 *to read:*

10

11 Article 2. ~~Administrative Enforcement and Remedies Review~~
 12 by the State Board

13

14 *SEC. 30. Section 13320 of the Water Code is amended to read:*

15

16 13320. (a) Within 30 days of any action or failure to act by a
 17 regional board under subdivision (c) of Section 13225, Article 4
 18 (commencing with Section 13260) of Chapter 4, Chapter 5
 19 (commencing with Section 13300), Chapter 5.5 (commencing with
 20 Section 13370), Chapter 5.9 (commencing with Section 13399.25),
 21 or Chapter 7 (commencing with Section 13500), ~~any an~~ aggrieved
 22 person may petition the state board to review that action or failure
 23 to act. In case of a failure to act, the 30-day period shall commence
 24 upon the refusal of the regional board to act, or 60 days after
 25 request has been made to the regional board to act. The state board
 26 may, on its own motion, at any time, review the regional board's
 27 action or failure to act ~~and also any failure to act under Article 3~~
 28 ~~(commencing with Section 13240) of Chapter 4.~~ *act.*

28

29 (b) The evidence before the state board shall consist of the
 30 record before the regional board, and any other relevant evidence
 31 which, in the judgment of the state board, should be considered to
 32 effectuate and implement the policies of this division.

32

33 (c) The state board may find that the action of the regional board,
 34 or the failure of the regional board to act, was appropriate and
 35 proper. Upon finding that the action of the regional board, or the
 36 failure of the regional board to act, was inappropriate or improper,
 37 the state board may direct that the appropriate action be taken by
 38 the regional board, refer the matter to ~~any other~~ *another* state
 39 agency having jurisdiction, take the appropriate action itself, or
 take any combination of those actions. In taking any ~~such~~ action,

1 the state board is vested with all the powers of the regional boards
 2 under this division.

3 (d) If a waste discharge in one region affects the waters in
 4 another region and there is any disagreement between the regional
 5 boards involved as to the requirements—~~which~~ *that* should be
 6 established, either regional board may submit the disagreement to
 7 the state board, which shall determine the applicable requirements.

8 (e) If a petition for state board review of a regional board action
 9 on waste discharge requirements includes a request for a stay of
 10 the waste discharge requirements, the state board shall act on the
 11 requested stay portion of the petition within 60 days of accepting
 12 the petition. The board may order any stay to be in effect from the
 13 effective date of the waste discharge requirements.

14 *SEC. 31. Section 13330 of the Water Code is amended to read:*

15 13330. (a) Not later than 30 days from the date of service of
 16 a copy of a decision or order issued by the state board under this
 17 division, other than a decision or order issued pursuant to Article
 18 7 (commencing with Section 13550) of Chapter 7, any aggrieved
 19 party may file with the superior court a petition for writ of mandate
 20 for review thereof. *An aggrieved party must file a petition for*
 21 *reconsideration with the state board to exhaust that party's*
 22 *administrative remedies only if the initial decision or order is*
 23 *issued under authority delegated to an officer or employee of the*
 24 *state board and the state board by regulation has authorized a*
 25 *petition for reconsideration.*

26 (b) ~~Any~~ *A* party aggrieved by a final decision or order of a
 27 regional board ~~for which the state board denies~~ *subject to* review
 28 *under Section 13320* may obtain review of the decision or order
 29 of the regional board in the superior court by filing in the court a
 30 petition for writ of mandate not later than 30 days from the date
 31 on which the state board denies review.

32 (c) *The time for filing an action or proceeding subject to Section*
 33 *21167 of the Public Resources Code for a person who seeks review*
 34 *of the regional board's decision or order under Section 13320, or*
 35 *who seeks reconsideration under a state board regulation*
 36 *authorizing a petition for reconsideration, shall commence upon*
 37 *the state board's completion of that review or reconsideration.*

38 (e)

39 (d) If no aggrieved party petitions for writ of mandate within
 40 the time provided by this section, a decision or order of the state

1 board or a regional board shall not be subject to review by any
2 court.

3 ~~(d)~~

4 (e) Except as otherwise provided herein, Section 1094.5 of the
5 Code of Civil Procedure shall govern proceedings for which
6 petitions are filed pursuant to this section. For the purposes of
7 subdivision (c) of Section 1094.5 of the Code of Civil Procedure,
8 the court shall exercise its independent judgment on the evidence
9 in any case involving the judicial review of a decision or order of
10 the state board issued under Section 13320, or a decision or order
11 of a regional board for which the state board denies review under
12 Section 13320, other than a decision or order issued under Section
13 13323.

14 ~~(e) Any~~

15 (f) A party aggrieved by a decision or order issued by the state
16 board under Article 7 (commencing with Section 13550) of Chapter
17 7 may petition for reconsideration or judicial review in accordance
18 with Chapter 4 (commencing with Section 1120) of Part 1 of
19 Division 2.

20 (g) *For purposes of this section, a decision or order includes a*
21 *final action in an adjudicative proceeding and an action subject*
22 *to Section 11352 of the Government Code, but does not include*
23 *an action subject to Section 11353 of the Government Code or the*
24 *adoption, amendment, or repeal of a regulation under Chapter*
25 *3.5 (commencing with Section 11340) of Part 1 of Division 3 of*
26 *Title 2 of the Government Code.*

27 *SEC. 32. Section 13376 of the Water Code is amended to read:*

28 13376. ~~Any~~ A person ~~discharging~~ who discharges pollutants
29 or ~~proposing~~ proposes to discharge pollutants to the navigable
30 waters of the United States within the jurisdiction of this state or
31 ~~any~~ a person ~~discharging~~ who discharges dredged or fill material
32 or ~~proposing~~ proposes to discharge dredged or fill material into
33 the navigable waters of the United States within the jurisdiction
34 of this state shall file a report of the discharge in compliance with
35 the procedures set forth in Section ~~13260~~, ~~except that no report~~
36 ~~need~~ 13260. *Unless required by the state board or a regional*
37 *board, a report need not be filed under this section for discharges*
38 *that are not subject to the permit application requirements of the*
39 *Federal Water Pollution Control Act, as amended.* ~~Any~~ A person
40 ~~proposing~~ who proposes to discharge pollutants or dredged or fill

1 material or ~~proposing~~ to operate a publicly owned treatment works
2 or other treatment works treating domestic sewage shall file a
3 report at least 180 days in advance of the date on which it is desired
4 to commence the discharge of pollutants or dredged or fill material
5 or the operation of the treatment works. ~~Any~~ A person who owns
6 or operates a publicly owned treatment works or other treatment
7 works treating domestic sewage, which treatment works
8 commenced operation before January 1, 1988, and does not
9 discharge to navigable waters of the United States, shall file a
10 report within 45 days of a written request by a regional board or
11 the state board, or within 45 days after the state has an approved
12 permit program for the use and disposal of sewage sludge,
13 whichever occurs earlier. The discharge of pollutants or dredged
14 or fill material or the operation of a publicly owned treatment
15 works or other treatment works treating domestic sewage by any
16 ~~person~~ *person*, except as authorized by waste discharge
17 requirements or dredged or fill material ~~permits is prohibited,~~
18 ~~except that no waste discharge requirements or permit is required~~
19 ~~under this chapter if no permits, is prohibited. This prohibition~~
20 ~~does not apply to discharges or operations if a state or federal~~
21 ~~permit is not required under the Federal Water Pollution Control~~
22 ~~Act, as amended.~~

23 *SEC. 33. Section 13392 of the Water Code is amended to read:*

24 13392. The state board and the regional boards, in consultation
25 with the State Department of ~~Health Services~~ *Public Health* and
26 the Department of Fish and Game, shall develop and maintain a
27 comprehensive program to (1) identify and characterize toxic hot
28 spots, as defined in Section 13391.5, (2) plan for the cleanup or
29 other appropriate remedial or mitigating actions at the sites, and
30 (3) amend water quality control plans and policies to incorporate
31 strategies to prevent the creation of new toxic hot spots and the
32 further pollution of existing hot spots. As part of this program, the
33 state board and regional boards shall, to the extent feasible, identify
34 specific discharges or waste management practices ~~which~~ *that*
35 contribute to the creation of toxic hot spots, and shall develop
36 appropriate prevention strategies, including, but not limited to,
37 adoption of more stringent waste discharge requirements, onshore
38 remedial actions, adoption of regulations to control source
39 pollutants, and development of new programs to reduce urban and
40 agricultural runoff.

1 *SEC. 34. Section 13392.5 of the Water Code is amended to*
2 *read:*

3 13392.5. (a) Each regional board that has regulatory authority
4 for one or more enclosed bays or estuaries shall, on or before
5 January 30, 1994, develop for each enclosed bay or estuary, a
6 consolidated data base—~~which~~ *that* identifies and describes all
7 known and potential toxic hot spots. Each regional board shall, in
8 consultation with the state board, also develop an ongoing
9 monitoring and surveillance program that includes, but is not
10 limited to, the following components:

11 (1) Establishment of a monitoring and surveillance task force
12 that includes representation from agencies, including, but not
13 limited to, the State Department of ~~Health Services~~ *Public Health*
14 and the Department of Fish and Game, that routinely monitor water
15 quality, sediment, and aquatic life.

16 (2) Suggested guidelines to promote standardized analytical
17 methodologies and consistency in data reporting.

18 (3) Identification of additional monitoring and analyses that are
19 needed to develop a complete toxic hot spot assessment for each
20 enclosed bay and estuary.

21 (b) Each regional board shall make available to state and local
22 agencies and the public all information contained in the
23 consolidated data base, as well as the results of new monitoring
24 and surveillance data.

25 *SEC. 35. Section 13395.5 of the Water Code is amended to*
26 *read:*

27 13395.5. The state board may enter into contracts and other
28 agreements for the purpose of evaluating or demonstrating methods
29 for the removal, treatment, or stabilization of contaminated bottom
30 sediment. For the purpose of preparing health risk assessments
31 pursuant to Section 13393, the state board shall enter into contracts
32 or agreements with the State Department of ~~Health Services~~ *Public*
33 *Health*, or with other state or local agencies, subject to the approval
34 of the State Department of ~~Health Services~~ *Public Health*. The
35 costs incurred for work conducted by other state agencies,
36 including, but not limited to, the State Department of ~~Health~~
37 ~~Services~~ *Public Health* and the Department of Fish and Game,
38 pursuant to this chapter shall be reimbursed according to the terms
39 of an interagency agreement between the state board and the
40 agency.

1 *SEC. 36. Section 13396.7 of the Water Code is amended to*
2 *read:*

3 13396.7. (a) The state board, in consultation with the State
4 Department of ~~Health Services~~ *Public Health*, shall contract with
5 an independent contractor to conduct a study to determine the
6 adverse health effects of urban runoff on swimmers at urban
7 beaches. The contract shall include a provision that requires the
8 study to be conducted as prescribed in the study proposal approved
9 by the Santa Monica Bay Restoration Project. The study shall be
10 paid for by using available resources or state funds appropriated
11 in the annual Budget Act.

12 (b) It is the intent of the Legislature that the state board and the
13 State Department of ~~Health Services~~ *Public Health* use the results
14 of the study undertaken pursuant to subdivision (a) to establish
15 recreational water quality standards.

16 *SEC. 37. Section 13426 of the Water Code is amended to read:*

17 13426. The state board, subject to approval by the Director of
18 Finance, may agree to provide a guarantee pursuant to this article
19 for all or a specified part of the proposed local agency bond issue
20 upon making, after consultation with the State Department of
21 ~~Health Services~~ *Public Health*, all of the following determinations:

22 (a) The facilities proposed by an applicant are necessary to the
23 health or welfare of the inhabitants of the state and are consistent
24 with water quality control plans adopted by regional boards.

25 (b) The proposed facilities meet the needs of the applicant.

26 (c) The proposed bond issue and plan repayment are sound and
27 feasible.

28 (d) In the case of facilities proposed under paragraph (2) of
29 subdivision (c) of Section 13400, the facilities will produce
30 recycled water and the applicant has adopted a feasible program
31 for the use of the facilities. The state board may adopt criteria for
32 ranking and setting priorities among applicants for those
33 guarantees.

34 *SEC. 38. Section 13442 of the Water Code is amended to read:*

35 13442. Upon application by a public agency with authority to
36 clean up a waste or abate the effects thereof, the state board may
37 order moneys to be paid from the account to the agency to assist
38 it in cleaning up the waste or abating its effects on waters of the
39 state. The agency shall not become liable to the state board for
40 repayment of ~~such~~ *those* moneys, but this shall not be ~~any~~ *a* defense

1 to an action brought pursuant to subdivision ~~(b)~~ (c) of Section
2 13304 for the recovery of moneys paid ~~hereunder~~ *under this*
3 *section*.

4 *SEC. 39. Section 13521 of the Water Code is amended to read:*
5 13521. The State Department of ~~Health Services~~ *Public Health*
6 shall establish uniform statewide recycling criteria for each varying
7 type of use of recycled water where the use involves the protection
8 of public health.

