

ASSEMBLY BILL

No. 714

Introduced by Assembly Member Atkins

February 17, 2011

An act to amend Section 127420 of, and to add Section 104164 to, the Health and Safety Code, to add Sections 12693.77, 12698.45, 12734, and 12739.615 to the Insurance Code, and to add Sections 14029.9 and 14105.182 to the Welfare and Institutions Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

AB 714, as introduced, Atkins. Health care coverage: California Health Benefit Exchange.

Existing law, the federal Patient Protection and Affordable Care Act, requires each state to, by January 1, 2014, establish an American Health Benefit Exchange that makes available qualified health plans to qualified individuals and employers. Existing state law establishes the California Health Benefit Exchange within state government, specifies the powers and duties of the board governing the Exchange relative to determining eligibility for enrollment in the Exchange and arranging for coverage under qualified health plans, and requires the board to facilitate the purchase of qualified health plans through the Exchange by qualified individuals and small employers by January 1, 2014.

Existing law establishes a program for the treatment of breast and cervical cancer, administered by the State Department of Health Care Services. Existing law provides specified health care coverage to eligible individuals under the Healthy Families Program, the Access for Infants and Mothers Program, the California Major Risk Medical Insurance Program, and the Federal Temporary High Risk Pool, which are

administered by the Managed Risk Medical Insurance Board. Existing law provides specified health care coverage to eligible individuals under the Medi-Cal program and the Family PACT program, which are administered by the State Department of Health Care Services. Existing law provides for the regulation and licensure of hospital facilities by the State Department of Public Health.

This bill would, until June 30, 2013, require the State Department of Health Care Services and the Managed Risk Medical Insurance Board to disclose information on health care coverage through the California Health Benefit Exchange to every individual who has ceased to be enrolled under the programs described above except that, with respect to the breast and cervical cancer treatment program and the Family PACT program, the disclosure would be made to each enrollee. On and after January 1, 2013, the bill would require the department and the board to provide to the Medi-Cal program and to the California Health Benefit Exchange information on every individual who has ceased to be enrolled under those programs, except the cancer treatment and Family PACT programs, for purposes of enrolling those individuals in the Exchange and to disclose that enrollment to those individuals. The bill would require an entity providing services or treatment under the programs relating to cancer treatment and the Family PACT program to provide certain information regarding each enrollee to the department, as specified, and would require the department to provide that information to the Exchange and to the Medi-Cal program. The bill would require certain hospitals, when billing, to include additional disclosures regarding health care coverage through the Exchange. The bill would allow an individual to opt out of that coverage in writing to the Exchange.

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

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

- 1 SECTION 1. Section 104164 is added to the Health and Safety
- 2 Code, to read:
- 3 104164. (a) Effective January 1, 2012, to June 30, 2013,
- 4 inclusive, every individual receiving services or treatment for
- 5 cancer under this chapter shall be provided the following notice:
- 6

1 “Effective January 1, 2014, you may be eligible for reduced-cost,
2 comprehensive health care coverage through the California Health
3 Benefit Exchange. If your income is low, you may be eligible for
4 no-cost coverage through Medi-Cal. For more information, please
5 visit www.healthcare.ca.gov or call 1-888-Healthhelp (insert
6 telephone number).”
7

8 (b) Effective July 1, 2013, every individual receiving services
9 or treatment under this chapter shall be provided the following
10 notice:
11

12 “Because you are enrolled in a cancer screening or treatment
13 program, an application for health care coverage through the
14 California Health Benefit Exchange will be made for you. Coverage
15 will not be effective until January 1, 2014. You are not required
16 to accept coverage from the Exchange. Your payment for coverage
17 will be based on your income last year. If you make significantly
18 less or more this year than you made last year, please tell the
19 California Health Benefit Exchange and your charges will be based
20 on your current income. If your income is low, you may qualify
21 for no-cost coverage through Medi-Cal. For more information,
22 check www.healthcare.ca.gov or call 1-888-Healthhelp (insert
23 telephone number).”
24

25 (c) (1) Effective January 1, 2013, every entity providing services
26 or treatment under this chapter shall provide to the department the
27 name, address, and other information of each enrollee as required
28 by the department. The department shall provide the information
29 to the Exchange and to the Medi-Cal program so that eligibility
30 may be determined and enrollment completed.

31 (2) The information to the Exchange shall constitute an
32 application for enrollment in coverage within the meaning of
33 Section 100503 of the Government Code.

34 (d) The individual shall have the opportunity to decline health
35 care coverage pursuant to this section by notifying the Exchange
36 in writing.

