

AMENDED IN ASSEMBLY APRIL 11, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 2350

Introduced by Assembly Member Monning

February 24, 2012

An act to add Section 1348.95 to the Health and Safety Code, and to add Section 10127.19 to the Insurance Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

AB 2350, as amended, Monning. Health care coverage.

Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the *licensure and* 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 ~~carriers~~ *insurers* by the Department of Insurance.

~~This bill would require every health care service plan except those providing coverage for specialized health care services, to provide the number of enrollees that receive health care coverage from the service plan as of December 31st of each year, as well as other specified information, to the Department of Managed Health Care, in a form and manner specified by the department in consultation with the Department of Insurance to ensure that the data reported is comparable and consistent.~~

~~This bill would likewise require a health insurer, except those providing coverage for specialized health care services, to provide the number of covered lives as of December 31st of each year, as well as other specified information, to the Department of Insurance in a form~~

and manner specified by the department in consultation with the Department of Managed Health Care.

This bill would require health care service plans and health insurers to annually, commencing March 31, 2013, provide specified information regarding their plan contracts or policies to the Department of Managed Health Care or the Department of Insurance, as applicable, including claims payment policies and practices, periodic financial disclosures, and data on enrollment and disenrollment, as specified.

Because a willful violation of the bill's provisions relative to this reporting requirement by a health care service plans plan 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.

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

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

1 SECTION 1. *It is the intent of the Legislature by enacting this*
2 *act that the reporting requirements for health care service plans*
3 *and health insurers be consistent with the reporting requirements,*
4 *including form and manner, imposed on qualified health plans*
5 *pursuant to Section 156.220 of Title 45 of the Code of Federal*
6 *Regulations.*

7 ~~SECTION 1.~~

8 SEC. 2. Section 1348.95 is added to the Health and Safety
9 Code, to read:

10 1348.95. (a) Commencing March 1, 2013, and at least annually
11 thereafter, every health care service plan, not including a health
12 care service plan offering specialized health care service plan
13 contracts, shall provide to the department, in a form and manner
14 determined by the department in consultation with the Department
15 of Insurance, the following information:

- 16 (1) *Claims payment policies and practices.*
- 17 (2) *Periodic financial disclosures.*
- 18 (3) *Data on enrollment.*
- 19 (4) *Data on disenrollment.*

- 1 (5) *Data on the number of claims that are denied.*
- 2 (6) *Data on rating practices.*
- 3 (7) *Information on cost-sharing and payments with respect to*
- 4 *any out-of-network coverage.*
- 5 (8) *Information on enrollee rights.*
- 6 (9) *Enrollee cost-sharing transparency.*
- 7 (b) *The data on enrollment specified in paragraph (3) of*
- 8 *subdivision (a) shall include the number of enrollees as of*
- 9 *December 31 of the prior year, that receive health care coverage*
- 10 *under a health care service plan contract that covers individuals,*
- 11 ~~*small groups, groups of 51-100, groups of 101 or more, or a small*~~
- 12 ~~*group health care service plan contract as defined in Section*~~
- 13 ~~*1385.01, or a large group health care service plan contract as*~~
- 14 ~~*defined in Section 1385.01, or under administrative services only*~~
- 15 *business lines. Health care service plans shall include the*
- 16 *unduplicated enrollment data in specific product lines as*
- 17 *determined by the department, including, but not limited to, HMO,*
- 18 *point-of-service, PPO, Medicare excluding Medicare supplement,*
- 19 *Medi-Cal managed care, and traditional indemnity non-PPO health*
- 20 *insurance. The department shall publicly report the data provided*
- 21 *by each health care service plan pursuant to this section, including,*
- 22 *but not limited to, posting the data on the department's Internet*
- 23 *Web site. The department shall consult with the Department of*
- 24 *Insurance to ensure that the data reported is comparable and*
- 25 *consistent.*

26 ~~SEC. 2.~~

27 SEC. 3. Section 10127.19 is added to the Insurance Code, to
28 read:

29 10127.19. (a) Commencing March 1, 2013, and at least
30 annually thereafter, every ~~health~~ insurer, *that issues policies of*
31 *health insurance, not including a health insurer offering specialized*
32 *health insurance policies, shall provide to the department, in a*
33 *form and manner determined by the department in consultation*
34 *with the Department of Managed Health Care, the following*
35 *information:*

- 36 (1) *Claims payment policies and practices.*
- 37 (2) *Periodic financial disclosures.*
- 38 (3) *Data on enrollment.*
- 39 (4) *Data on disenrollment.*
- 40 (5) *Data on the number of claims that are denied.*

- 1 (6) *Data on rating practices.*
- 2 (7) *Information on cost-sharing and payments with respect to*
- 3 *any out-of-network coverage.*
- 4 (8) *Information on rights of insureds.*
- 5 (9) *Insured cost-sharing transparency.*
- 6 (b) *The data on enrollment specified in paragraph (3) of*
- 7 *subdivision (a) shall include the number of covered lives, as of*
- 8 *December 31 of the prior year, that receive health care coverage*
- 9 *under a health insurance policy that covers individuals, a small*
- 10 ~~*groups, groups of 51-100, groups of 101 or more, group health*~~
- 11 ~~*insurance policy as defined in Section 10181, or a large group*~~
- 12 ~~*health insurance policy as defined in Section 10181, or under*~~
- 13 ~~*administrative services only business lines. Health insurers*~~ *Insurers*
- 14 *shall include the unduplicated enrollment data in specific product*
- 15 *lines as determined by the department, commissioner, including,*
- 16 *but not limited to HMO, point-of-service, PPO, Medicare excluding*
- 17 *Medicare supplement, Medi-Cal managed care, and traditional*
- 18 *indemnity non-PPO health insurance. The department shall publicly*
- 19 *report the data provided by each health insurer pursuant to this*
- 20 *section, including, but not limited to, posting the data on the*
- 21 *department’s Internet Web site. The department shall consult with*
- 22 *the Department of Managed Health Care to ensure that the data*
- 23 *reported is comparable and consistent.*

24 ~~SEC. 3.~~

25 SEC. 4. No reimbursement is required by this act pursuant to
26 Section 6 of Article XIII B of the California Constitution because
27 the only costs that may be incurred by a local agency or school
28 district will be incurred because this act creates a new crime or
29 infraction, eliminates a crime or infraction, or changes the penalty
30 for a crime or infraction, within the meaning of Section 17556 of
31 the Government Code, or changes the definition of a crime within
32 the meaning of Section 6 of Article XIII B of the California
33 Constitution.