9 *SEC. 40. Section 13522 of the Water Code is amended to read:*
10 13522. (a) ~~Whenever~~ *If* the State Department of ~~Health~~
11 ~~Services~~ *Public Health* or ~~any~~ a local health officer finds that a
12 contamination exists as a result of the use of recycled water, the
13 department or local health officer shall order the contamination
14 abated in accordance with the procedure provided for in Chapter
15 6 (commencing with Section 5400) of Part 3 of Division 5 of the
16 Health and Safety Code.

17 (b) The use of recycled water in accordance with the uniform
18 statewide recycling criteria established pursuant to Section 13521,
19 for the purpose of this section, does not cause, constitute, or
20 contribute to, any form of contamination, unless the department
21 or the regional board determines that contamination exists.

22 *SEC. 41. Section 13523 of the Water Code is amended to read:*
23 13523. (a) Each regional board, after consulting with and
24 receiving the recommendations of the State Department of ~~Health~~
25 ~~Services~~ *Public Health* and any party who has requested in writing
26 to be consulted, and after any necessary hearing, shall, if in the
27 judgment of the board, it is necessary to protect the public health,
28 safety, or welfare, prescribe water reclamation requirements for
29 water ~~which~~ *that* is used or proposed to be used as ~~reclaimed~~
30 *recycled* water.

31 (b) The requirements may be placed upon the person ~~reclaiming~~
32 *recycling* water, the user, or both. The requirements shall be
33 established in conformance with the uniform statewide ~~reclamation~~
34 *recycling* criteria established pursuant to Section 13521. The
35 regional board may require the submission of a preconstruction
36 report for the purpose of determining compliance with the uniform
37 statewide ~~reclamation~~ *recycling* criteria. The requirements for a
38 use of ~~reclaimed~~ *recycled* water not addressed by the uniform
39 statewide ~~reclamation~~ *recycling* criteria shall be considered on a
40 case-by-case basis.

1 SEC. 42. Section 13523.1 of the Water Code is amended to
2 read:

3 13523.1. (a) Each regional board, after consulting with, and
4 receiving the recommendations of, the State Department of Health
5 Services *Public Health* and any party who has requested in writing
6 to be consulted, with the consent of the proposed permittee, and
7 after any necessary hearing, may, in lieu of issuing waste discharge
8 requirements pursuant to Section 13263 or water-reclamation
9 recycling requirements pursuant to Section 13523 for a user of
10 reclaimed recycled water, issue a master-reclamation recycling
11 permit to a supplier or distributor, or both, of reclaimed recycled
12 water.

13 (b) A master-reclamation recycling permit shall include, at least,
14 all of the following:

15 (1) Waste discharge requirements, adopted pursuant to Article
16 4 (commencing with Section 13260) of Chapter 4.

17 (2) A requirement that the permittee comply with the uniform
18 statewide-reclamation recycling criteria established pursuant to
19 Section 13521. Permit conditions for a use of reclaimed recycled
20 water not addressed by the uniform statewide water-reclamation
21 recycling criteria shall be considered on a case-by-case basis.

22 (3) A requirement that the permittee establish and enforce rules
23 or regulations for reclaimed recycled water users, governing the
24 design and construction of reclaimed recycled water use facilities
25 and the use of reclaimed recycled water, in accordance with the
26 uniform statewide-reclamation recycling criteria established
27 pursuant to Section 13521.

28 (4) A requirement that the permittee submit a quarterly report
29 summarizing reclaimed recycled water use, including the total
30 amount of reclaimed recycled water supplied, the total number of
31 reclaimed recycled water use sites, and the locations of those sites,
32 including the names of the hydrologic areas underlying the
33 reclaimed recycled water use sites.

34 (5) A requirement that the permittee conduct periodic inspections
35 of the facilities of the reclaimed recycled water users to monitor
36 compliance by the users with the uniform statewide-reclamation
37 recycling criteria established pursuant to Section 13521 and the
38 requirements of the master-reclamation recycling permit.

39 (6) Any other requirements determined to be appropriate by the
40 regional board.

1 *SEC. 43. Section 13528 of the Water Code is amended to read:*

2 13528. ~~No provision of this~~ *This chapter shall not be construed*
3 *as affecting the existing powers of the State Department of Health*
4 *Services Public Health.*

5 *SEC. 44. Section 13540 of the Water Code is amended to read:*

6 13540. (a) ~~No~~ *A person shall not construct, maintain, or use*
7 *any waste well extending to or into a subterranean water-bearing*
8 *stratum that is used or intended to be used as, or is suitable for, a*
9 *source of water supply for domestic purposes.*

10 (b) (1) *Notwithstanding subdivision (a), when a regional board*
11 *finds that water quality considerations do not preclude controlled*
12 *recharge of the stratum by direct injection, and when the State*
13 *Department of Health Services Public Health, following a public*
14 *hearing, finds the proposed recharge will not degrade the quality*
15 *of water in the receiving aquifer as a source of water supply for*
16 *domestic purposes, recycled water may be injected by a well into*
17 *the stratum. The State Department of Health Services Public Health*
18 *may make and enforce any regulations pertaining to this*
19 *subdivision as it deems proper.*

20 (2) ~~Nothing in this~~ *This section shall not be construed to do*
21 *either or both of the following:*

22 (A) *Affect the authority of the state board or regional boards to*
23 *prescribe and enforce requirements for the discharge.*

24 (B) *Preempt the exercise by a water district of its existing*
25 *ordinance authority to impose or implement stricter standards for*
26 *protecting groundwater quality in the receiving aquifer.*

27 (c) ~~When~~ *If the State Department of Health Services Public*
28 *Health makes the findings provided for in subdivision (b), the*
29 *department shall consider the state board's Statement of Policy*
30 *with Respect to Maintaining High Quality of Waters in California,*
31 *as set forth in Resolution 68-16, dated October 28, 1968, and shall*
32 *also consider current and potential future public health*
33 *consequences of the controlled recharge.*

34 *SEC. 45. Section 13552.4 of the Water Code is amended to*
35 *read:*

36 13552.4. (a) *Any public agency, including a state agency, city,*
37 *county, city and county, district, or any other political subdivision*
38 *of the state, may require the use of recycled water for irrigation of*
39 *residential landscaping, if all of the following requirements are*
40 *met:*

1 (1) Recycled water, for this use, is available to the user and
2 meets the requirements set forth in Section 13550, as determined
3 by the state board after notice and a hearing.

4 (2) The use of recycled water does not cause any loss or
5 diminution of any existing water right.

6 (3) The irrigation systems are constructed in accordance with
7 Chapter 3 (commencing with Section 60301) of Division 4 of Title
8 22 of the California Code Regulations.

9 (b) This section applies to both of the following:

10 (1) New subdivisions for which the building permit is issued
11 on or after March 15, 1994, or, if a building permit is not required,
12 new structures for which construction begins on or after March
13 15, 1994, for which the State Department of ~~Health Services~~ *Public*
14 *Health* has approved the use of recycled water.

15 (2) Any residence that is retrofitted to permit the use of recycled
16 water for landscape irrigation and for which the State Department
17 of ~~Health Services~~ *Public Health* has approved the use of recycled
18 water.

19 (c) (1) Division 13 (commencing with Section 21000) of the
20 Public Resources Code does not apply to any project ~~which~~ *that*
21 only involves the repiping, redesign, or use of recycled water for
22 irrigation of residential landscaping necessary to comply with a
23 requirement prescribed by a public agency under subdivision (a).

24 (2) The exemption in paragraph (1) does not apply to any project
25 to develop recycled water, to construct conveyance facilities for
26 recycled water, or any other project not specified in this
27 subdivision.

28 *SEC. 46. Section 13553 of the Water Code is amended to read:*

29 13553. (a) The Legislature hereby finds and declares that the
30 use of potable domestic water for toilet and urinal flushing in
31 structures is a waste or an unreasonable use of water within the
32 meaning of Section 2 of Article X of the California Constitution
33 if recycled water, for these uses, is available to the user and meets
34 the requirements set forth in Section 13550, as determined by the
35 state board after notice and a hearing.

36 (b) The state board may require a public agency or person
37 subject to this section to furnish any information that may be
38 relevant to making the determination required in subdivision (a).

39 (c) For ~~the~~ purposes of this section and Section 13554,
40 “structure” or “structures” means commercial, retail, and office

1 buildings, theaters, auditoriums, condominium projects, schools,
2 hotels, apartments, barracks, dormitories, jails, prisons, and
3 reformatories, and other structures as determined by the State
4 Department of Public Health.

5 (d) Recycled water may be used in condominium projects, as
6 defined in Section 1351 of the Civil Code, subject to all of the
7 following conditions:

8 (1) Prior to the indoor use of recycled water in any condominium
9 project, the agency delivering the recycled water to the
10 condominium project shall file a report ~~with the appropriate~~
11 ~~regional water quality control board~~ *with*, and receive written
12 approval of the report ~~from~~ *from*, the State Department of Public
13 Health. The report shall be consistent with the provisions of Title
14 22 of the California Code of Regulations generally applicable to
15 dual-plumbed structures and shall include all the following:

16 (A) That potable water service to each condominium project
17 will be provided with a backflow protection device approved by
18 the State Department of Public Health to protect the agency's
19 public water system, as defined in Section 116275 of the Health
20 and Safety Code. The backflow protection device approved by the
21 State Department of Public Health shall be inspected and tested
22 annually by a person certified in the inspection of backflow
23 prevention devices.

24 (B) That any plumbing modifications in the condominium unit
25 or any physical alteration of the structure will be done in
26 compliance with state and local plumbing codes.

27 (C) That each condominium project will be tested by the
28 recycled water agency or the responsible local agency at least once
29 every four years to ensure that there are no indications of a possible
30 cross connection between the condominium's potable and
31 nonpotable systems.

32 (D) That recycled water lines will be color coded consistent
33 with current statutes and regulations.

34 (2) The recycled water agency or the responsible local agency
35 shall maintain records of all tests and annual inspections conducted.

36 (3) The condominium's declaration, as defined in Section 1351
37 of the Civil Code, shall provide that the laws and regulations
38 governing recycled water apply, shall *not* permit ~~no~~ *any* exceptions
39 to those laws and regulations, shall incorporate the report described
40 in paragraph (1), and shall contain the following statement:

1
2 “NOTICE OF USE OF RECYCLED WATER

3
4 This property is approved by the State Department of Public
5 Health for the use of recycled water for toilet and urinal
6 flushing. This water is not potable, is not suitable for indoor
7 purposes other than toilet and urinal flushing purposes, and
8 requires dual plumbing. Alterations and modifications to the
9 plumbing system require a permit and are prohibited without
10 first consulting with the appropriate local building code
11 enforcement agency and your property management company
12 or homeowners’ association to ensure that the recycled water
13 is not mixed with the drinking water.”

14
15 (e) The State Department of Public Health may adopt regulations
16 as necessary to assist in the implementation of this section.

17 (f) This section shall only apply to condominium projects that
18 are created, within the meaning of Section 1352 of the Civil Code,
19 on or after January 1, 2008.

20 (g) ~~Nothing in this~~ This section ~~or~~ and Section 13554 ~~applies~~
21 ~~do not apply~~ to a pilot program adopted pursuant to Section
22 13553.1.

23 *SEC. 47. Section 13576 of the Water Code is amended to read:*
24 13576. The Legislature hereby makes the following findings
25 and declarations:

26 (a) The State of California is subject to periodic drought
27 conditions.

28 (b) The development of traditional water resources in California
29 has not kept pace with the state’s population, which is growing at
30 the rate of over 700,000 per year and which is anticipated to reach
31 ~~36 million~~ 36,000,000 by the year 2010.

32 (c) There is a need for a reliable source of water for uses not
33 related to the supply of potable water to protect investments in
34 agriculture, greenbelts, and recreation and to replenish groundwater
35 basins, and protect and enhance fisheries, wildlife habitat, and
36 riparian areas.

37 (d) The environmental benefits of recycled water include a
38 reduced demand for water in the Sacramento-San Joaquin Delta
39 ~~which~~ that is otherwise needed to maintain water quality, reduced

1 discharge of waste into the ocean, and the enhancement of
2 groundwater basins, recreation, fisheries, and wetlands.

3 (e) The use of recycled water has proven to be safe from a public
4 health standpoint, and the State Department of ~~Health Services~~
5 *Public Health* is updating regulations for the use of recycled water.

6 (f) The use of recycled water is a cost-effective, reliable method
7 of helping to meet California's water supply needs.

8 (g) The development of the infrastructure to distribute recycled
9 water will provide jobs and enhance the economy of the state.

10 (h) Retail water suppliers and recycled water producers and
11 wholesalers should promote the substitution of recycled water for
12 potable water and imported water in order to maximize the
13 appropriate cost-effective use of recycled water in California.

14 (i) Recycled water producers, retail water suppliers, and entities
15 responsible for groundwater replenishment should cooperate in
16 joint technical, economic, and environmental studies, as
17 appropriate, to determine the feasibility of providing recycled
18 water service.

19 (j) Retail water suppliers and recycled water producers and
20 wholesalers should be encouraged to enter into contracts to
21 facilitate the service of recycled and potable water by the retail
22 water suppliers in their service areas in the most efficient and
23 cost-effective manner.

