

**ASSEMBLY BILL**

**No. 1428**

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**Introduced by Assembly Member Conway  
(Coauthors: Assembly Members Bigelow, Dahle, Hagman, Harkey,  
Morrell, Patterson, Wagner, Waldron, and Wilk)**

April 30, 2013

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An act to add Section 100523 to the Government Code, relating to health care coverage, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 1428, as introduced, Conway. California Health Benefit Exchange: employees and contractors.

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 requires the board to employ necessary staff and authorizes the board to enter into contracts.

This bill would require all employees, prospective employees, contractors, subcontractors, and vendors, who facilitate enrollment of persons in a qualified health plan in the Exchange and who, in the course and scope of their employment, have access to the financial or medical information of enrollees or potential enrollees, to be fingerprinted, at

appropriate locations determined by the board, for the purpose of obtaining criminal history information. The bill would prohibit a person who has been convicted of felony crimes of dishonesty or breach of trust in a state or federal jurisdiction or other specified crimes from being hired by or contracting with the Exchange for the purpose of facilitating enrollment of persons in a qualified health plan in the Exchange or for any position where, in the course and scope of his or her employment, he or she will have access to the financial or medical information of enrollees or potential enrollees of the Exchange. The bill would also require an applicant to notify the Exchange of any prescribed misdemeanor or felony convictions, filing of charges, or administrative actions.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote:  $\frac{2}{3}$ . Appropriation: no. Fiscal committee: yes.  
 State-mandated local program: no.

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

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) The mission of the California Health Benefit Exchange
- 4 (Exchange) is to increase the number of insured Californians.
- 5 (b) According to the Exchange, the Assisters Program is
- 6 designed to target populations in California’s vast, geographically
- 7 diverse mix of rural and urban communities, estimated at 4,000,000
- 8 eligible individuals: one hundred thousand in northern California
- 9 and Sierra counties, 130,000 in the Sacramento area, 390,000 in
- 10 the greater Bay Area, 250,000 in the San Joaquin Valley, 140,000
- 11 in the central coast, 780,000 in Los Angeles, and another 750,000
- 12 in southern California.
- 13 (c) According to the Exchange, the Assisters Program is
- 14 designed to target populations within the estimated 4,000,000
- 15 eligible individuals that are ethnically diverse: 1,880,000 estimated
- 16 to be Hispanic, 1,340,000 Caucasian, 470,000 Asian, and 210,000
- 17 African American.
- 18 (d) According to the Exchange, the Assisters Program will
- 19 conduct outreach, education, marketing, and enrollment for the
- 20 Exchange to reach the estimated 4,000,000 eligible individuals.

1 (e) The Assisters Program is expected to promote maximum  
2 enrollment of individuals into coverage and ensure that assisters  
3 are knowledgeable of both subsidized and nonsubsidized health  
4 care coverage and qualified health plans and are equipped with  
5 the information and expertise needed to successfully enroll  
6 individuals into coverage.

7 (f) The Exchange will use individual assisters, in-person  
8 assisters, and navigators in the Assisters Program to accomplish  
9 these goals.

10 (g) Individual assisters, in-person assisters, and navigators will,  
11 necessarily, have access to eligible individuals' personal identifying  
12 information, including social security numbers, personal health  
13 information, and state and federal tax information, to enroll over  
14 4,000,000 Californians in health insurance programs.

15 (h) Agents and brokers, health insurers, and other entities that  
16 currently handle applications for health care coverage and the  
17 applicant's sensitive, personal information are required to be  
18 licensed by the Department of Insurance.

19 (i) The Department of Insurance, by law, is authorized to require  
20 applicants for licensure to pass background checks, including  
21 fingerprinting, as a condition of licensure.

22 (j) It is in the public's interest that eligible individuals  
23 purchasing health care coverage through the services of an  
24 individual assister, in-person assister, or navigator have the same  
25 reasonable expectation of privacy protections afforded to  
26 Californians purchasing health care coverage through a private  
27 agent or broker.

28 (k) To advance the public's interest in protecting and  
29 safeguarding eligible individuals from the unauthorized and illegal  
30 access to, or disclosure of, their personal identifying information,  
31 personal health information, or federal tax information when the  
32 Exchange begins enrolling customers into health care plans for  
33 coverage beginning as early as January 1, 2014.

34 SEC. 2. Section 100523 is added to the Government Code, to  
35 read:

36 100523. (a) The board shall require all employees, prospective  
37 employees, contractors, subcontractors, and vendors, who facilitate  
38 enrollment of persons in a qualified health plan in the Exchange  
39 and who, in the course and scope of their employment, have access  
40 to the financial or medical information of enrollees or potential

1 enrollees of the Exchange, to be fingerprinted, at appropriate  
2 locations determined by the board, for the purpose of obtaining  
3 criminal history information.

4 (b) A person who has been convicted of any felony crimes of  
5 dishonesty or breach of trust in a state or federal jurisdiction, who  
6 has been convicted of any violation of Section 1033 of Title 18 of  
7 the United States Code, or who has been convicted of any crime  
8 included in Section 2183.2 of Title 10 of the California Code of  
9 Regulations shall not be hired by or contract with the Exchange  
10 for the purpose of facilitating enrollment of persons in a qualified  
11 health plan in the Exchange or for any position where, in the course  
12 and scope of his or her employment, he or she will have access to  
13 the financial or medical information of enrollees or potential  
14 enrollees of the Exchange.

15 (c) A person who has applied for employment with the Exchange  
16 for any position where, in the course and scope of his or her  
17 employment, he or she will have access to the financial or medical  
18 information of enrollees or potential enrollees of the Exchange  
19 shall immediately notify the Exchange upon any misdemeanor or  
20 felony conviction, any filing of felony charges in state or federal  
21 court, any administrative action regarding a professional or  
22 occupational license, or any conviction listed in subdivision (b),  
23 if the action occurs after an application has been submitted.

24 SEC. 3. This act is an urgency statute necessary for the  
25 immediate preservation of the public peace, health, or safety within  
26 the meaning of Article IV of the Constitution and shall go into  
27 immediate effect. The facts constituting the necessity are:

28 In order to protect and safeguard customers from the  
29 unauthorized and illegal access to, or disclosure of, their personal  
30 identifying information, personal health information, or federal  
31 tax information when the California Health Benefit Exchange  
32 begins enrolling customers into health care plans for coverage  
33 beginning as early as January 1, 2014, it is necessary that this act  
34 take effect immediately.