

**Introduced by Senator Hernandez
(Principal coauthor: Senator Monning)**

December 3, 2012

An act relating to health care coverage, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 18, as introduced, Hernandez. Individual health care coverage.

Existing federal law, the federal Patient Protection and Affordable Care Act (PPACA) enacts various health care coverage market reforms that take effect January 1, 2014. Among other things, PPACA requires each health insurance issuer that offers health insurance coverage in the individual or group market in a state to accept every employer and individual in the state that applies for that coverage and to renew that coverage at the option of the plan sponsor or the individual. PPACA prohibits a group health plan and a health insurance issuer offering group or individual health insurance coverage from imposing any preexisting condition exclusion with respect to that plan or coverage. PPACA allows the premium rate charge by a health insurance issuer offering small group or individual coverage to vary only by family composition, rating area, age, and tobacco use, as specified, and prohibits discrimination against individuals based on health status.

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 the regulation of health insurers by the Insurance Commissioner. Existing law requires plans and insurers offering coverage in the individual market to comply with certain requirements, including that they offer coverage for a child on a guarantee issue basis.

This bill would state the intent of the Legislature to enact legislation that would reform the individual health care coverage market consistent with the PPACA.

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

Vote: 2/3. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

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

- 1 SECTION 1. It is the intent of the Legislature to enact
- 2 legislation to reform the individual health care coverage market
- 3 consistent with the federal Patient Protection and Affordable Care
- 4 Act (Public Law 111-148), as amended by the federal Health Care
- 5 and Education Reconciliation Act of 2010 (Public Law 111-152).
- 6 SEC. 2. This act is an urgency statute necessary for the
- 7 immediate preservation of the public peace, health, or safety within
- 8 the meaning of Article IV of the Constitution and shall go into
- 9 immediate effect. The facts constituting the necessity are:
- 10 In order to update state law consistent with federal requirements
- 11 at the earliest possible time, it is necessary that this bill take effect
- 12 immediately.