24 (k) Recycled water producers and wholesalers and entities
25 responsible for groundwater replenishment should be encouraged
26 to enter into contracts to facilitate the use of recycled water for
27 groundwater replenishment if recycled water is available and the
28 authorities having jurisdiction approve its use.

29 (l) Wholesale prices set by recycled water producers and
30 recycled water wholesalers, and rates that retail water suppliers
31 are authorized to charge for recycled water, should reflect an
32 equitable sharing of the costs and benefits associated with the
33 development and use of recycled water.

34 *SEC. 48. Section 13578 of the Water Code is amended to read:*

35 13578. (a) In order to achieve the statewide goal for recycled
36 water use established in Section 13577 and to implement the
37 Governor's Advisory Drought Planning Panel Critical Water
38 Shortage Contingency Plan recommendations, Section F2, as
39 submitted December 29, 2000, the department shall identify and
40 report to the Legislature on opportunities for increasing the use of

1 recycled water, as defined in paragraph (3) of subdivision (b) of
2 Section 13575, and identify constraints and impediments, including
3 the level of state financial assistance available for project
4 construction, to increasing the use of recycled water.

5 (b) The department shall convene a task force, to be known as
6 the 2002 Recycled Water Task Force, to advise the department in
7 implementation of subdivision (a), including making
8 recommendations to the Legislature regarding the following:

9 (1) How to further the use of recycled water in industrial and
10 commercial applications, including, but not limited to, those
11 applications set forth in Section 13552.8. The task force shall
12 evaluate the current regulatory framework of state and local rules,
13 regulations, ordinances, and permits to identify the obstacles and
14 disincentives to industrial and commercial reuse. Issues to be
15 investigated include, but are not limited to, applicability of visual
16 inspections instead of pressure tests for cross-connections between
17 potable and nonpotable water systems, dual piping trenching
18 restrictions, fire suppression system design, and backflow
19 protections.

20 (2) Changes in the Uniform Plumbing Code, published by the
21 International Association of Plumbing and Mechanical Officials,
22 that are appropriate to facilitate the use of recycled water in
23 industrial and commercial settings. The department shall make
24 recommendations to the California Building Standards Commission
25 with regard to suggested revisions to the California Plumbing Code
26 necessary to incorporate the changes identified by the task force.

27 (3) Changes in state statutes or the current regulatory framework
28 of state and local rules, regulations, ordinances, and permits
29 appropriate to increase the use of recycled water for commercial
30 laundries and toilet and urinal flushing in structures including, but
31 not limited to, those defined in subdivision (c) of Section 13553.
32 The department shall identify financial incentives to help offset
33 the cost of retrofitting privately and publicly owned structures.

34 (4) The need to reconvene the California Potable Reuse
35 Committee established by the department in 1993 or convene a
36 successor committee to update the committee’s finding that planned
37 indirect potable reuse of recycled water by augmentation of surface
38 water supplies would not adversely affect drinking water quality
39 if certain conditions were met.

1 (5) The need to augment state water supplies using water use
2 efficiency strategies identified in the CALFED Bay-Delta Program.
3 In its report pursuant to subdivision (a), the department shall
4 identify ways to coordinate with CALFED to assist local
5 communities in educating the public with regard to the statewide
6 water supply benefits of local recycling projects and the level of
7 public health protection ensured by compliance with the uniform
8 statewide water recycling criteria developed by the State
9 Department of ~~Health Services~~ *Public Health* in accordance with
10 Section 13521.

11 (6) Impediments or constraints, other than water rights, related
12 to increasing the use of recycled water in applications for
13 agricultural, environmental, or irrigation uses, as determined by
14 the department.

15 (c) (1) The task force shall be convened by the department and
16 be comprised of one representative from each of the following
17 state agencies:

18 (A) The department.

19 (B) The State Department of ~~Health Services~~ *Public Health*.

20 (C) The state board.

21 (D) The California Environmental Protection Agency.

22 (E) The CALFED Bay-Delta Program.

23 (F) The Department of Food and Agriculture.

24 (G) The *California* Building Standards Commission.

25 (H) The University of California.

26 (I) The *Natural* Resources Agency.

27 (2) The task force shall also include one representative from a
28 recognized environmental advocacy group and one representative
29 from a consumer advocacy group, as determined by the department,
30 and one representative of local agency health officers, one
31 representative of urban water wholesalers, one representative from
32 a groundwater management entity, one representative of water
33 districts, one representative from a nonprofit association of public
34 and private members created to further the use of recycled water,
35 one representative of commercial real estate, one representative
36 of land development, one representative of industrial interests, and
37 at least two representatives from each of the following as defined
38 in Section 13575:

39 (A) Recycled water producer.

40 (B) Recycled water wholesaler.

1 (C) Retail water supplier.

2 (d) The department and the task force shall report to the
3 Legislature not later than July 1, 2003.

4 (e) The department shall carry out the duties of this section only
5 to the extent that funds pursuant to Section 79145, enacted as part
6 of the Safe Drinking Water, Clean Water, Watershed Protection,
7 and Flood Protection Act (Division 26 (commencing with Section
8 79000)), are made available for the purposes of this section.

9 *SEC. 49. Section 13580.9 of the Water Code is amended to*
10 *read:*

11 13580.9. (a) Notwithstanding any other ~~provision~~ of law, and
12 except as otherwise previously provided for in a contract agreed
13 to by the customer and the City of West Covina, if the purchaser,
14 contractor, or lessee of, or successor to, all or a portion of the water
15 utility owned by the City of West Covina is a retail water supplier
16 that is regulated by the Public Utilities Commission, rates for
17 recycled or nonpotable water service to a closed hazardous waste
18 and solid waste facility located within the boundaries of the City
19 of West Covina for the purposes of irrigation, recreation, or dust
20 suppression or any other use at that facility shall be established in
21 accordance with subdivisions (a) to (e), inclusive, of Section
22 13580.7, and if there is a failure to agree on the terms and
23 conditions of a recycled or nonpotable water supply agreement for
24 the delivery of water for those purposes by that purchaser,
25 contractor, lessee, or successor, Section 13581 shall apply.

26 (b) For the purpose of this section, nonpotable water that is not
27 the result of the treatment of waste shall be treated as the equivalent
28 of recycled water if it is suitable for a direct beneficial use or a
29 controlled use that would not otherwise occur and is therefor
30 considered a valuable resource, if the use of that water will not
31 adversely affect downstream water rights, degrade water quality,
32 or be injurious to plant life, fish, or wildlife, as provided by statute
33 or by regulations of the State Department of ~~Health Services~~ *Public*
34 *Health* and the state board or a regional board, as appropriate.

35 *SEC. 50. Section 13627 of the Water Code is amended to read:*

36 13627. (a) Supervisors and operators of those wastewater
37 treatment plants described in paragraph (1) ~~and~~ *or* (2) of
38 subdivision (b) of Section 13625 shall possess a certificate of
39 appropriate grade. Subject to the approval of regulations by the
40 state board, supervisors and operators of those wastewater treatment

1 plants described in paragraph (3) of subdivision (b) of Section
2 13625 shall possess certificates of the appropriate grade. All
3 certificates shall be issued in accordance with, and to the extent
4 recommended by the advisory committee and required by,
5 regulations adopted by the state board. The state board shall
6 develop and specify in its regulations the training necessary to
7 qualify a supervisor or operator for certification for each type and
8 class of plant. The state board may accept experience in lieu of
9 qualification training. For supervisors and operators of water
10 recycling treatment plants, the state board may approve use of a
11 water treatment plant operator of appropriate grade certified by
12 the State Department of *Public Health Services* pursuant to Article
13 3 (commencing with Section 106875) of Chapter 4 of Part 1 of
14 Division 104 of the Health and Safety Code in lieu of a wastewater
15 treatment plant operator certified by the state board, provided that
16 the state board may refuse to approve use of an operator certified
17 by the department or may suspend or revoke its approval of the
18 use of an operator certified by the department if the operator
19 commits any of the prohibited acts described in Article 7
20 (*commencing with Section 3710*) of Chapter 26 of Division 3 of
21 Title 23 of the California Code of Regulations.

22 (b) The regional water quality control board, with jurisdiction
23 for issuing and ensuring compliance with applicable water
24 reclamation or waste discharge requirements, shall notify the
25 department in writing if, pursuant to an inspection conducted under
26 Section 13267, the regional board makes a determination that there
27 *is are* reasonable grounds for not issuing, or for suspending or
28 revoking, the certificate of a certified water treatment plant operator
29 who is operating or supervising the operation of a water recycling
30 treatment plant. The department shall make its determination
31 regarding the issuance, suspension, or revocation of a certificate
32 in accordance with Section 106876 of the Health and Safety Code.

33 (c) For purposes of this section, “water recycling treatment
34 plant” means a treatment plant that receives and further treats
35 secondary or tertiary effluent, or both, from a wastewater treatment
36 plant.

37 (d) A person employed as a wastewater treatment plant
38 supervisor or operator on the effective date of regulations adopted
39 pursuant to this chapter shall be issued an appropriate certificate

1 if the person meets the training, education, and experience
2 requirements prescribed by regulations.

3 (e) The state board may refuse to grant, suspend, or revoke any
4 certificate issued by the state board to operate a wastewater
5 treatment plant, or may place on probation, or reprimand, the
6 certificate holder upon any reasonable ground, including, but not
7 limited to, all of the following reasons:

8 (1) Submitting false or misleading information on an application
9 for a certificate.

10 (2) The employment of fraud or deception in the course of
11 operating the wastewater treatment plant.

12 (3) A certificate holder's failure to use reasonable care or
13 judgment in the operation of the plant.

14 (4) A certificate holder's inability to perform operating duties
15 properly.

16 (5) Willfully or negligently violating, or causing, or allowing
17 the violation of, waste discharge requirements or permits issued
18 pursuant to the Federal Water Pollution Control Act (33 U.S.C.
19 Sec. 1251 et seq.).

20 (f) The state board shall conduct all proceedings for the refusal
21 to grant a certificate, and suspension or revocation of a certificate,
22 pursuant to subdivision-(e) (e), in accordance with the rules adopted
23 pursuant to Section 185.

24 *SEC. 51. Section 13627.4 of the Water Code is amended to*
25 *read:*

26 13627.4. (a) *The state board may administratively impose the*
27 *civil liability described in Section 13627.1, 13627.2, or 13627.3*
28 *may be administratively imposed* in accordance with Article 2.5
29 (commencing with Section 13323) of Chapter 5 ~~except that the~~
30 ~~executive director shall issue the complaint with review by the~~
31 ~~state board.~~

32 (b) A remedy under this chapter is in addition to, and does not
33 supersede or limit, any other remedy, civil or criminal, except that
34 ~~no~~ liability is *not* recoverable against an operator under subdivision

35 (c) of Section 13627.1 for a violation for which liability is
36 recovered against the operator under Section 13350 or 13385.

37 *SEC. 52. Section 13755 of the Water Code is amended to read:*

38 13755. ~~Nothing in this~~ *This chapter shall does not* affect the
39 powers and duties of the State Department of ~~Health Services~~
40 *Public Health* with respect to water and water systems pursuant

1 to Chapter 4 (commencing with Section ~~116275~~ 116270) of Part
2 12 of Division 104 of the Health and Safety Code. Every person
3 shall comply with this chapter and any regulation adopted pursuant
4 thereto, in addition to standards adopted by any city or county.

5 *SEC. 53. Section 13800 of the Water Code is amended to read:*

6 13800. The department, after ~~such~~ the studies and investigations
7 pursuant to Section 231 as it finds necessary, on determining that
8 water well, cathodic protection well, and monitoring well
9 construction, maintenance, abandonment, and destruction standards
10 are needed in an area to protect the quality of water used or ~~which~~
11 that may be used for any beneficial use, shall so report to the
12 appropriate regional water quality control board and to the State
13 Department of ~~Health Services~~ *Public Health*. The report shall
14 contain ~~such~~ the recommended standards for water well ~~and,~~
15 cathodic protection well, and monitoring well construction,
16 maintenance, abandonment, and destruction as, in the department's
17 opinion, are necessary to protect the quality of any affected water.

18 *SEC. 54. Section 13801 of the Water Code is amended to read:*

19 13801. (a) The regional board, upon receipt of a report from
20 the department pursuant to Section 13800, shall hold a public
21 hearing on the need to establish well standards for the area
22 involved. The regional board may hold a public hearing with
23 respect to any area regardless of whether a report has been received
24 from the department if it has information that standards may be
25 needed.

26 (b) Notwithstanding subdivision (a), the state board shall, not
27 later than September 1, 1989, adopt a model water well, cathodic
28 protection well, and monitoring well drilling and abandonment
29 ordinance implementing the standards for water well construction,
30 maintenance, and abandonment contained in Bulletin 74-81 of the
31 department. If the model ordinance is not adopted by this date, the
32 state board shall report to the Legislature as to the reasons for the
33 delay. The state board shall circulate the model ordinances to all
34 cities and ~~counties~~ *counties*.