37 SEC. 2. Section 127420 of the Health and Safety Code is
38 amended to read:

39 127420. (a) Each hospital shall make all reasonable efforts to
40 obtain from the patient or his or her representative information

1 about whether private or public health insurance or sponsorship
2 may fully or partially cover the charges for care rendered by the
3 hospital to a patient, including, but not limited to, any of the
4 following:

5 (1) Private health insurance.

6 (2) Medicare.

7 (3) The Medi-Cal program, the Healthy Families Program, the
8 California Childrens' Services Program, or other state-funded
9 programs designed to provide health coverage.

10 (b) If a hospital bills a patient who has not provided proof of
11 coverage by a third party at the time the care is provided or upon
12 discharge, as a part of that billing, the hospital shall provide the
13 patient with a clear and conspicuous notice that includes all of the
14 following:

15 (1) A statement of charges for services rendered by the hospital.

16 (2) A request that the patient inform the hospital if the patient
17 has health insurance coverage, Medicare, Healthy Families,
18 Medi-Cal, or other coverage.

19 (3) A statement that if the consumer does not have health
20 insurance coverage, the consumer may be eligible for Medicare,
21 Healthy Families, Medi-Cal, California Childrens' Services
22 Program, or charity care. *Effective January 1, 2013, the statement*
23 *shall include information about the availability of coverage through*
24 *the California Health Benefit Exchange and that such coverage*
25 *shall be available effective January 1, 2014.*

26 (4) (A) A statement indicating how patients may obtain
27 applications for the Medi-Cal program and the Healthy Families
28 Program and that the hospital will provide these applications.
29 *Effective January 1, 2013, the statement shall include information*
30 *about the availability of coverage through the California Health*
31 *Benefit Exchange and that such coverage shall be available*
32 *effective January 1, 2014.* If the patient does not indicate coverage
33 by a third-party payer specified in subdivision (a), or requests a
34 discounted price or charity care then the hospital shall provide an
35 application for the Medi-Cal program, the Healthy Families
36 Program or other governmental program to the patient. This
37 application shall be provided prior to discharge if the patient has
38 been admitted or to patients receiving emergency or outpatient
39 care.

1 (B) *Effective January 1, 2014, the California Health Benefit*
2 *Exchange shall be included as a government program under this*
3 *section, including for purposes of the notice and application*
4 *requirements under this subdivision.*

5 (5) Information regarding the financially qualified patient and
6 charity care application, including the following:

7 (A) A statement that indicates that if the patient lacks, or has
8 inadequate, insurance, and meets certain low- and moderate-income
9 requirements, the patient may qualify for discounted payment or
10 charity care.

11 (B) The name and telephone number of a hospital employee or
12 office from whom or which the patient may obtain information
13 about the hospital's discount payment and charity care policies,
14 and how to apply for that assistance.

15 SEC. 3. Section 12693.77 is added to the Insurance Code, to
16 read:

17 12693.77. (a) Effective January 1, 2012, to June 30, 2013,
18 inclusive, every individual who ceases to be enrolled in the
19 program shall be provided the following notice:

20
21 “Effective January 1, 2014, you may be eligible for reduced-cost,
22 comprehensive health care coverage through the California Health
23 Benefit Exchange. If your income is low, you may be eligible for
24 no-cost coverage through Medi-Cal. For more information, please
25 visit www.healthcare.ca.gov or call 1-888-Healthhelp (insert
26 telephone number).”

27
28 (b) Effective July 1, 2013, every individual who ceases to be
29 enrolled in the program shall be provided the following notice:

30
31 “Because you are no longer enrolled in the Healthy Families
32 Program, an application for health care coverage through the
33 California Health Benefit Exchange will be made for you. Coverage
34 will not be effective until January 1, 2014. You are not required
35 to accept coverage from the Exchange. Your payment for coverage
36 will be based on your income last year. If you make significantly
37 less or more this year than you made last year, please tell the
38 California Health Benefit Exchange and your charges will be based
39 on your current income. If your income is low, you may qualify
40 for no-cost coverage through Medi-Cal. For more information,

1 check www.healthcare.ca.gov or call 1-888-Healthhelp (insert
2 telephone number).”

3
4 (c) (1) Effective January 1, 2013, the board shall provide the
5 name, address, and other information regarding those individuals
6 who have ceased to be enrolled in the program to the Exchange
7 and to the Medi-Cal program so that eligibility may be determined
8 and enrollment completed.

9 (d) The individual shall have the opportunity to decline health
10 care coverage pursuant to this section by notifying the Exchange
11 in writing.

12 SEC. 4. Section 12698.45 is added to the Insurance Code, to
13 read:

14 12698.45. (a) Effective January 1, 2012, to June 30, 2013,
15 inclusive, every individual who ceases to be enrolled in the
16 program shall be provided the following notice:

17
18 “Effective January 1, 2014, you may be eligible for reduced-cost,
19 comprehensive health care coverage through the California Health
20 Benefit Exchange. If your income is low, you may be eligible for
21 no-cost coverage through Medi-Cal. For more information, please
22 visit www.healthcare.ca.gov or call 1-888-Healthhelp (insert
23 telephone number).”

