

ASSEMBLY BILL

No. 710

Introduced by Assembly Member Pan

February 21, 2013

An act to amend Section 1385.01 of the Health and Safety Code, and to amend Section 10181 of the Insurance Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

AB 710, as introduced, Pan. Review of rate increases: California Health Benefit Exchange.

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 also provides for the regulation of health insurers by the Department of Insurance. Under the federal Patient Protection and Affordable Care Act (PPACA), each state is required, by January 1, 2014, to establish an American Health Benefit Exchange that makes available qualified health plans to qualified individuals and small employers. Existing state law establishes the California Health Benefit Exchange (Exchange) within state government, specifies the powers and duties of the board governing the Exchange, 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. Existing law provides that, for the purposes of provisions relating to review of rate increases by health care service plan contracts and health insurance policies, specified definitions shall apply.

This bill would add the definition of “Exchange” to those provisions.

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 1385.01 of the Health and Safety Code
2 is amended to read:

3 1385.01. For purposes of this article, the following definitions
4 shall apply:

5 (a) “Exchange” means the California Health Benefit Exchange
6 created by Section 100500 of the Government Code.

7 ~~(a)~~

8 (b) “Large group health care service plan contract” means a
9 group health care service plan contract other than a contract issued
10 to a small employer, as defined in Section 1357, 1357.500, or
11 1357.600.

12 ~~(b)~~

13 (c) “Small group health care service plan contract” means a
14 group health care service plan contract issued to a small employer,
15 as defined in Section 1357, 1357.500, or 1357.600.

16 ~~(c)~~

17 (d) “PPACA” means Section 2794 of the federal Public Health
18 Service Act (42 U.S.C. Sec. 300gg-94), as amended by the federal
19 Patient Protection and Affordable Care Act (Public Law
20 (111-148)), and any subsequent rules, regulations, or guidance
21 issued under that section.

22 ~~(d)~~

23 (e) “Unreasonable rate increase” has the same meaning as that
24 term is defined in PPACA.

25 SEC. 2. Section 10181 of the Insurance Code is amended to
26 read:

27 10181. For purposes of this article, the following definitions
28 shall apply:

29 (a) “Exchange” means the California Health Benefit Exchange
30 created by Section 100500 of the Government Code.

31 ~~(a)~~

32 (b) “Large group health insurance policy” means a group health
33 insurance policy other than a policy issued to a small employer,
34 as defined in Section 10700, 10753, or 10755.

35 ~~(b)~~

1 (c) “Small group health insurance policy” means a group health
2 insurance policy issued to a small employer, as defined in Section
3 10700, 10753, or 10755.

4 ~~(e)~~

5 (d) “PPACA” means Section 2794 of the federal Public Health
6 Service Act (42 U.S.C. Sec. 300gg-94), as amended by the federal
7 Patient Protection and Affordable Care Act (Public Law 111-148),
8 and any subsequent rules, regulations, or guidance issued pursuant
9 to that law.

10 ~~(d)~~

11 (e) “Unreasonable rate increase” has the same meaning as that
12 term is defined in PPACA.