35 (c) Notwithstanding any other ~~provision~~ of law, each county,
36 city, or water agency, where appropriate, shall, not later than
37 January 15, 1990, adopt a water well, cathodic protection well,
38 and monitoring well drilling and abandonment ordinance that meets
39 or exceeds the standards contained in Bulletin 74-81. Where a
40 water agency ~~which~~ that has permit authority over well drilling

1 within the agency adopts a water well, cathodic protection well,
 2 and monitoring well drilling and abandonment ordinance that meets
 3 or exceeds the standards contained in Bulletin 74-81, a county or
 4 city shall not be required to adopt an ordinance for the same area.

5 (d) If a county, city, or water agency, where appropriate, fails
 6 to adopt an ordinance establishing water well, cathodic protection
 7 well, and monitoring well drilling and abandonment standards, the
 8 model ordinance adopted by the state board pursuant to subdivision
 9 (b) shall take effect on February 15, 1990, and shall be enforced
 10 by the county or city and have the same force and effect as if
 11 adopted as a county or city ordinance.

12 (e) The minimum standards recommended by the department
 13 and adopted by the state board or local agencies for the
 14 construction, maintenance, abandonment, or destruction of
 15 monitoring wells or class 1 hazardous injection wells shall not be
 16 construed to limit, abridge, or supersede the powers or duties of
 17 the State Department of ~~Health Services~~ *Public Health* in their
 18 application of standards to the construction, maintenance,
 19 abandonment, or destruction of monitoring wells or class 1
 20 hazardous injection wells at facilities ~~which~~ *that* treat, store, or
 21 dispose of hazardous waste or at any site where the State
 22 Department of ~~Health Services~~ *Public Health* is the lead agency
 23 responsible for investigation and remedial action at that site, as
 24 long as the standards used by the State Department of ~~Health~~
 25 ~~Services~~ *Public Health* meet or exceed those in effect by any city,
 26 county, or water agency where appropriate, responsible for
 27 developing ordinances for the area in question.

28 *SEC. 55. Section 13903 of the Water Code is amended to read:*

29 13903. Each regional board shall notify each affected city or
 30 county, the State Department of ~~Health Services~~ *Public Health*
 31 and the ~~State~~ Department of Boating and Waterways of areas of
 32 inadequate regulation by ordinance of discharges of waste from
 33 houseboats and shall recommend provisions necessary to control
 34 the discharges of waste from houseboats into the waters.

35 *SEC. 56. Section 13904 of the Water Code is amended to read:*

36 13904. Each ~~such~~ affected city or county shall within 120 days
 37 of receipt of the notice from the regional board, adopt an ordinance
 38 for control of discharges of waste from houseboats within the area
 39 for which notice was given by the board. A copy of ~~such~~ *the*
 40 ordinance shall be sent to the regional board on its adoption and

1 the regional board shall transmit ~~such~~ *the* ordinance to the state
2 board, the State Department of ~~Health Services~~ *Public Health* and
3 the ~~State~~ Department of Boating and Waterways.

4 *SEC. 57. Section 13952.1 of the Water Code is amended to*
5 *read:*

6 13952.1. (a) Notwithstanding Section 13951, the South Tahoe
7 Public Utility District may provide recycled water only to prevent
8 the destruction of its Luther Pass recycled water pump station from
9 a catastrophic fire if all of the following conditions are met:

10 (1) The district submits an engineering report to the Lahontan
11 Regional Board and the State Department of ~~Health Services~~ *Public*
12 *Health*, as required by that regional board and that department.

13 (2) The Lahontan Regional Board, the State Department of
14 ~~Health Services~~ *Public Health*, and the Tahoe Regional Planning
15 Agency authorize the use of recycled water, and the specified area
16 or areas in the immediate vicinity of the pump station where that
17 recycled water may be used, only to prevent the destruction of the
18 district's Luther Pass recycled water pump station from a
19 catastrophic fire.

20 (3) The fire incident commander authorizes the use of the
21 recycled water to prevent the destruction of the district's Luther
22 Pass recycled water pump station from a catastrophic fire, as
23 authorized pursuant to this section.

24 (b) For purposes of this section, "catastrophic fire" means a
25 condition exists that will result in severe harm to life, property,
26 and the environment if the use of recycled water as authorized
27 pursuant to this section is not used, and all other methods to
28 extinguish the fire have been exhausted.

29 *SEC. 58. Pursuant to Section 13201 of the Water Code, the*
30 *Governor appoints, and the Legislature confirms, members to the*
31 *California regional water quality control boards. These members*
32 *serve staggered four-year terms in conformance with Section 13202*
33 *of the Water Code and the legislation establishing the various*
34 *positions on the California regional water quality control boards.*
35 *As a result of the enactment of Chapter 1299 of the Statutes of*
36 *1959, two of the positions on each California regional water*
37 *quality control board were established with an expiration date of*
38 *September 17 of the year in which the position expires. The other*
39 *positions on each California regional water quality control board*
40 *have a September 30 expiration date in the various years in which*

1 *they expire. For consistency and efficiency, the Legislature hereby*
2 *extends to September 30, 2014, the terms of the two positions on*
3 *each California regional water quality control board that would*
4 *otherwise expire on September 17, 2014.*

5 SECTION 1. ~~Section 1367.01 of the Health and Safety Code~~
6 ~~is amended to read:~~

7 ~~1367.01. (a) A health care service plan and any entity with~~
8 ~~which it contracts for services that include utilization review or~~
9 ~~utilization management functions, that prospectively,~~
10 ~~retrospectively, or concurrently reviews and approves, modifies,~~
11 ~~delays, or denies, based in whole or in part on medical necessity,~~
12 ~~requests by providers prior to, retrospectively, or concurrent with~~
13 ~~the provision of health care services to enrollees, or that delegates~~
14 ~~these functions to medical groups or independent practice~~
15 ~~associations or to other contracting providers, shall comply with~~
16 ~~this section.~~

17 ~~(b) (1) A health care service plan that is subject to this section~~
18 ~~shall have written policies and procedures establishing the process~~
19 ~~by which the plan prospectively, retrospectively, or concurrently~~
20 ~~reviews and approves, modifies, delays, or denies, based in whole~~
21 ~~or in part on medical necessity, requests by providers of health~~
22 ~~care services for plan enrollees. These policies and procedures~~
23 ~~shall ensure that decisions based on the medical necessity of~~
24 ~~proposed health care services are consistent with criteria or~~
25 ~~guidelines that are supported by clinical principles and processes.~~
26 ~~These criteria and guidelines shall be developed pursuant to Section~~
27 ~~1363.5. These policies and procedures, and a description of the~~
28 ~~process by which the plan reviews and approves, modifies, delays,~~
29 ~~or denies requests by providers prior to, retrospectively, or~~
30 ~~concurrent with the provision of health care services to enrollees,~~
31 ~~shall be filed with the director for review and approval, and shall~~
32 ~~be disclosed by the plan to providers and enrollees upon request,~~
33 ~~and by the plan to the public upon request.~~

34 ~~(2) Upon receipt of a request by a provider prior to,~~
35 ~~retrospectively, or concurrent with, the provision of health care~~
36 ~~services to an enrollee, a health care service plan subject to this~~
37 ~~section shall assign a tracking number to the request and shall~~
38 ~~provide acknowledgment of receipt of the request to the provider.~~
39 ~~The acknowledgment of receipt shall identify the assigned tracking~~
40 ~~number and shall be provided via electronic mail, unless the~~

1 provider has opted out of the electronic method of transmittal and
2 requested that all acknowledgments of receipt be transmitted in
3 writing. In the case of an orally submitted request, the
4 acknowledgment of receipt shall also be provided orally to the
5 submitting provider. All communications regarding the request,
6 including, but not limited to, the communications or responses
7 identified in subdivision (h), shall reference the tracking number
8 assigned pursuant to this paragraph.

9 (e) A health care service plan subject to this section, except a
10 plan that meets the requirements of Section 1351.2, shall employ
11 or designate a medical director who holds an unrestricted license
12 to practice medicine in this state issued pursuant to Section 2050
13 of the Business and Professions Code or pursuant to the
14 Osteopathic Act, or, if the plan is a specialized health care service
15 plan, a clinical director with California licensure in a clinical area
16 appropriate to the type of care provided by the specialized health
17 care service plan. The medical director or clinical director shall
18 ensure that the process by which the plan reviews and approves,
19 modifies, or denies, based in whole or in part on medical necessity,
20 requests by providers prior to, retrospectively, or concurrent with
21 the provision of health care services to enrollees, complies with
22 the requirements of this section.

23 (d) If health plan personnel, or individuals under contract to the
24 plan to review requests by providers, approve the provider's
25 request, pursuant to subdivision (b), the decision shall be
26 communicated to the provider pursuant to subdivision (h).

27 (e) No individual, other than a licensed physician or a licensed
28 health care professional who is competent to evaluate the specific
29 clinical issues involved in the health care services requested by
30 the provider, may deny or modify requests for authorization of
31 health care services for an enrollee for reasons of medical necessity.
32 The decision of the physician or other health care professional
33 shall be communicated to the provider and the enrollee pursuant
34 to subdivision (h).

35 (f) The criteria or guidelines used by the health care service
36 plan to determine whether to approve, modify, or deny requests
37 by providers prior to, retrospectively, or concurrent with, the
38 provision of health care services to enrollees shall be consistent
39 with clinical principles and processes. These criteria and guidelines
40 shall be developed pursuant to the requirements of Section 1363.5.

1 ~~(g) If the health care service plan requests medical information~~
2 ~~from providers in order to determine whether to approve, modify,~~
3 ~~or deny requests for authorization, the plan shall request only the~~
4 ~~information reasonably necessary to make the determination.~~

5 ~~(h) In determining whether to approve, modify, or deny requests~~
6 ~~by providers prior to, retrospectively, or concurrent with the~~
7 ~~provision of health care services to enrollees, based in whole or~~
8 ~~in part on medical necessity, a health care service plan subject to~~
9 ~~this section shall meet the following requirements:~~

10 ~~(1) Decisions to approve, modify, or deny, based on medical~~
11 ~~necessity, requests by providers prior to, or concurrent with the~~
12 ~~provision of health care services to enrollees that do not meet the~~
13 ~~requirements for the 72-hour review required by paragraph (2),~~
14 ~~shall be made in a timely fashion appropriate for the nature of the~~
15 ~~enrollee's condition, not to exceed five business days from the~~
16 ~~plan's receipt of the information reasonably necessary and~~
17 ~~requested by the plan to make the determination. In cases where~~
18 ~~the review is retrospective, the decision shall be communicated to~~
19 ~~the individual who received services, or to the individual's~~
20 ~~designee, within 30 days of the receipt of information that is~~
21 ~~reasonably necessary to make this determination, and shall be~~
22 ~~communicated to the provider in a manner that is consistent with~~
23 ~~current law. For purposes of this section, retrospective reviews~~
24 ~~shall be for care rendered on or after January 1, 2000.~~

25 ~~(2) When the enrollee's condition is such that the enrollee faces~~
26 ~~an imminent and serious threat to his or her health, including, but~~
27 ~~not limited to, the potential loss of life, limb, or other major bodily~~
28 ~~function, or the normal timeframe for the decisionmaking process,~~
29 ~~as described in paragraph (1), would be detrimental to the enrollee's~~
30 ~~life or health or could jeopardize the enrollee's ability to regain~~
31 ~~maximum function, decisions to approve, modify, or deny requests~~
32 ~~by providers prior to, or concurrent with, the provision of health~~
33 ~~care services to enrollees, shall be made in a timely fashion~~
34 ~~appropriate for the nature of the enrollee's condition, not to exceed~~
35 ~~72 hours after the plan's receipt of the information reasonably~~
36 ~~necessary and requested by the plan to make the determination.~~
37 ~~Nothing in this section shall be construed to alter the requirements~~
38 ~~of subdivision (b) of Section 1371.4. Notwithstanding Section~~
39 ~~1371.4, the requirements of this division shall be applicable to all~~

1 health plans and other entities conducting utilization review or
2 utilization management.

3 (3) ~~Decisions to approve, modify, or deny requests by providers~~
4 ~~for authorization prior to, or concurrent with, the provision of~~
5 ~~health care services to enrollees shall be communicated to the~~
6 ~~requesting provider within 24 hours of the decision. Except for~~
7 ~~concurrent review decisions pertaining to care that is underway,~~
8 ~~which shall be communicated to the enrollee's treating provider~~
9 ~~within 24 hours, decisions resulting in denial, delay, or~~
10 ~~modification of all or part of the requested health care service shall~~
11 ~~be communicated to the enrollee in writing within two business~~
12 ~~days of the decision. In the case of concurrent review, care shall~~
13 ~~not be discontinued until the enrollee's treating provider has been~~
14 ~~notified of the plan's decision and a care plan has been agreed~~
15 ~~upon by the treating provider that is appropriate for the medical~~
16 ~~needs of that patient.~~

17 (4) ~~Communications regarding decisions to approve requests~~
18 ~~by providers prior to, retrospectively, or concurrent with the~~
19 ~~provision of health care services to enrollees shall specify the~~
20 ~~specific health care service approved. Responses regarding~~
21 ~~decisions to deny, delay, or modify health care services requested~~
22 ~~by providers prior to, retrospectively, or concurrent with the~~
23 ~~provision of health care services to enrollees shall be~~
24 ~~communicated to the enrollee in writing, and to providers initially~~
25 ~~by telephone or facsimile, except with regard to decisions rendered~~
26 ~~retrospectively, and then in writing, and shall include a clear and~~
27 ~~concise explanation of the reasons for the plan's decision, a~~
28 ~~description of the criteria or guidelines used, and the clinical~~
29 ~~reasons for the decisions regarding medical necessity. Any written~~
30 ~~communication to a physician or other health care provider of a~~
31 ~~denial, delay, or modification of a request shall include the name~~
32 ~~and telephone number of the health care professional responsible~~
33 ~~for the denial, delay, or modification. The telephone number~~
34 ~~provided shall be a direct number or an extension, to allow the~~
35 ~~physician or health care provider easily to contact the professional~~
36 ~~responsible for the denial, delay, or modification. Responses shall~~
37 ~~also include information as to how the enrollee may file a grievance~~
38 ~~with the plan pursuant to Section 1368, and in the case of Medi-Cal~~
39 ~~enrollees, shall explain how to request an administrative hearing~~

1 and aid paid pending under Sections 51014.1 and 51014.2 of Title
2 22 of the California Code of Regulations.