24
25 (b) Effective July 1, 2013, every individual who ceases to be
26 enrolled in the program shall be provided the following notice:

27
28 “Because you are no longer enrolled in AIM (Access for Infants
29 and Mothers Program), an application for health care coverage
30 through the California Health Benefit Exchange will be made for
31 you. Coverage will not be effective until January 1, 2014. You are
32 not required to accept coverage from the Exchange. Your payment
33 for coverage will be based on your income last year. If you make
34 significantly less or more this year than you made last year, please
35 tell the California Health Benefit Exchange and your charges will
36 be based on your current income. If your income is low, you may
37 qualify for no-cost coverage through Medi-Cal. For more
38 information, check www.healthcare.ca.gov or call 1-888-Healthhelp
39 (insert telephone number).”

40

1 (c) (1) Effective January 1, 2013, the board shall provide the
2 name, address, and other information regarding those individuals
3 who have ceased to be enrolled in the program to the Exchange
4 and to the Medi-Cal program so that eligibility may be determined
5 and enrollment completed.

6 (2) The information provided to the Exchange shall constitute
7 an application for enrollment in coverage within the meaning of
8 Section 100503 of the Government Code.

9 (d) The individual shall have the opportunity to decline health
10 care coverage pursuant to this section by notifying the Exchange
11 in writing.

12 SEC. 5. Section 12734 is added to the Insurance Code, to read:

13 12734. (a) Effective January 1, 2012, to June 30, 2013,
14 inclusive, every individual who ceases to be enrolled in the
15 program shall be provided the following notice:

16
17 “Effective January 1, 2014, you may be eligible for reduced-cost,
18 comprehensive health care coverage through the California Health
19 Benefit Exchange. If your income is low, you may be eligible for
20 no-cost coverage through Medi-Cal. For more information, please
21 visit www.healthcare.ca.gov or call 1-888-Healthhelp (insert
22 telephone number).”

23
24 (b) Effective July 1, 2013, every individual who ceases to be
25 enrolled in the program shall be provided the following notice:

26
27 “Because you are no longer enrolled in the California Major
28 Risk Medical Insurance Program, an application for health care
29 coverage through the California Health Benefit Exchange will be
30 made for you. Coverage will not be effective until January 1, 2014.
31 You are not required to accept coverage from the Exchange. Your
32 payment for coverage will be based on your income last year. If
33 you make significantly less or more this year than you made last
34 year, please tell the California Health Benefit Exchange and your
35 charges will be based on your current income. If your income is
36 low, you may qualify for no-cost coverage through Medi-Cal. For
37 more information, check www.healthcare.ca.gov or call
38 1-888-Healthhelp (insert telephone number).”

39

1 (c) (1) Effective January 1, 2013, the board shall provide the
2 name, address, and other information regarding those individuals
3 who have ceased to be enrolled in the program to the Exchange
4 and to the Medi-Cal program so that eligibility may be determined
5 and enrollment completed.

6 (2) The information provided to the Exchange shall constitute
7 an application for enrollment in coverage within the meaning of
8 Section 100503 of the Government Code.

9 (d) The individual shall have the opportunity to decline health
10 care coverage pursuant to this section by notifying the Exchange
11 in writing.

12 SEC. 6. Section 12739.615 is added to the Insurance Code, to
13 read:

14 12739.615. (a) Effective January 1, 2012, to June 30, 2013,
15 inclusive, every individual who ceases to be enrolled in the
16 program shall be provided the following notice:

17
18 “Effective January 1, 2014, you may be eligible for reduced-cost,
19 comprehensive health care coverage through the California Health
20 Benefit Exchange. If your income is low, you may be eligible for
21 no-cost coverage through Medi-Cal. For more information, please
22 visit www.healthcare.ca.gov or call 1-888-Healthhelp (insert
23 telephone number).”

24
25 (b) Effective July 1, 2013, every individual who ceases to be
26 enrolled in the program shall be provided the following notice:

27
28 “Because you are no longer enrolled in the Federal Temporary
29 High Risk Pool, an application for health care coverage through
30 the California Health Benefit Exchange will be made for you.
31 Coverage will not be effective until January 1, 2014. You are not
32 required to accept coverage from the Exchange. Your payment for
33 coverage will be based on your income last year. If you make
34 significantly less or more this year than you made last year, please
35 tell the California Health Benefit Exchange and your charges will
36 be based on your current income. If your income is low, you may
37 qualify for no-cost coverage through Medi-Cal. For more
38 information, check www.healthcare.ca.gov or call 1-888-Healthhelp
39 (insert telephone number).”

