

Assembly Bill No. 792

CHAPTER 851

An act to add Sections 2024.7 and 8613.7 to the Family Code, to add Section 1366.50 to the Health and Safety Code, and to add Section 10786 to the Insurance Code, relating to health care coverage.

[Approved by Governor September 30, 2012. Filed with
Secretary of State September 30, 2012.]

LEGISLATIVE COUNSEL'S DIGEST

AB 792, Bonilla. 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 small 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, the Knox-Keene Health Care Service Plan Act of 1975, 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 for the regulation of health insurers by the Department of Insurance. Existing law sets forth procedures related to a petition for dissolution of marriage, nullity of marriage, or legal separation, or a petition for adoption.

This bill would require a court, upon the filing of a petition for dissolution of marriage, nullity of marriage, or legal separation on and after January 1, 2014, to provide a specified notice informing the petitioner and respondent that they may be eligible for reduced-cost coverage through the Exchange or no-cost coverage through Medi-Cal. The bill would also require a court to provide such a notice to a petition for adoption. The bill would require the notice to include information regarding obtaining coverage through those programs and would require the notice to be developed by the Exchange.

Commencing January 1, 2014, this bill would require specified health care service plans and health insurers to provide to individuals who cease to be enrolled in individual or group coverage a notice informing those individuals that they may be eligible for reduced-cost coverage through the Exchange or no-cost coverage through Medi-Cal. The bill would require

the notice to include information regarding obtaining coverage through those programs and would require that the notice be developed no later than July 1, 2013, by the Department of Managed Health Care and the Department of Insurance, as specified.

Because a willful violation of the bill's provisions relative 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.

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

SECTION 1. Section 2024.7 is added to the Family Code, to read:

2024.7. On and after January 1, 2014, upon the filing of a petition for dissolution of marriage, nullity of marriage, or legal separation, the court shall provide to the petitioner and the respondent a notice informing him or her that he or she may be eligible for reduced-cost coverage through the California Health Benefit Exchange established under Title 22 (commencing with Section 100500) of the Government Code or no-cost coverage through Medi-Cal. The notice shall include information on obtaining coverage pursuant to those programs, and shall be developed by the California Health Benefit Exchange.

SEC. 2. Section 8613.7 is added to the Family Code, to read:

8613.7. On and after January 1, 2014, the court shall provide to any petitioner for adoption pursuant to this part a notice informing him or her that he or she may be eligible for reduced-cost coverage through the California Health Benefit Exchange established under Title 22 (commencing with Section 100500) of the Government Code or no-cost coverage through Medi-Cal. The notice shall include information on obtaining coverage pursuant to those programs, and shall be developed by the California Health Benefit Exchange.

SEC. 3. Section 1366.50 is added to the Health and Safety Code, to read:

1366.50. (a) On and after January 1, 2014, a health care service plan providing individual or group health care coverage shall provide to enrollees or subscribers who cease to be enrolled in coverage a notice informing them that they may be eligible for reduced-cost coverage through the California Health Benefit Exchange established under Title 22 (commencing with Section 100500) of the Government Code or no-cost coverage through Medi-Cal. The notice shall include information on obtaining coverage pursuant to those programs, shall be in no less than 12-point type, and shall be developed by the department, no later than July 1, 2013, in consultation with the Department of Insurance and the California Health Benefit Exchange.

(b) The notice described in subdivision (a) may be incorporated into or sent simultaneously with and in the same manner as any other notices sent by the health care service plan.

(c) This section shall not apply with respect to a specialized health care service plan contract or a Medicare supplemental plan contract.

SEC. 4. Section 10786 is added to the Insurance Code, to read:

10786. (a) On and after January 1, 2014, a health insurer providing health insurance coverage shall provide to policyholders in individual policies or certificate holders in group policies who cease to be enrolled in coverage a notice informing them that they may be eligible for reduced-cost coverage through the California Health Benefit Exchange established under Title 22 (commencing with Section 100500) of the Government Code or no-cost coverage through Medi-Cal. The notice shall include information on obtaining coverage pursuant to those programs, shall be in no less than 12-point type, and shall be developed by the department, no later than July 1, 2013, in consultation with the Department of Managed Health Care and the California Health Benefit Exchange.

(b) The notice described in subdivision (a) may be incorporated into or sent simultaneously with and in the same manner as any other notices sent by the health insurer.

(c) This section shall not apply with respect to a specialized health insurance policy or a health insurance policy consisting solely of coverage of excepted benefits as described in Section 2722 of the federal Public Health Service Act (42 U.S.C. Sec. 300gg-21).

SEC. 5. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.