3 ~~(5) If the health care service plan cannot make a decision to~~
4 ~~approve, modify, or deny the request for authorization within the~~
5 ~~timeframes specified in paragraph (1) or (2) because the plan is~~
6 ~~not in receipt of all of the information reasonably necessary and~~
7 ~~requested, or because the plan requires consultation by an expert~~
8 ~~reviewer, or because the plan has asked that an additional~~
9 ~~examination or test be performed upon the enrollee, provided the~~
10 ~~examination or test is reasonable and consistent with good medical~~
11 ~~practice, the plan shall, immediately upon the expiration of the~~
12 ~~timeframe specified in paragraph (1) or (2) or as soon as the plan~~
13 ~~becomes aware that it will not meet the timeframe, whichever~~
14 ~~occurs first, notify the provider and the enrollee, in writing, that~~
15 ~~the plan cannot make a decision to approve, modify, or deny the~~
16 ~~request for authorization within the required timeframe, and specify~~
17 ~~the information requested but not received, or the expert reviewer~~
18 ~~to be consulted, or the additional examinations or tests required.~~
19 ~~The plan shall also notify the provider and enrollee of the~~
20 ~~anticipated date on which a decision may be rendered. Upon receipt~~
21 ~~of all information reasonably necessary and requested by the plan,~~
22 ~~the plan shall approve, modify, or deny the request for authorization~~
23 ~~within the timeframes specified in paragraph (1) or (2), whichever~~
24 ~~applies.~~

25 ~~(6) If the director determines that a health care service plan has~~
26 ~~failed to meet any of the timeframes in this section, or has failed~~
27 ~~to meet any other requirement of this section, the director may~~
28 ~~assess, by order, administrative penalties for each failure. A~~
29 ~~proceeding for the issuance of an order assessing administrative~~
30 ~~penalties shall be subject to appropriate notice to, and an~~
31 ~~opportunity for a hearing with regard to, the person affected, in~~
32 ~~accordance with subdivision (a) of Section 1397. The~~
33 ~~administrative penalties shall not be deemed an exclusive remedy~~
34 ~~for the director. These penalties shall be paid to the Managed Care~~
35 ~~Administrative Fines and Penalties Fund and shall be used for the~~
36 ~~purposes specified in Section 1341.45.~~

37 ~~(i) A health care service plan subject to this section shall~~
38 ~~maintain telephone access for providers to request authorization~~
39 ~~for health care services.~~

1 ~~(j) A health care service plan subject to this section that reviews~~
2 ~~requests by providers prior to, retrospectively, or concurrent with,~~
3 ~~the provision of health care services to enrollees shall establish,~~
4 ~~as part of the quality assurance program required by Section 1370,~~
5 ~~a process by which the plan's compliance with this section is~~
6 ~~assessed and evaluated. The process shall include provisions for~~
7 ~~evaluation of complaints, assessment of trends, implementation~~
8 ~~of actions to correct identified problems, mechanisms to~~
9 ~~communicate actions and results to the appropriate health plan~~
10 ~~employees and contracting providers, and provisions for evaluation~~
11 ~~of any corrective action plan and measurements of performance.~~

12 ~~(k) The director shall review a health care service plan's~~
13 ~~compliance with this section as part of its periodic onsite medical~~
14 ~~survey of each plan undertaken pursuant to Section 1380, and shall~~
15 ~~include a discussion of compliance with this section as part of its~~
16 ~~report issued pursuant to that section.~~

17 ~~(l) This section shall not apply to decisions made for the care~~
18 ~~or treatment of the sick who depend upon prayer or spiritual means~~
19 ~~for healing in the practice of religion as set forth in subdivision~~
20 ~~(a) of Section 1270.~~

21 ~~(m) Nothing in this section shall cause a health care service plan~~
22 ~~to be defined as a health care provider for purposes of any provision~~
23 ~~of law, including, but not limited to, Section 6146 of the Business~~
24 ~~and Professions Code, Sections 3333.1 and 3333.2 of the Civil~~
25 ~~Code, and Sections 340.5, 364, 425.13, 667.7, and 1295 of the~~
26 ~~Code of Civil Procedure.~~

27 ~~SEC. 2. Section 1370.8 is added to the Health and Safety Code,~~
28 ~~to read:~~

29 ~~1370.8. Upon receipt of a claim, a health care service plan shall~~
30 ~~assign a tracking number to the claim and shall provide~~
31 ~~acknowledgment of receipt of the claim to the provider. The~~
32 ~~acknowledgment of receipt shall identify the assigned tracking~~
33 ~~number and shall be provided via electronic mail, unless the~~
34 ~~provider has opted out of the electronic method of transmittal and~~
35 ~~requested that all acknowledgments of receipt be transmitted in~~
36 ~~writing. In the case of an orally submitted claim, the~~
37 ~~acknowledgment of receipt shall also be provided orally to the~~
38 ~~submitting provider. All communications regarding the claim shall~~
39 ~~reference the tracking number assigned pursuant to this section.~~

1 SEC. 3. ~~Section 1371 of the Health and Safety Code is amended~~
2 ~~to read:~~

3 ~~1371. (a) A health care service plan, including a specialized~~
4 ~~health care service plan, shall reimburse claims or any portion of~~
5 ~~any claim, whether in state or out of state, as soon as practical, but~~
6 ~~no later than 30 working days after receipt of the claim by the~~
7 ~~health care service plan, or if the health care service plan is a health~~
8 ~~maintenance organization, 45 working days after receipt of the~~
9 ~~claim by the health care service plan, unless the claim or portion~~
10 ~~thereof is contested by the plan in which case the claimant shall~~
11 ~~be notified, in writing, that the claim is contested or denied, within~~
12 ~~30 working days after receipt of the claim by the health care service~~
13 ~~plan, or if the health care service plan is a health maintenance~~
14 ~~organization, 45 working days after receipt of the claim by the~~
15 ~~health care service plan. The notice that a claim is being contested~~
16 ~~shall identify the portion of the claim that is contested and the~~
17 ~~specific reasons for contesting the claim.~~

18 ~~(b) If an uncontested claim is not reimbursed by delivery to the~~
19 ~~claimants' address of record within the respective 30 or 45 working~~
20 ~~days after receipt, interest shall accrue at the rate of 15 percent per~~
21 ~~annum beginning with the first calendar day after the 30- or~~
22 ~~45-working-day period. A health care service plan shall~~
23 ~~automatically include in its payment of the claim all interest that~~
24 ~~has accrued pursuant to this section without requiring the claimant~~
25 ~~to submit a request for the interest amount. Any plan failing to~~
26 ~~comply with this requirement shall pay the claimant a ten-dollar~~
27 ~~(\$10) fee.~~

28 ~~(c) For the purposes of this section, a claim, or portion thereof,~~
29 ~~is reasonably contested if the plan has not received the completed~~
30 ~~claim and all information necessary to determine payer liability~~
31 ~~for the claim, or has not been granted reasonable access to~~
32 ~~information concerning provider services. Information necessary~~
33 ~~to determine payer liability for the claim includes, but is not limited~~
34 ~~to, reports of investigations concerning fraud and~~
35 ~~misrepresentation, and necessary consents, releases, and~~
36 ~~assignments, a claim on appeal, or other information necessary for~~
37 ~~the plan to determine the medical necessity for the health care~~
38 ~~services provided.~~

39 ~~(d) If a claim or portion thereof is contested on the basis that~~
40 ~~the plan has not received all information necessary to determine~~

1 payer liability for the claim or portion thereof and notice has been
2 provided pursuant to this section both of the following shall apply:

3 (1) ~~Within three working days of receipt of any of this additional~~
4 ~~information, the plan shall provide acknowledgment of receipt of~~
5 ~~that information to the claimant. The acknowledgment of receipt~~
6 ~~shall be provided via electronic mail unless the claimant has opted~~
7 ~~out of the electronic method of transmittal and requested that all~~
8 ~~acknowledgments of receipt be transmitted in writing. The~~
9 ~~acknowledgment of receipt shall include the tracking number~~
10 ~~assigned to the claim pursuant to Section 1370.8.~~

11 (2) ~~The plan shall have 30 working days or, if the health care~~
12 ~~service plan is a health maintenance organization, 45 working days~~
13 ~~after receipt of all of the information necessary to determine payer~~
14 ~~liability to complete reconsideration of the claim. If a plan has~~
15 ~~received all of the information necessary to determine payer~~
16 ~~liability for a contested claim and has not reimbursed a claim it~~
17 ~~has determined to be payable within 30 working days of the receipt~~
18 ~~of that information, or if the plan is a health maintenance~~
19 ~~organization, within 45 working days of receipt of that information,~~
20 ~~interest shall accrue and be payable at a rate of 15 percent per~~
21 ~~annum beginning with the first calendar day after the 30- or~~
22 ~~45-working-day period.~~

23 (e) ~~The obligation of the plan to comply with this section shall~~
24 ~~not be deemed to be waived when the plan requires its medical~~
25 ~~groups, independent practice associations, or other contracting~~
26 ~~entities to pay claims for covered services.~~

27 SEC. 4. ~~Section 1371.35 of the Health and Safety Code is~~
28 ~~amended to read:~~

29 1371.35. (a) ~~A health care service plan, including a specialized~~
30 ~~health care service plan, shall reimburse each complete claim, or~~
31 ~~portion thereof, whether in state or out of state, as soon as practical,~~
32 ~~but no later than 30 working days after receipt of the complete~~
33 ~~claim by the health care service plan, or if the health care service~~
34 ~~plan is a health maintenance organization, 45 working days after~~
35 ~~receipt of the complete claim by the health care service plan.~~
36 ~~However, a plan may contest or deny a claim, or portion thereof,~~
37 ~~by notifying the claimant, in writing, that the claim is contested~~
38 ~~or denied, within 30 working days after receipt of the claim by the~~
39 ~~health care service plan, or if the health care service plan is a health~~
40 ~~maintenance organization, 45 working days after receipt of the~~

1 claim by the health care service plan. The notice that a claim, or
2 portion thereof, is contested shall identify the portion of the claim
3 that is contested, by revenue code, and the specific information
4 needed from the provider to reconsider the claim. The notice that
5 a claim, or portion thereof, is denied shall identify the portion of
6 the claim that is denied, by revenue code, and the specific reasons
7 for the denial. A plan may delay payment of an uncontested portion
8 of a complete claim for reconsideration of a contested portion of
9 that claim so long as the plan pays those charges specified in
10 subdivision (b).

11 (b) If a complete claim, or portion thereof, that is neither
12 contested nor denied, is not reimbursed by delivery to the
13 claimant's address of record within the respective 30 or 45 working
14 days after receipt, the plan shall pay the greater of fifteen dollars
15 (\$15) per year or interest at the rate of 15 percent per annum
16 beginning with the first calendar day after the 30- or
17 45-working-day period. A health care service plan shall
18 automatically include the fifteen dollars (\$15) per year or interest
19 due in the payment made to the claimant, without requiring a
20 request therefor.

21 (c) For the purposes of this section, a claim, or portion thereof,
22 is reasonably contested if the plan has not received the completed
23 claim. A paper claim from an institutional provider shall be deemed
24 complete upon submission of a legible emergency department
25 report and a completed UB-92 or other format adopted by the
26 National Uniform Billing Committee, and reasonable relevant
27 information requested by the plan within 30 working days of receipt
28 of the claim. An electronic claim from an institutional provider
29 shall be deemed complete upon submission of an electronic
30 equivalent to the UB-92 or other format adopted by the National
31 Uniform Billing Committee, and reasonable relevant information
32 requested by the plan within 30 working days of receipt of the
33 claim. However, if the plan requests a copy of the emergency
34 department report within the 30 working days after receipt of the
35 electronic claim from the institutional provider, the plan may also
36 request additional reasonable relevant information within 30
37 working days of receipt of the emergency department report, at
38 which time the claim shall be deemed complete. A claim from a
39 professional provider shall be deemed complete upon submission
40 of a completed HCFA-1500 or its electronic equivalent or other

1 format adopted by the National Uniform Billing Committee, and
2 reasonable relevant information requested by the plan within 30
3 working days of receipt of the claim. The provider shall provide
4 the plan reasonable relevant information within 10 working days
5 of receipt of a written request that is clear and specific regarding
6 the information sought. If, as a result of reviewing the reasonable
7 relevant information, the plan requires further information, the
8 plan shall have an additional 15 working days after receipt of the
9 reasonable relevant information to request the further information,
10 notwithstanding any time limit to the contrary in this section, at
11 which time the claim shall be deemed complete.

