

AMENDED IN SENATE MARCH 25, 2011

SENATE BILL

No. 728

Introduced by Senator Hernandez

February 18, 2011

~~An act to amend Section 128805 of the Health and Safety Code, relating to public health. An act to add Section 100522 to the Government Code, relating to health care coverage.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 728, as amended, Hernandez. ~~Health data reports; contracts. Health care coverage.~~

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 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.

The federal Patient Protection and Affordable Care Act also requires that risk adjustments be made with regard to health insurers and health plans providing coverage in the individual or small group market within the state.

Existing law establishes the Office of Statewide Health Planning and Development and sets forth its powers and duties with respect to health facility construction, health policy and planning, and health professions development. ~~Existing law, the Health Data and Advisory Council~~

~~Consolidation Act, requires the office, under contract with a qualified consulting firm, to conduct a comprehensive review of the financial and utilization reports that hospitals are required to file with the office, and authorizes the office to enter into necessary agreements and contracts.~~

~~This bill would make a technical, nonsubstantive change require the board of the California Health Benefit Exchange to work with the Office of Statewide Health Planning and Development, the Department of Insurance, and the Department of Managed Health Care to develop a risk adjustment system for products sold in the Exchange and outside of the Exchange, as specified.~~

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

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

1 SECTION 1. Section 100522 is added to the Government Code,
2 to read:

3 100522. (a) Pursuant to the requirements imposed under
4 Section 1343 of the federal act, the board shall collaborate with
5 the Office of Statewide Health Planning and Development, the
6 Department of Insurance, and the Department of Managed Health
7 Care to develop a risk adjustment system for products sold in the
8 Exchange and outside of the Exchange.

9 (b) In developing the risk adjustment system, the board shall
10 be subject to the criteria and methods specified in Section 1343
11 of the federal act. The board shall also consider different data
12 collection processes for purposes of the risk adjustment system.

13 (c) "Risk adjustment" shall have the same meaning as described
14 in Section 1343 of the federal act.

15 SECTION 1. ~~Section 128805 of the Health and Safety Code~~
16 ~~is amended to read:~~

17 ~~128805. The office may enter into agreements and contracts~~
18 ~~with any person, department, agency, corporation, or legal entity~~
19 ~~as necessary to carry out the functions vested in the office by this~~
20 ~~chapter or any other law.~~

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