

**ASSEMBLY BILL**

**No. 1766**

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**Introduced by Assembly Member Bonilla**

February 17, 2012

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An act to amend Section 100502 of the Government Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

AB 1766, as introduced, Bonilla. California Health Benefit Exchange. Existing law establishes the California Health Benefit Exchange (Exchange) for the purpose of facilitating the purchase of qualified health plans by qualified individuals and qualified small employers by January 1, 2014. Existing law specifies the duties of the board of the Exchange with respect to implementing a specified provision of the federal Patient Protection and Affordable Care Act.

This bill would make technical, nonsubstantive changes to those duties.

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. Section 100502 of the Government Code is  
2 amended to read:  
3 100502. The board shall, at a minimum, do all of the following  
4 to implement Section 1311 of the federal act:  
5 (a) Implement procedures for the certification, recertification,  
6 and decertification, consistent with *the* guidelines established by  
7 the United States Secretary of Health and Human Services, of

1 health plans as qualified health plans. The board shall require  
2 health plans seeking certification as qualified health plans to do  
3 all of the following:

4 (1) Submit a justification for any premium increase prior to  
5 implementation of the increase. The plans shall prominently post  
6 that information on their Internet Web sites. The board shall take  
7 this information, and the information and the recommendations  
8 provided to the board by the Department of Insurance or the  
9 Department of Managed Health Care under paragraph (1) of  
10 subdivision (b) of Section 2794 of the federal Public Health Service  
11 Act, into consideration when determining whether to make the  
12 health plan available through the Exchange. The board shall take  
13 into account any excess of premium growth outside the Exchange  
14 as compared to the rate of that growth inside the Exchange,  
15 including information reported by the Department of Insurance  
16 and the Department of Managed Health Care.

17 (2) (A) Make available to the public and submit to the board,  
18 the United States Secretary of Health and Human Services, and  
19 the Insurance Commissioner or the Department of Managed Health  
20 Care, as applicable, accurate and timely disclosure of the following  
21 information:

- 22 (i) Claims payment policies and practices.
- 23 (ii) Periodic financial disclosures.
- 24 (iii) Data on enrollment.
- 25 (iv) Data on disenrollment.
- 26 (v) Data on the number of claims that are denied.
- 27 (vi) Data on rating practices.
- 28 (vii) Information on cost sharing and payments with respect to  
29 any out-of-network coverage.
- 30 (viii) Information on enrollee and participant rights under Title  
31 I of the federal act.
- 32 (ix) Other information as determined appropriate by the United  
33 States Secretary of Health and Human Services.

34 (B) The information required under subparagraph (A) shall be  
35 provided in plain language, as defined in subparagraph (B) of  
36 paragraph (3) of subdivision (e) of Section 1311 of the federal act.

37 (3) Permit individuals to learn, in a timely manner upon the  
38 request of the individual, the amount of cost sharing, including,  
39 but not limited to, deductibles, copayments, and coinsurance, under  
40 the individual's plan or coverage that the individual would be

1 responsible for paying with respect to the furnishing of a specific  
2 item or service by a participating provider. At a minimum, this  
3 information shall be made available to the individual through an  
4 Internet Web site and through other means for individuals without  
5 access to the Internet.

6 (b) Provide for the operation of a toll-free telephone hotline to  
7 respond to requests for assistance.

8 (c) Maintain an Internet Web site through which enrollees and  
9 prospective enrollees of qualified health plans may obtain  
10 standardized comparative information on those plans.

11 (d) Assign a rating to each qualified health plan offered through  
12 the Exchange in accordance with the criteria developed by the  
13 United States Secretary of Health and Human Services.

14 (e) Utilize a standardized format for presenting health benefits  
15 plan options in the Exchange, including the use of the uniform  
16 outline of coverage established under Section 2715 of the federal  
17 Public Health Service Act (*42 U.S.C. Sec. 300gg-15*).