12 (d) ~~This section shall not apply to claims about which there is~~
13 ~~evidence of fraud and misrepresentation, to eligibility~~
14 ~~determinations, or in instances where the plan has not been granted~~
15 ~~reasonable access to information under the provider's control. A~~
16 ~~plan shall specify, in a written notice sent to the provider within~~
17 ~~the respective 30 or 45 working days of receipt of the claim, which,~~
18 ~~if any, of these exceptions applies to a claim.~~

19 (e) ~~If a claim or portion thereof is contested on the basis that~~
20 ~~the plan has not received information reasonably necessary to~~
21 ~~determine payer liability for the claim or portion thereof, both of~~
22 ~~the following shall apply:~~

23 (1) ~~Within three working days of receipt of any of this additional~~
24 ~~information, a plan shall provide acknowledgment of receipt of~~
25 ~~that information to the claimant. The acknowledgment of receipt~~
26 ~~shall be provided via electronic mail unless the claimant has opted~~
27 ~~out of the electronic method of transmittal and requested that all~~
28 ~~acknowledgments of receipt be transmitted in writing. The~~
29 ~~acknowledgment of receipt shall include the tracking number~~
30 ~~assigned to the claim pursuant to Section 1370.8.~~

31 (2) ~~The plan shall have 30 working days or, if the health care~~
32 ~~service plan is a health maintenance organization, 45 working days~~
33 ~~after receipt of all of the information necessary to determine payer~~
34 ~~liability to complete reconsideration of the claim. If a claim, or~~
35 ~~portion thereof, undergoing reconsideration is not reimbursed by~~
36 ~~delivery to the claimant's address of record within the respective~~
37 ~~30 or 45 working days after receipt of all of the information~~
38 ~~necessary to determine payer liability, the plan shall pay the greater~~
39 ~~of fifteen dollars (\$15) per year or interest at the rate of 15 percent~~
40 ~~per annum beginning with the first calendar day after the 30- or~~

1 ~~45-working-day period. A health care service plan shall~~
2 ~~automatically include the fifteen dollars (\$15) per year or interest~~
3 ~~due in the payment made to the claimant, without requiring a~~
4 ~~request therefor.~~

5 ~~(f) The obligation of the plan to comply with this section shall~~
6 ~~not be deemed to be waived when the plan requires its medical~~
7 ~~groups, independent practice associations, or other contracting~~
8 ~~entities to pay claims for covered services. This section shall not~~
9 ~~be construed to prevent a plan from assigning, by a written contract,~~
10 ~~the responsibility to pay interest and late charges pursuant to this~~
11 ~~section to medical groups, independent practice associations, or~~
12 ~~other entities.~~

13 ~~(g) A plan shall not delay payment on a claim from a physician~~
14 ~~or other provider to await the submission of a claim from a hospital~~
15 ~~or other provider, without citing specific rationale as to why the~~
16 ~~delay was necessary and providing a monthly update regarding~~
17 ~~the status of the claim and the plan's actions to resolve the claim,~~
18 ~~to the provider that submitted the claim.~~

19 ~~(h) A health care service plan shall not request or require that~~
20 ~~a provider waive its rights pursuant to this section.~~

21 ~~(i) This section shall not apply to capitated payments.~~

22 ~~(j) This section shall apply only to claims for services rendered~~
23 ~~to a patient who was provided emergency services and care as~~
24 ~~defined in Section 1317.1 in the United States on or after~~
25 ~~September 1, 1999.~~

26 ~~(k) This section shall not be construed to affect the rights or~~
27 ~~obligations of any person pursuant to Section 1371.~~

28 ~~(l) This section shall not be construed to affect a written~~
29 ~~agreement, if any, of a provider to submit bills within a specified~~
30 ~~time period.~~

31 ~~SEC. 5. Section 1374.72 of the Health and Safety Code is~~
32 ~~amended to read:~~

33 ~~1374.72. (a) Every health care service plan contract issued,~~
34 ~~amended, or renewed on or after July 1, 2000, that provides~~
35 ~~hospital, medical, or surgical coverage shall provide coverage for~~
36 ~~the diagnosis and medically necessary treatment of severe mental~~
37 ~~illnesses of a person of any age, and of serious emotional~~
38 ~~disturbances of a child, as specified in subdivisions (d) and (e);~~
39 ~~under the same terms and conditions applied to other medical~~
40 ~~conditions as specified in subdivision (e).~~

- 1 ~~(b) These benefits shall include the following:~~
2 ~~(1) Outpatient services.~~
3 ~~(2) Inpatient hospital services.~~
4 ~~(3) Partial hospital services.~~
5 ~~(4) Prescription drugs, if the plan contract includes coverage~~
6 ~~for prescription drugs.~~
7 ~~(e) The terms and conditions applied to the benefits required~~
8 ~~by this section, that shall be applied equally to all benefits under~~
9 ~~the plan contract, include, but are not limited to, any form of~~
10 ~~treatment limitation or other action by a plan that may limit the~~
11 ~~receipt of benefits required by this section. These treatment~~
12 ~~limitations or actions include, but are not limited to, the use of any~~
13 ~~of the following:~~
14 ~~(1) Maximum lifetime benefits.~~
15 ~~(2) Copayments.~~
16 ~~(3) Individual and family deductibles.~~
17 ~~(d) For the purposes of this section, “severe mental illnesses”~~
18 ~~shall include:~~
19 ~~(1) Schizophrenia.~~
20 ~~(2) Schizoaffective disorder.~~
21 ~~(3) Bipolar disorder (manic-depressive illness).~~
22 ~~(4) Major depressive disorders.~~
23 ~~(5) Panic disorder.~~
24 ~~(6) Obsessive-compulsive disorder.~~
25 ~~(7) Pervasive developmental disorder or autism.~~
26 ~~(8) Anorexia nervosa.~~
27 ~~(9) Bulimia nervosa.~~
28 ~~(e) For the purposes of this section, a child suffering from,~~
29 ~~“serious emotional disturbances of a child” shall be defined as a~~
30 ~~child who (1) has one or more mental disorders as identified in the~~
31 ~~most recent edition of the Diagnostic and Statistical Manual of~~
32 ~~Mental Disorders, other than a primary substance use disorder or~~
33 ~~developmental disorder, that result in behavior inappropriate to~~
34 ~~the child’s age according to expected developmental norms, and~~
35 ~~(2) who meets the criteria in paragraph (2) of subdivision (a) of~~
36 ~~Section 5600.3 of the Welfare and Institutions Code.~~
37 ~~(f) This section shall not apply to contracts entered into pursuant~~
38 ~~to Chapter 7 (commencing with Section 14000) or Chapter 8~~
39 ~~(commencing with Section 14200) of Division 9 of Part 3 of the~~
40 ~~Welfare and Institutions Code, between the State Department of~~

1 ~~Health Services and a health care service plan for enrolled~~
2 ~~Medi-Cal beneficiaries.~~

3 ~~(g) (1) For the purpose of compliance with this section, a plan~~
4 ~~may provide coverage for all or part of the mental health services~~
5 ~~required by this section through a separate specialized health care~~
6 ~~service plan or mental health plan, and shall not be required to~~
7 ~~obtain an additional or specialized license for this purpose.~~

8 ~~(2) A plan shall provide the mental health coverage required by~~
9 ~~this section in its entire service area and in emergency situations~~
10 ~~as may be required by applicable laws and regulations. For~~
11 ~~purposes of this section, health care service plan contracts that~~
12 ~~provide benefits to enrollees through preferred provider contracting~~
13 ~~arrangements are not precluded from requiring enrollees who reside~~
14 ~~or work in geographic areas served by specialized health care~~
15 ~~service plans or mental health plans to secure all or part of their~~
16 ~~mental health services within those geographic areas served by~~
17 ~~specialized health care service plans or mental health plans.~~

18 ~~(3) Notwithstanding any other provision of law, in the provision~~
19 ~~of benefits required by this section, a health care service plan may~~
20 ~~utilize case management, network providers, utilization review~~
21 ~~techniques, prior authorization, copayments, or other cost sharing,~~
22 ~~subject to the limitation imposed under subdivision (c).~~

23 ~~(h) Nothing in this section shall be construed to deny or restrict~~
24 ~~in any way the department's authority to ensure plan compliance~~
25 ~~with this chapter when a plan provides coverage for prescription~~
26 ~~drugs.~~

27 ~~SEC. 6. Section 10123.125 is added to the Insurance Code, to~~
28 ~~read:~~

29 ~~10123.125. Upon receipt of a claim, a health insurer shall assign~~
30 ~~a tracking number to the claim and shall provide acknowledgment~~
31 ~~of receipt of the claim to the provider. The acknowledgment of~~
32 ~~receipt shall identify the assigned tracking number and shall be~~
33 ~~provided via electronic mail, unless the provider has opted out of~~
34 ~~the electronic method of transmittal and requested that all~~
35 ~~acknowledgments of receipt be transmitted in writing. In the case~~
36 ~~of an orally submitted claim, the acknowledgment of receipt shall~~
37 ~~also be provided orally to the submitting provider. All~~
38 ~~communications regarding the claim shall reference the tracking~~
39 ~~number assigned pursuant to this section.~~

1 ~~SEC. 7.~~ Section 10123.13 of the Insurance Code is amended
2 to read:

3 ~~10123.13. (a) Every insurer issuing group or individual policies~~
4 ~~of health insurance that covers hospital, medical, or surgical~~
5 ~~expenses, including those telemedicine services covered by the~~
6 ~~insurer as defined in subdivision (a) of Section 2290.5 of the~~
7 ~~Business and Professions Code, shall reimburse claims or any~~
8 ~~portion of any claim, whether in state or out of state, for those~~
9 ~~expenses as soon as practical, but no later than 30 working days~~
10 ~~after receipt of the claim by the insurer unless the claim or portion~~
11 ~~thereof is contested by the insurer, in which case the claimant shall~~
12 ~~be notified, in writing, that the claim is contested or denied, within~~
13 ~~30 working days after receipt of the claim by the insurer. The~~
14 ~~notice that a claim is being contested or denied shall identify the~~
15 ~~portion of the claim that is contested or denied and the specific~~
16 ~~reasons, including for each reason the factual and legal basis known~~
17 ~~at that time by the insurer, for contesting or denying the claim. If~~
18 ~~the reason is based solely on facts or solely on law, the insurer is~~
19 ~~required to provide only the factual or the legal basis for its reason~~
20 ~~for contesting or denying the claim. The insurer shall provide a~~
21 ~~copy of the notice to each insured who received services pursuant~~
22 ~~to the claim that was contested or denied and to the insured's health~~
23 ~~care provider that provided the services at issue. The notice shall~~
24 ~~advise the provider who submitted the claim on behalf of the~~
25 ~~insured or pursuant to a contract for alternative rates of payment~~
26 ~~and the insured that either may seek review by the department of~~
27 ~~a claim that the insurer contested or denied, and the notice shall~~
28 ~~include the address, Internet Web site address, and telephone~~
29 ~~number of the unit within the department that performs this review~~
30 ~~function. The notice to the provider may be included on either the~~
31 ~~explanation of benefits or remittance advice and shall also contain~~
32 ~~a statement advising the provider of its right to enter into the~~
33 ~~dispute resolution process described in Section 10123.137. The~~
34 ~~notice to the insured may also be included on the explanation of~~
35 ~~benefits.~~

36 ~~(b) If an uncontested claim is not reimbursed by delivery to the~~
37 ~~claimant's address of record within 30 working days after receipt,~~
38 ~~interest shall accrue and shall be payable at the rate of 10 percent~~
39 ~~per annum beginning with the first calendar day after the~~
40 ~~30-working-day period.~~

1 ~~(e) For purposes of this section, a claim, or portion thereof, is~~
2 ~~reasonably contested when the insurer has not received a completed~~
3 ~~claim and all information necessary to determine payer liability~~
4 ~~for the claim, or has not been granted reasonable access to~~
5 ~~information concerning provider services. Information necessary~~
6 ~~to determine liability for the claims includes, but is not limited to,~~
7 ~~reports of investigations concerning fraud and misrepresentation,~~
8 ~~and necessary consents, releases, and assignments, a claim on~~
9 ~~appeal, or other information necessary for the insurer to determine~~
10 ~~the medical necessity for the health care services provided to the~~
11 ~~claimant.~~

12 ~~(d) If a claim or portion thereof is contested on the basis that~~
13 ~~the insurer has not received information reasonably necessary to~~
14 ~~determine payer liability for the claim or portion thereof, both of~~
15 ~~the following shall apply:~~

16 ~~(1) Within three working days of receipt of any of this additional~~
17 ~~information, the insurer shall provide acknowledgment of receipt~~
18 ~~of that information to the claimant. The acknowledgment of receipt~~
19 ~~shall be provided via electronic mail unless the claimant has opted~~
20 ~~out of the electronic method of transmittal and requested that all~~
21 ~~acknowledgments of receipt be transmitted in writing. The~~
22 ~~acknowledgment of receipt shall include the tracking number~~
23 ~~assigned to the claim pursuant to Section 10123.125.~~

24 ~~(2) If the insurer has received all of the information necessary~~
25 ~~to determine payer liability for a contested claim and has not~~
26 ~~reimbursed a claim determined to be payable within 30 working~~
27 ~~days of receipt of that information, interest shall accrue and be~~
28 ~~payable at a rate of 10 percent per annum beginning with the first~~
29 ~~calendar day after the 30-working-day period.~~

30 ~~(e) The obligation of the insurer to comply with this section~~
31 ~~shall not be deemed to be waived when the insurer requires its~~
32 ~~contracting entities to pay claims for covered services.~~

33 ~~SEC. 8. Section 10123.135 of the Insurance Code is amended~~
34 ~~to read:~~

35 ~~10123.135. (a) Every health insurer, or an entity with which~~
36 ~~it contracts for services that include utilization review or utilization~~
37 ~~management functions, that prospectively, retrospectively, or~~
38 ~~concurrently reviews and approves, modifies, delays, or denies,~~
39 ~~based in whole or in part on medical necessity, requests by~~
40 ~~providers prior to, retrospectively, or concurrent with the provision~~

1 of health care services to insureds, or that delegates these functions
2 to medical groups or independent practice associations or to other
3 contracting providers, shall comply with this section.

