

AMENDED IN ASSEMBLY APRIL 8, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 578

Introduced by Assembly Member Dickinson

February 20, 2013

An act to amend Section 1353 of the Health and Safety Code, *and to add Section 717.7 to the Insurance Code*, relating to health care.

LEGISLATIVE COUNSEL'S DIGEST

AB 578, as amended, Dickinson. Health care.

Existing law, the Knox-Keene Health Care Service Plan Act of 1975, ~~the willful violation of which is a crime~~, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care. Existing law requires each application for licensure as a health care service plan or specialized health care service plan under these provisions to be accompanied by specified information. Existing law requires the Director of the Department of Managed Care to issue a license to an individual filing an application if the director determines that the applicant has satisfied certain requirements. *Existing law also provides for the regulation of health insurers by the Department of Insurance and authorizes the Insurance Commissioner to issue a certificate of authority to transact insurance, as specified.*

This bill would require that the director *or commissioner* publish a notice, upon receiving an application *from a first time health care service plan applicant or health insurer applicant*, that would include information regarding the applicant and nature of the application, as specified. ~~This~~ *The bill would also require the departments to allow comments to be submitted through the departments' Internet Web sites. The bill would also require that the director or commissioner to require*

~~the plan applicant to publish a written notice concerning the application pursuant to conditions imposed by rule or order. By expanding the scope of an existing crime, the bill would impose a state-mandated local program. This~~ *the director or commissioner. The bill would require that the director or commissioner to solicit, review, and consider public comments, as specified, and hold at least one public hearing if comments are received, prior to approving an application.*

~~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-no*.

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

- 1 SECTION 1. Section 1353 of the Health and Safety Code is
- 2 amended to read:
- 3 1353. (a) The director shall issue a license to any person filing
- 4 an application pursuant to this article, if the director, upon due
- 5 consideration of the application and of the information obtained
- 6 in any investigation, including, if necessary, an onsite inspection,
- 7 determines that the applicant has satisfied the provisions of this
- 8 chapter and that, in the judgment of the director, a disciplinary
- 9 action pursuant to Section 1386 would not be warranted against
- 10 the applicant. Otherwise, the director shall deny the application.
- 11 (b) ~~The~~ *For a first time health care service plan applicant, the*
- 12 *director shall publish a notice, upon receiving an the application,*
- 13 *in one or more newspapers of general circulation in the proposed*
- 14 *plan’s service area, describing the name of the applicant, the nature*
- 15 *of the application, and the date of receipt of the application. The*
- 16 *notice shall indicate that the director will be is soliciting public*
- 17 *comments and will may hold a public hearing on the application.*
- 18 *The department shall allow comments to be submitted through its*
- 19 *Internet Web site.* The director shall require the ~~plan applicant to~~
- 20 *publish a written notice concerning the application pursuant to*
- 21 *conditions imposed by rule or order the director.*
- 22 (c) Prior to approving the application, the director shall solicit,
- 23 *review, and consider public comments in written form and shall*

1 hold at least one public hearing *if comments are received*
2 concerning the application.

3 *SEC. 2. Section 717.7 is added to the Insurance Code, to read:*

4 *717.7. (a) For a first time applicant for a certificate of*
5 *authority to transact health insurance, the commissioner shall*
6 *publish a notice, upon receiving the application, in one or more*
7 *newspapers of general circulation, describing the name of the*
8 *applicant, the nature of the application, and the date of receipt of*
9 *the application. The notice shall indicate that the commissioner*
10 *is soliciting public comments and may hold a public hearing on*
11 *the application. The department shall allow comments to be*
12 *submitted through its Internet Web site. The commissioner shall*
13 *require the applicant to publish a written notice concerning the*
14 *application pursuant to conditions imposed by the commissioner.*

15 *(b) Prior to approving the application, the commissioner shall*
16 *solicit, review, and consider public comments in written form and*
17 *shall hold at least one public hearing if comments are received*
18 *concerning the application.*

19 ~~SEC. 2. No reimbursement is required by this act pursuant to~~
20 ~~Section 6 of Article XIII B of the California Constitution because~~
21 ~~the only costs that may be incurred by a local agency or school~~
22 ~~district will be incurred because this act creates a new crime or~~
23 ~~infraction, eliminates a crime or infraction, or changes the penalty~~
24 ~~for a crime or infraction, within the meaning of Section 17556 of~~
25 ~~the Government Code, or changes the definition of a crime within~~
26 ~~the meaning of Section 6 of Article XIII B of the California~~
27 ~~Constitution.~~