18 (f) Inform individuals of eligibility requirements for the  
19 Medi-Cal program, the Healthy Families Program, or any  
20 applicable state or local public program and, if, through screening  
21 of the application by the Exchange, the Exchange determines that  
22 an individual is eligible for any such program, enroll that individual  
23 in the program.

24 (g) Establish and make available by electronic means a  
25 calculator to determine the actual cost of coverage after the  
26 application of any premium tax credit under Section 36B of the  
27 Internal Revenue Code of 1986 and any cost-sharing reduction  
28 under Section 1402 of the federal act.

29 (h) Grant a certification attesting that, for purposes of the  
30 individual responsibility penalty under Section 5000A of the  
31 Internal Revenue Code of 1986, an individual is exempt from the  
32 individual requirement or from the penalty imposed by that section  
33 because of either of the following:

34 (1) There is no affordable qualified health plan available through  
35 the Exchange or the individual's employer covering the individual.

36 (2) The individual meets the requirements for any other  
37 exemption from the individual responsibility requirement or  
38 penalty.

39 (i) Transfer to the Secretary of the Treasury all of the following:

1 (1) A list of the individuals who are issued a certification under  
2 subdivision (h), including the name and taxpayer identification  
3 number of each individual.

4 (2) The name and taxpayer identification number of each  
5 individual who was an employee of an employer but who was  
6 determined to be eligible for the premium tax credit under Section  
7 36B of the Internal Revenue Code of 1986 because of either of the  
8 following:

9 (A) The employer did not provide minimum essential coverage.

10 (B) The employer provided the minimum essential coverage  
11 but it was determined under subparagraph (C) of paragraph (2) of  
12 subsection (c) of Section 36B of the Internal Revenue Code of  
13 1986 to either be unaffordable to the employee or not provide the  
14 required minimum actuarial value.

15 (3) The name and taxpayer identification number of each  
16 individual who notifies the Exchange under paragraph (4) of  
17 subsection (b) of Section 1411 of the federal act that they have  
18 changed employers and of each individual who ceases coverage  
19 under a qualified health plan during a plan year and the effective  
20 date of that cessation.

21 (j) Provide to each employer the name of each employee of the  
22 employer described in paragraph (2) of subdivision (i) who ceases  
23 coverage under a qualified health plan during a plan year and the  
24 effective date of that cessation.

25 (k) Perform duties required of, or delegated to, the Exchange  
26 by the United States Secretary of Health and Human Services or  
27 the Secretary of the Treasury related to determining eligibility for  
28 premium tax credits, reduced cost sharing, or individual  
29 responsibility exemptions.

30 (l) Establish the navigator program in accordance with  
31 subdivision (i) of Section 1311 of the federal act. Any entity chosen  
32 by the Exchange as a navigator shall do all of the following:

33 (1) Conduct public education activities to raise awareness of  
34 the availability of qualified health plans.

35 (2) Distribute fair and impartial information concerning  
36 enrollment in qualified health plans, and the availability of  
37 premium tax credits under Section 36B of the Internal Revenue  
38 Code of 1986 and cost-sharing reductions under Section 1402 of  
39 the federal act.

40 (3) Facilitate enrollment in qualified health plans.

1 (4) Provide referrals to any applicable office of health insurance  
2 consumer assistance or health insurance ombudsman established  
3 under Section 2793 of the federal Public Health Service Act, or  
4 any other appropriate state agency or agencies, for any enrollee  
5 with a grievance, complaint, or question regarding his or her health  
6 plan, coverage, or a determination under that plan or coverage.

7 (5) Provide information in a manner that is culturally and  
8 linguistically appropriate to the needs of the population being  
9 served by the Exchange.

10 (m) Establish the Small Business Health Options Program,  
11 separate from the activities of the board related to the individual  
12 market, to assist qualified small employers in facilitating the  
13 enrollment of their employees in qualified health plans offered  
14 through the Exchange in the small employer market in a manner  
15 consistent with paragraph (2) of subdivision (a) of Section 1312  
16 of the federal act.