4 (b) (1) A health insurer that is subject to this section, or any
5 entity with which an insurer contracts for services that include
6 utilization review or utilization management functions, shall have
7 written policies and procedures establishing the process by which
8 the insurer prospectively, retrospectively, or concurrently reviews
9 and approves, modifies, delays, or denies, based in whole or in
10 part on medical necessity, requests by providers of health care
11 services for insureds. These policies and procedures shall ensure
12 that decisions based on the medical necessity of proposed health
13 care services are consistent with criteria or guidelines that are
14 supported by clinical principles and processes. These criteria and
15 guidelines shall be developed pursuant to subdivision (f). These
16 policies and procedures, and a description of the process by which
17 an insurer, or an entity with which an insurer contracts for services
18 that include utilization review or utilization management functions,
19 reviews and approves, modifies, delays, or denies requests by
20 providers prior to, retrospectively, or concurrent with the provision
21 of health care services to insureds, shall be filed with the
22 commissioner, and shall be disclosed by the insurer to insureds
23 and providers upon request, and by the insurer to the public upon
24 request.

25 (2) Upon receipt of a request by a provider prior to,
26 retrospectively, or concurrent with the provision of health care
27 services to an insured, a health insurer, or the entity with which
28 the insurer contracts for services that include utilization review or
29 utilization management functions, shall assign a tracking number
30 to the request and shall provide acknowledgment of receipt of the
31 request to the provider. The acknowledgment of receipt shall
32 identify the assigned tracking number and shall be provided via
33 electronic mail, unless the provider has opted out of the electronic
34 method of transmittal and requested that all acknowledgments of
35 receipt be transmitted in writing. In the case of an orally submitted
36 request, the acknowledgment of receipt shall also be provided
37 orally to the submitting provider. All communications regarding
38 the request, including, but not limited to, the communications or
39 responses identified in subdivision (h), shall reference the tracking
40 number assigned pursuant to this paragraph.

1 ~~(e) If the number of insureds covered under health benefit plans~~
2 ~~in this state that are issued by an insurer subject to this section~~
3 ~~constitute at least 50 percent of the number of insureds covered~~
4 ~~under health benefit plans issued nationwide by that insurer, the~~
5 ~~insurer shall employ or designate a medical director who holds an~~
6 ~~unrestricted license to practice medicine in this state issued~~
7 ~~pursuant to Section 2050 of the Business and Professions Code or~~
8 ~~the Osteopathic Initiative Act, or the insurer may employ a clinical~~
9 ~~director licensed in California whose scope of practice under~~
10 ~~California law includes the right to independently perform all those~~
11 ~~services covered by the insurer. The medical director or clinical~~
12 ~~director shall ensure that the process by which the insurer reviews~~
13 ~~and approves, modifies, delays, or denies, based in whole or in~~
14 ~~part on medical necessity, requests by providers prior to,~~
15 ~~retrospectively, or concurrent with the provision of health care~~
16 ~~services to insureds, complies with the requirements of this section.~~
17 ~~Nothing in this subdivision shall be construed as restricting the~~
18 ~~existing authority of the Medical Board of California.~~

19 ~~(d) If an insurer subject to this section, or individuals under~~
20 ~~contract to the insurer to review requests by providers, approve~~
21 ~~the provider's request pursuant to subdivision (b), the decision~~
22 ~~shall be communicated to the provider pursuant to subdivision (h).~~

23 ~~(e) An individual, other than a licensed physician or a licensed~~
24 ~~health care professional who is competent to evaluate the specific~~
25 ~~clinical issues involved in the health care services requested by~~
26 ~~the provider, may not deny or modify requests for authorization~~
27 ~~of health care services for an insured for reasons of medical~~
28 ~~necessity. The decision of the physician or other health care~~
29 ~~provider shall be communicated to the provider and the insured~~
30 ~~pursuant to subdivision (h).~~

31 ~~(f) (1) An insurer shall disclose, or provide for the disclosure,~~
32 ~~to the commissioner and to network providers, the process the~~
33 ~~insurer, its contracting provider groups, or any entity with which~~
34 ~~it contracts for services that include utilization review or utilization~~
35 ~~management functions, uses to authorize, delay, modify, or deny~~
36 ~~health care services under the benefits provided by the insurance~~
37 ~~contract, including coverage for subacute care, transitional inpatient~~
38 ~~care, or care provided in skilled nursing facilities. An insurer shall~~
39 ~~also disclose those processes to policyholders or persons designated~~

1 by a policyholder, or to any other person or organization, upon
2 request.

3 (2) ~~The criteria or guidelines used by an insurer, or an entity~~
4 ~~with which an insurer contracts for utilization review or utilization~~
5 ~~management functions, to determine whether to authorize, modify,~~
6 ~~delay, or deny health care services, shall comply with all of the~~
7 ~~following:~~

8 (A) ~~Be developed with involvement from actively practicing~~
9 ~~health care providers.~~

10 (B) ~~Be consistent with sound clinical principles and processes.~~

11 (C) ~~Be evaluated, and updated if necessary, at least annually.~~

12 (D) ~~If used as the basis of a decision to modify, delay, or deny~~
13 ~~services in a specified case under review, be disclosed to the~~
14 ~~provider and the policyholder in that specified case.~~

15 (E) ~~Be available to the public upon request. An insurer shall~~
16 ~~only be required to disclose the criteria or guidelines for the~~
17 ~~specific procedures or conditions requested. An insurer may charge~~
18 ~~reasonable fees to cover administrative expenses related to~~
19 ~~disclosing criteria or guidelines pursuant to this paragraph that are~~
20 ~~limited to copying and postage costs. The insurer may also make~~
21 ~~the criteria or guidelines available through electronic~~
22 ~~communication means.~~

23 (3) ~~The disclosure required by subparagraph (E) of paragraph~~
24 ~~(2) shall be accompanied by the following notice: “The materials~~
25 ~~provided to you are guidelines used by this insurer to authorize,~~
26 ~~modify, or deny health care benefits for persons with similar~~
27 ~~illnesses or conditions. Specific care and treatment may vary~~
28 ~~depending on individual need and the benefits covered under your~~
29 ~~insurance contract.”~~

30 (g) ~~If an insurer subject to this section requests medical~~
31 ~~information from providers in order to determine whether to~~
32 ~~approve, modify, or deny requests for authorization, the insurer~~
33 ~~shall request only the information reasonably necessary to make~~
34 ~~the determination.~~

35 (h) ~~In determining whether to approve, modify, or deny requests~~
36 ~~by providers prior to, retrospectively, or concurrent with the~~
37 ~~provision of health care services to insureds, based in whole or in~~
38 ~~part on medical necessity, every insurer subject to this section shall~~
39 ~~meet the following requirements:~~

1 ~~(1) Decisions to approve, modify, or deny, based on medical~~
2 ~~necessity, requests by providers prior to, or concurrent with, the~~
3 ~~provision of health care services to insureds that do not meet the~~
4 ~~requirements for the 72-hour review required by paragraph (2),~~
5 ~~shall be made in a timely fashion appropriate for the nature of the~~
6 ~~insured's condition, not to exceed five business days from the~~
7 ~~insurer's receipt of the information reasonably necessary and~~
8 ~~requested by the insurer to make the determination. In cases where~~
9 ~~the review is retrospective, the decision shall be communicated to~~
10 ~~the individual who received services, or to the individual's~~
11 ~~designee, within 30 days of the receipt of information that is~~
12 ~~reasonably necessary to make this determination, and shall be~~
13 ~~communicated to the provider in a manner that is consistent with~~
14 ~~current law. For purposes of this section, retrospective reviews~~
15 ~~shall be for care rendered on or after January 1, 2000.~~

16 ~~(2) When the insured's condition is such that the insured faces~~
17 ~~an imminent and serious threat to his or her health, including, but~~
18 ~~not limited to, the potential loss of life, limb, or other major bodily~~
19 ~~function, or the normal timeframe for the decisionmaking process,~~
20 ~~as described in paragraph (1), would be detrimental to the insured's~~
21 ~~life or health or could jeopardize the insured's ability to regain~~
22 ~~maximum function, decisions to approve, modify, or deny requests~~
23 ~~by providers prior to, or concurrent with, the provision of health~~
24 ~~care services to insureds shall be made in a timely fashion,~~
25 ~~appropriate for the nature of the insured's condition, but not to~~
26 ~~exceed 72 hours after the insurer's receipt of the information~~
27 ~~reasonably necessary and requested by the insurer to make the~~
28 ~~determination.~~

29 ~~(3) Decisions to approve, modify, or deny requests by providers~~
30 ~~for authorization prior to, or concurrent with, the provision of~~
31 ~~health care services to insureds shall be communicated to the~~
32 ~~requesting provider within 24 hours of the decision. Except for~~
33 ~~concurrent review decisions pertaining to care that is underway,~~
34 ~~which shall be communicated to the insured's treating provider~~
35 ~~within 24 hours, decisions resulting in denial, delay, or~~
36 ~~modification of all or part of the requested health care service shall~~
37 ~~be communicated to the insured in writing within two business~~
38 ~~days of the decision. In the case of concurrent review, care shall~~
39 ~~not be discontinued until the insured's treating provider has been~~
40 ~~notified of the insurer's decision and a care plan has been agreed~~

1 upon by the treating provider that is appropriate for the medical
2 needs of that patient.

3 ~~(4) Communications regarding decisions to approve requests~~
4 ~~by providers prior to, retrospectively, or concurrent with the~~
5 ~~provision of health care services to insureds shall specify the~~
6 ~~specific health care service approved. Responses regarding~~
7 ~~decisions to deny, delay, or modify health care services requested~~
8 ~~by providers prior to, retrospectively, or concurrent with the~~
9 ~~provision of health care services to insureds shall be communicated~~
10 ~~to insureds in writing, and to providers initially by telephone or~~
11 ~~facsimile, except with regard to decisions rendered retrospectively,~~
12 ~~and then in writing, and shall include a clear and concise~~
13 ~~explanation of the reasons for the insurer's decision, a description~~
14 ~~of the criteria or guidelines used, and the clinical reasons for the~~
15 ~~decisions regarding medical necessity. Any written communication~~
16 ~~to a physician or other health care provider of a denial, delay, or~~
17 ~~modification or a request shall include the name and telephone~~
18 ~~number of the health care professional responsible for the denial,~~
19 ~~delay, or modification. The telephone number provided shall be a~~
20 ~~direct number or an extension, to allow the physician or health~~
21 ~~care provider easily to contact the professional responsible for the~~
22 ~~denial, delay, or modification. Responses shall also include~~
23 ~~information as to how the provider or the insured may file an appeal~~
24 ~~with the insurer or seek department review under the unfair~~
25 ~~practices provisions of Article 6.5 (commencing with Section 790)~~
26 ~~of Chapter 1 of Part 2 of Division 1 and the regulations adopted~~
27 ~~thereunder.~~

28 ~~(5) If the insurer cannot make a decision to approve, modify,~~
29 ~~or deny the request for authorization within the timeframes~~
30 ~~specified in paragraph (1) or (2) because the insurer is not in receipt~~
31 ~~of all of the information reasonably necessary and requested, or~~
32 ~~because the insurer requires consultation by an expert reviewer,~~
33 ~~or because the insurer has asked that an additional examination or~~
34 ~~test be performed upon the insured, provided that the examination~~
35 ~~or test is reasonable and consistent with good medical practice,~~
36 ~~the insurer shall, immediately upon the expiration of the timeframe~~
37 ~~specified in paragraph (1) or (2), or as soon as the insurer becomes~~
38 ~~aware that it will not meet the timeframe, whichever occurs first,~~
39 ~~notify the provider and the insured, in writing, that the insurer~~
40 ~~cannot make a decision to approve, modify, or deny the request~~

1 for authorization within the required timeframe, and specify the
2 information requested but not received, or the expert reviewer to
3 be consulted, or the additional examinations or tests required. The
4 insurer shall also notify the provider and enrollee of the anticipated
5 date on which a decision may be rendered. Upon receipt of all
6 information reasonably necessary and requested by the insurer,
7 the insurer shall approve, modify, or deny the request for
8 authorization within the timeframes specified in paragraph (1) or
9 (2), whichever applies.