40

1 (c) (1) Effective January 1, 2013, the board shall provide the
2 name, address, and other information regarding those individuals
3 who have ceased to be enrolled in the program to the Exchange
4 and to the Medi-Cal program so that eligibility may be determined
5 and enrollment completed.

6 (2) The information provided to the Exchange shall constitute
7 an application for enrollment in coverage within the meaning of
8 Section 100503 of the Government Code.

9 (d) The individual shall have the opportunity to decline health
10 care coverage pursuant to this section by notifying the Exchange
11 in writing.

12 SEC. 7. Section 14029.9 is added to the Welfare and
13 Institutions Code, to read:

14 14029.9. (a) Effective January 1, 2012, to June 30, 2013,
15 inclusive, every individual who ceases to be enrolled in the
16 Medi-Cal program shall be provided the following notice:

17
18 “Effective January 1, 2014, you may be eligible for reduced-cost,
19 comprehensive health care coverage through the California Health
20 Benefit Exchange. If your income is low, you may be eligible for
21 no-cost coverage through Medi-Cal. For more information, please
22 visit www.healthcare.ca.gov or call 1-888-Healthhelp (insert
23 telephone number).”

24
25 (b) Effective July 1, 2013, every individual who ceases to be
26 enrolled in the Medi-Cal program shall be provided the following
27 notice:

28
29 “Because you are no longer enrolled in Medi-Cal, an application
30 for health care coverage through the California Health Benefit
31 Exchange will be made for you. Coverage will not be effective
32 until January 1, 2014. You are not required to accept coverage
33 from the Exchange. Your payment for coverage will be based on
34 your income last year. If you make significantly less or more this
35 year than you made last year, please tell the California Health
36 Benefit Exchange and your charges will be based on your current
37 income. If your income is low, you may qualify for no-cost
38 coverage through Medi-Cal. For more information, check
39 www.healthcare.ca.gov or call 1-888-Healthhelp (insert telephone
40 number).”

1

2 (c) (1) Effective January 1, 2013, the department shall provide
3 the name, address, and other information regarding those
4 individuals who have ceased to be enrolled in the Medi-Cal
5 program to the Exchange so that eligibility may be determined and
6 enrollment completed.

7 (2) The information provided to the Exchange shall constitute
8 an application for enrollment in coverage within the meaning of
9 Section 100503 of the Government Code.

10 (d) The individual shall have the opportunity to decline health
11 care coverage pursuant to this section by notifying the Exchange
12 in writing.

13 SEC. 8. Section 14105.182 is added to the Welfare and
14 Institutions Code, to read:

15 14105.182. (a) Effective January 1, 2012, to June 30, 2013,
16 inclusive, every individual receiving care or services under the
17 Family PACT program as provided in subdivision (aa) of Section
18 14132 shall be provided the following notice:

19

20 “Effective January 1, 2014, you may be eligible for reduced-cost,
21 comprehensive health care coverage through the California Health
22 Benefit Exchange. If your income is low, you may be eligible for
23 no-cost coverage through Medi-Cal. For more information, please
24 visit www.healthcare.ca.gov or call 1-888-Healthhelp (insert
25 telephone number).”

26

27 (b) Effective July 1, 2013, every individual receiving care or
28 services under the Family PACT program as provided in
29 subdivision (aa) of Section 14132 shall be provided the following
30 notice:

31

32 “Because you are enrolled in the Family PACT program, an
33 application for health care coverage through the California Health
34 Benefit Exchange will be made for you. Coverage will not be
35 effective until January 1, 2014. You are not required to accept
36 coverage from the Exchange. Your payment for coverage will be
37 based on your income last year. If you make significantly less or
38 more this year than you made last year, please tell the California
39 Health Benefit Exchange and your charges will be based on your
40 current income. If your income is low, you may qualify for no-cost

1 coverage through Medi-Cal. For more information, check
2 www.healthcare.ca.gov or call 1-888-Healthhelp (insert telephone
3 number).”

4

5 (c) (1) Effective January 1, 2013, every entity providing services
6 or treatment under the program as provided in subdivision (aa) of
7 Section 14132 shall provide to the department the name, address,
8 and other information of each enrollee as required by the
9 department. The department shall provide the information to the
10 Exchange and to the Medi-Cal program so that eligibility may be
11 determined and enrollment completed.

12 (2) The information provided to the Exchange shall constitute
13 an application for enrollment in coverage within the meaning of
14 Section 100503 of the Government Code.

15 (d) The individual shall have the opportunity to decline health
16 care coverage pursuant to this section by notifying the Exchange
17 in writing.

O