

ASSEMBLY BILL

No. 778

Introduced by Assembly Member Atkins

February 17, 2011

An act relating to health care service plans.

LEGISLATIVE COUNSEL'S DIGEST

AB 778, as introduced, Atkins. Health care service plans.

Existing law, the Knox-Keene Health Care Service Plan Act of 1975 (Knox-Keene Act), provides for the 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 that health care service plans shall not be deemed to be engaged in the practice of a profession, and may employ, or contract with, any licensed health care professional to deliver professional services, and may directly own, and may directly operate through its professional employees or contracted licensed professionals, offices and subsidiary corporations.

This bill would declare the intent of the Legislature to enact legislation related to health care service plans under the Knox-Keene Act and the entities with which a health care service plan may transact business.

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

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

- 1 SECTION 1. It is the intent of the Legislature to enact
- 2 legislation to clarify existing law with regard to health care service
- 3 plans that are regulated under the Knox-Keene Health Care Service
- 4 Plan Act of 1975 (Chapter 2.2 (commencing with Section 1340))

- 1 of Division 2 of the Health and Safety Code) and the entities with
- 2 which a health care service plan may transact business.

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