10 (6) If the commissioner determines that an insurer has failed to
11 meet any of the timeframes in this section, or has failed to meet
12 any other requirement of this section, the commissioner may assess,
13 by order, administrative penalties for each failure. A proceeding
14 for the issuance of an order assessing administrative penalties shall
15 be subject to appropriate notice to, and an opportunity for a hearing
16 with regard to, the person affected. The administrative penalties
17 shall not be deemed an exclusive remedy for the commissioner.
18 These penalties shall be paid to the Insurance Fund.

19 (i) Every insurer subject to this section shall maintain telephone
20 access for providers to request authorization for health care
21 services.

22 (j) Nothing in this section shall cause a disability insurer to be
23 defined as a health care provider for purposes of any provision of
24 law, including, but not limited to, Section 6146 of the Business
25 and Professions Code, Sections 3333.1 and 3333.2 of the Civil
26 Code, and Sections 340.5, 364, 425.13, 667.7, and 1295 of the
27 Code of Civil Procedure.

28 SEC. 9. Section 10123.147 of the Insurance Code is amended
29 to read:

30 10123.147. (a) Every insurer issuing group or individual
31 policies of health insurance that covers hospital, medical, or
32 surgical expenses, including those telemedicine services covered
33 by the insurer as defined in subdivision (a) of Section 2290.5 of
34 the Business and Professions Code, shall reimburse each complete
35 claim, or portion thereof, whether in state or out of state, as soon
36 as practicable, but no later than 30 working days after receipt of the
37 complete claim by the insurer. However, an insurer may contest
38 or deny a claim, or portion thereof, by notifying the claimant, in
39 writing, that the claim is contested or denied, within 30 working
40 days after receipt of the complete claim by the insurer. The notice

1 that a claim, or portion thereof, is contested shall identify the
2 portion of the claim that is contested, by revenue code, and the
3 specific information needed from the provider to reconsider the
4 claim. The notice that a claim, or portion thereof, is denied shall
5 identify the portion of the claim that is denied, by revenue code,
6 and the specific reasons for the denial, including the factual and
7 legal basis known at that time by the insurer for each reason. If
8 the reason is based solely on facts or solely on law, the insurer is
9 required to provide only the factual or legal basis for its reason to
10 deny the claim. The insurer shall provide a copy of the notice
11 required by this subdivision to each insured who received services
12 pursuant to the claim that was contested or denied and to the
13 insured's health care provider that provided the services at issue.
14 The notice required by this subdivision shall include a statement
15 advising the provider who submitted the claim on behalf of the
16 insured or pursuant to a contract for alternative rates of payment
17 and the insured that either may seek review by the department of
18 a claim that was contested or denied by the insurer and the address,
19 Internet Web site address, and telephone number of the unit within
20 the department that performs this review function. The notice to
21 the provider may be included on either the explanation of benefits
22 or remittance advice and shall also contain a statement advising
23 the provider of its right to enter into the dispute resolution process
24 described in Section 10123.137. An insurer may delay payment
25 of an uncontested portion of a complete claim for reconsideration
26 of a contested portion of that claim so long as the insurer pays
27 those charges specified in subdivision (b).

28 (b) If a complete claim, or portion thereof, that is neither
29 contested nor denied, is not reimbursed by delivery to the
30 claimant's address of record within the 30 working days after
31 receipt, the insurer shall pay the greater of fifteen dollars (\$15)
32 per year or interest at the rate of 10 percent per annum beginning
33 with the first calendar day after the 30-working-day period. An
34 insurer shall automatically include the fifteen dollars (\$15) per
35 year or interest due in the payment made to the claimant, without
36 requiring a request therefor.

37 (c) For the purposes of this section, a claim, or portion thereof,
38 is reasonably contested if the insurer has not received the completed
39 claim. A paper claim from an institutional provider shall be deemed
40 complete upon submission of a legible emergency department

1 report and a completed UB-92 or other format adopted by the
2 National Uniform Billing Committee, and reasonable relevant
3 information requested by the insurer within 30 working days of
4 receipt of the claim. An electronic claim from an institutional
5 provider shall be deemed complete upon submission of an
6 electronic equivalent to the UB-92 or other format adopted by the
7 National Uniform Billing Committee, and reasonable relevant
8 information requested by the insurer within 30 working days of
9 receipt of the claim. However, if the insurer requests a copy of the
10 emergency department report within the 30 working days after
11 receipt of the electronic claim from the institutional provider, the
12 insurer may also request additional reasonable relevant information
13 within 30 working days of receipt of the emergency department
14 report, at which time the claim shall be deemed complete. A claim
15 from a professional provider shall be deemed complete upon
16 submission of a completed HCFA 1500 or its electronic equivalent
17 or other format adopted by the National Uniform Billing
18 Committee, and reasonable relevant information requested by the
19 insurer within 30 working days of receipt of the claim. The provider
20 shall provide the insurer reasonable relevant information within
21 15 working days of receipt of a written request that is clear and
22 specific regarding the information sought. If, as a result of
23 reviewing the reasonable relevant information, the insurer requires
24 further information, the insurer shall have an additional 15 working
25 days after receipt of the reasonable relevant information to request
26 the further information, notwithstanding any time limit to the
27 contrary in this section, at which time the claim shall be deemed
28 complete.

29 (d) This section shall not apply to claims about which there is
30 evidence of fraud and misrepresentation, to eligibility
31 determinations, or in instances where the plan has not been granted
32 reasonable access to information under the provider's control. An
33 insurer shall specify, in a written notice to the provider within 30
34 working days of receipt of the claim, which, if any, of these
35 exceptions applies to a claim.

36 (e) If a claim or portion thereof is contested on the basis that
37 the insurer has not received information reasonably necessary to
38 determine payer liability for the claim or portion thereof, both of
39 the following shall apply:

1 ~~(1) Within three working days of receipt of any of this additional~~
2 ~~information, the insurer shall provide acknowledgment of receipt~~
3 ~~of that information to the claimant. The acknowledgment of receipt~~
4 ~~shall be provided via electronic mail unless the claimant has opted~~
5 ~~out of the electronic method of transmittal and requested that all~~
6 ~~acknowledgments of receipt be transmitted in writing. The~~
7 ~~acknowledgment of receipt shall include the tracking number~~
8 ~~assigned to the claim pursuant to Section 10123.125.~~

9 ~~(2) The insurer shall have 30 working days after receipt of all~~
10 ~~of the information necessary to determine payer liability to~~
11 ~~complete reconsideration of the claim. If a claim, or portion thereof,~~
12 ~~undergoing reconsideration is not reimbursed by delivery to the~~
13 ~~claimant's address of record within the 30 working days after~~
14 ~~receipt of all of the information necessary to determine payer~~
15 ~~liability, the insurer shall pay the greater of fifteen dollars (\$15)~~
16 ~~per year or interest at the rate of 10 percent per annum beginning~~
17 ~~with the first calendar day after the 30-working-day period. An~~
18 ~~insurer shall automatically include the fifteen dollars (\$15) per~~
19 ~~year or interest due in the payment made to the claimant, without~~
20 ~~requiring a request therefor.~~

21 ~~(f) An insurer shall not delay payment on a claim from a~~
22 ~~physician or other provider to await the submission of a claim from~~
23 ~~a hospital or other provider, without citing specific rationale as to~~
24 ~~why the delay was necessary and providing a monthly update~~
25 ~~regarding the status of the claim and the insurer's actions to resolve~~
26 ~~the claim, to the provider that submitted the claim.~~

27 ~~(g) An insurer shall not request or require that a provider waive~~
28 ~~its rights pursuant to this section.~~

29 ~~(h) This section shall apply only to claims for services rendered~~
30 ~~to a patient who was provided emergency services and care as~~
31 ~~defined in Section 1317.1 of the Health and Safety Code in the~~
32 ~~United States on or after September 1, 1999.~~

33 ~~(i) This section shall not be construed to affect the rights or~~
34 ~~obligations of any person pursuant to Section 10123.13.~~

35 ~~(j) This section shall not be construed to affect a written~~
36 ~~agreement, if any, of a provider to submit bills within a specified~~
37 ~~time period.~~

38 ~~SEC. 10. Section 10144.5 of the Insurance Code is amended~~
39 ~~to read:~~

1 ~~10144.5. (a) Every policy of health insurance that is issued,~~
2 ~~amended, or renewed on or after July 1, 2000, shall provide~~
3 ~~coverage for the diagnosis and medically necessary treatment of~~
4 ~~severe mental illnesses of a person of any age, and of serious~~
5 ~~emotional disturbances of a child, as specified in subdivisions (d)~~
6 ~~and (e), under the same terms and conditions applied to other~~
7 ~~medical conditions, as specified in subdivision (e).~~
8 ~~(b) These benefits shall include the following:~~
9 ~~(1) Outpatient services.~~
10 ~~(2) Inpatient hospital services.~~
11 ~~(3) Partial hospital services.~~
12 ~~(4) Prescription drugs, if the policy or contract includes coverage~~
13 ~~for prescription drugs.~~
14 ~~(c) The terms and conditions applied to the benefits required~~
15 ~~by this section, that shall be applied equally to all benefits under~~
16 ~~the health insurance policy, include, but are not limited to, any~~
17 ~~form of treatment limitation or other action by an insurer that may~~
18 ~~limit the receipt of benefits required by this section. These~~
19 ~~treatment limitations or actions include, but are not limited to, the~~
20 ~~use of any of the following:~~
21 ~~(1) Maximum lifetime benefits.~~
22 ~~(2) Copayments and coinsurance.~~
23 ~~(3) Individual and family deductibles.~~
24 ~~(d) For the purposes of this section, “severe mental illnesses”~~
25 ~~shall include:~~
26 ~~(1) Schizophrenia.~~
27 ~~(2) Schizoaffective disorder.~~
28 ~~(3) Bipolar disorder (manic-depressive illness).~~
29 ~~(4) Major depressive disorders.~~
30 ~~(5) Panic disorder.~~
31 ~~(6) Obsessive-compulsive disorder.~~
32 ~~(7) Pervasive developmental disorder or autism.~~
33 ~~(8) Anorexia nervosa.~~
34 ~~(9) Bulimia nervosa.~~
35 ~~(e) For the purposes of this section, a child suffering from,~~
36 ~~“serious emotional disturbances of a child” shall be defined as a~~
37 ~~child who (1) has one or more mental disorders as identified in the~~
38 ~~most recent edition of the Diagnostic and Statistical Manual of~~
39 ~~Mental Disorders, other than a primary substance use disorder or~~
40 ~~developmental disorder, that result in behavior inappropriate to~~

1 the child's age according to expected developmental norms, and
2 (2) who meets the criteria in paragraph (2) of subdivision (a) of
3 Section 5600.3 of the Welfare and Institutions Code.

4 (f) (1) For the purpose of compliance with this section, a health
5 insurer may provide coverage for all or part of the mental health
6 services required by this section through a separate specialized
7 health care service plan or mental health plan, and shall not be
8 required to obtain an additional or specialized license for this
9 purpose.

10 (2) A health insurer shall provide the mental health coverage
11 required by this section in its entire in-state service area and in
12 emergency situations as may be required by applicable laws and
13 regulations. For purposes of this section, health insurers are not
14 precluded from requiring insureds who reside or work in
15 geographic areas served by specialized health care service plans
16 or mental health plans to secure all or part of their mental health
17 services within those geographic areas served by specialized health
18 care service plans or mental health plans.

19 (3) Notwithstanding any other provision of law, in the provision
20 of benefits required by this section, a health insurer may utilize
21 case management, managed care, or utilization review, subject to
22 the limitation imposed under subdivision (c).

23 (4) Any action that a health insurer takes to implement this
24 section, including, but not limited to, contracting with preferred
25 provider organizations, shall not be deemed to be an action that
26 would otherwise require licensure as a health care service plan
27 under the Knox-Keene Health Care Service Plan Act of 1975
28 (Chapter 2.2 (commencing with Section 1340) of Division 2 of
29 the Health and Safety Code).

30 (g) This section shall not apply to accident-only, specified
31 disease, hospital indemnity, Medicare supplement, dental-only, or
32 vision-only insurance policies.

33 SEC. 11. No reimbursement is required by this act pursuant to
34 Section 6 of Article XIII B of the California Constitution because
35 the only costs that may be incurred by a local agency or school
36 district will be incurred because this act creates a new crime or
37 infraction, eliminates a crime or infraction, or changes the penalty
38 for a crime or infraction, within the meaning of Section 17556 of
39 the Government Code, or changes the definition of a crime within

- 1 ~~the meaning of Section 6 of Article XIII B of the California~~
- 2 ~~Constitution.~~

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