

ASSEMBLY BILL

No. 1461

Introduced by Assembly Member Monning
(Principal coauthor: Senator Hernandez)

January 9, 2012

An act to add Section 10961 to the Insurance Code, relating to health insurance.

LEGISLATIVE COUNSEL'S DIGEST

AB 1461, as introduced, Monning. Health insurance.

Existing law provides for the licensing and regulation of health insurers by the Insurance Commissioner. Existing law provides for licensing and regulation of health care service plans by the Department of Managed Health Care. The California Health Benefit Exchange is governed by a board and the board is required to facilitate enrollment of qualified individuals in qualified health plans.

Existing federal law, the federal Patient Protection and Affordable Care Act, commencing on and after January 1, 2014, requires each health insurance issuer that offers health insurance coverage in the individual or group market in a state to accept every employer and individual in the state that applies for that coverage and requires the issuer to renew that coverage. Existing federal law, commencing on and after January 1, 2014, prohibits discriminatory premium rates charged by a health insurance issuer for health insurance coverage offered in the individual or small group market, as specified, and also prohibits discrimination against individuals based on health status. Existing federal law, commencing on and after January 1, 2014, except as otherwise specified, prohibits a group health plan and a health insurance issuer offering group or individual health insurance coverage

from imposing any preexisting condition exclusion with respect to that plan or coverage.

This bill would, consistent with federal law, commencing on and after January 1, 2014, require a health insurer to comply with these federal requirements. The bill would require the commissioner to consult and coordinate with the department and the Exchange in carrying out these provisions. The bill would also authorize the commissioner, in consultation with the department, to adopt regulations to carry out these provisions.

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 10961 is added to the Insurance Code,
2 to read:

3 10961. (a) To the extent required by federal law, commencing
4 on and after January 1, 2014, every health insurer shall comply
5 with the following provisions related to the offer, sale, issuance,
6 and renewal of individual health benefit plans, consistent with
7 federal law and implementing rules, regulations, and federal
8 guidance:

9 (1) Guaranteed availability of coverage pursuant to Section
10 2702 of the Public Health Service Act (42 U.S.C. Sec. 300gg-1).

11 (2) Guaranteed renewability of coverage pursuant to Section
12 2703 of the Public Health Service Act (42 U.S.C. Sec. 300gg-2).

13 (3) The portability and nondiscrimination provisions in Sections
14 2701, 2704, and 2705 of the Public Health Service Act (42 U.S.C.
15 Secs. 300gg, 300gg-3, and 300gg-4).

16 (b) The commissioner shall consult and coordinate with the
17 Department of Managed Health Care in the implementation and
18 enforcement of this section to ensure uniform and consistent rules,
19 regulations, guidance, and enforcement for health benefit plans
20 sold to individuals in this state.

21 (c) In implementing this section, the commissioner shall, in
22 addition to the requirements in subdivision (b), consult and
23 coordinate with the California Health Benefit Exchange established
24 pursuant to Section 100500 of the Government Code.

25 (d) The commissioner may, in consultation with the Department
26 of Managed Health Care, adopt regulations implementing this

1 section, pursuant to the Administrative Procedure Act (Chapter
2 3.5 (commencing with Section 11340) of Part 1 of Division 3 of
3 Title 2 of the Government Code).

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