SENATE BILL No. 1005

Introduced by Senator Lara
(Coauthors: Senators Block, Calderon, De León, Mitchell, Padilla, and Torres)
(Coauthors: Assembly Members Bocanegra, Bonta, Dickinson, Fong, Gonzalez, Roger Hernández, Jones-Sawyer, Pan, Rendon, and Yamada)

February 13, 2014

An act to add Title 22.5 (commencing with Section 100530) to the Government Code, and to add Section 14102.1 to the Welfare and Institutions Code, relating to health care coverage, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 1005, as introduced, Lara. Health care coverage: immigration status.

Existing law, the federal Patient Protection and Affordable Care Act (PPACA), requires each state to, by January 1, 2014, establish an American Health Benefit Exchange that facilitates the purchase of qualified health plans by qualified individuals and qualified small employers, and meets certain other requirements. PPACA specifies that an individual who is not a citizen or national of the United States or an alien lawfully present in the United States shall not be treated as a qualified individual and may not be covered under a qualified health plan offered through an Exchange. Existing law creates the California Health Benefit Exchange for the purpose of facilitating the enrollment of qualified individual and qualified small employers in qualified health plans as required under PPACA.

This bill would create the California Health Exchange Program For All Californians within state government and would require that the

program be governed by the executive board that governs the California Health Benefit Exchange. The bill would specify the duties of the board relative to the program and would require the board to, by January 1, 2016, facilitate the enrollment into qualified health plans of individuals who are not eligible for full-scope Medi-Cal coverage and would have been eligible to purchase coverage through the Exchange but for their immigration status. The bill would require the board to provide premium subsidies and cost-sharing reductions to eligible individuals that are the same as the premium assistance and cost-sharing reductions the individuals would have received through the Exchange. The bill would create the California Health Trust Fund For All Californians as a continuously appropriated fund, thereby making an appropriation, would require the board to assess a charge on qualified health plans, and would make the implementation of the program's provisions contingent on a determination by the board that sufficient financial resources exist or will exist in the fund. The bill would enact other related provisions.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services, under which qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed and funded by federal Medicaid Program provisions. The federal Medicaid Program provisions prohibit payment to a state for medical assistance furnished to an alien who is not lawfully admitted for permanent residence or otherwise permanently residing in the United States under color of law.

This bill would extend eligibility for full-scope Medi-Cal benefits to individuals who are otherwise eligible for those benefits but for their immigration status. The bill would require that benefits for those services be provided with state-only funds only if federal financial participation is not available. Because counties are required to make Medi-Cal eligibility determinations and this bill would expand Medi-Cal eligibility, the bill would impose a state-mandated local program.

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, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: yes. Fiscal committee: yes. State-mandated local program: yes.

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

1 SECTION 1. (a) It is the intent of the Legislature that all
2 Californians, regardless of immigration status, have access to
3 affordable health coverage and care.
4 (b) It is the intent of the Legislature that all Californians who
5 are eligible for Medi-Cal, a qualified health plan offered through
6 the California Health Benefits Exchange, or affordable
7 employer-based health coverage enroll in that coverage and obtain
8 the care that they need.
9 (c) It is further the intent of the Legislature, in enacting this
10 measure, to ensure that all Californians be included in eligibility
11 for coverage without regard to immigration status.
12 SEC. 2. Title 22.5 (commencing with Section 100530) is added
13 to the Government Code, to read:
14
15 TITLE 22.5. CALIFORNIA HEALTH EXCHANGE
16 PROGRAM FOR ALL CALIFORNIANS
17
18 100530. (a) There is in state government the California Health
19 Exchange Program for All Californians, an independent public
20 entity not affiliated with an agency or department.
21 (b) The program shall be governed by the executive board
22 established pursuant to Section 100500. The board shall be subject
23 to Section 100500.
24 (c) It is the intent of the Legislature in enacting this program to
25 provide affordable coverage for Californians who would be eligible
26 for coverage and premium subsidies under the California Health
27 Benefit Exchange established under Title 22 (commencing with
28 Section 100500) but for their immigration status. It is further the
29 intent of the Legislature that Californians eligible under this title
30 be offered the same premiums and cost sharing that they would
31 be offered through the California Health Benefit Exchange but for
32 their immigration status.
33 100531. For purposes of this title, the following definitions
34 shall apply:
35 (a) "Board" means the board described in subdivision (b) of
36 Section 100530.
37 (b) "Carrier" means either a private health insurer holding a
38 valid outstanding certificate of authority from the Insurance

Commissioner or a health care service plan, as defined under subdivision (f) of Section 1345 of the Health and Safety Code, licensed by the Department of Managed Health Care.

(c) "Eligible individual" means an individual who would have been eligible to purchase coverage through the Exchange but for his or her immigration status and who is not eligible for full-scope Medi-Cal coverage under state law.

(d) "Exchange" means the California Health Benefit Exchange established by Section 100500.

(e) "Federal act" means the federal Patient Protection and Affordable Care Act (Public Law 111-148), as amended by the federal Health Care and Education Reconciliation Act of 2010 (Public Law 111-152), and any amendments to, or regulations or guidance issued under, those acts.

(f) "Fund" means the California Health Trust Fund for All Californians established by Section 100540.

(g) "Health plan" and "qualified health plan" have the same meanings as those terms are defined in Section 1301 of the federal act.

(h) "Medi-Cal coverage" means coverage under the Medi-Cal program pursuant to Chapter 7 (commencing with Section 14000) of Part 3 of Division 9 of the Welfare and Institutions Code.

(i) "Program" means the California Health Exchange Program for All Californians.

(j) "Supplemental coverage" means coverage through a specialized health care service plan contract, as defined in subdivision (o) of Section 1345 of the Health and Safety Code, or a specialized health insurance policy, as defined in Section 106 of the Insurance Code.

100532. The board shall, at a minimum, do all of the following:

(a) Provide premium subsidies and cost-sharing reductions to eligible individuals. The premium assistance and cost-sharing reductions shall be the same as these individuals would have received if they had been eligible to receive premium assistance and cost-sharing reductions under the federal act by enrolling in coverage through the Exchange.

(b) Enroll into coverage eligible individuals whose income exceeds the thresholds for premium subsidies.

(c) Implement procedures for the certification, recertification, and decertification, of health plans as qualified health plans. The

1 board shall require health plans seeking certification as qualified
2 health plans to do all of the following:
3 (1) Submit a justification for any premium increase prior to
4 implementation of the increase consistent with Article 6.2
5 (commencing with Section 1385.01) of Chapter 2.2 of Division 2
6 of the Health and Safety Code and Article 4.5 (commencing with
7 Section 10181) of Chapter 1 of Part 2 of Division 2 of the Insurance
8 Code.
9 (2) (A) Make available to the public and submit to the board
10 accurate and timely disclosure of the following information:
11 (i) Claims payment policies and practices.
12 (ii) Periodic financial disclosures.
13 (iii) Data on enrollment.
14 (iv) Data on disenrollment.
15 (v) Data on the number of claims that are denied.
16 (vi) Data on rating practices.
17 (vii) Information on cost sharing and payments with respect to
18 any out-of-network coverage.
19 (viii) Information on enrollee and participant rights under state
20 law.
21 (B) The information required under subparagraph (A) shall be
22 provided in plain language.
23 (3) Permit individuals to learn, in a timely manner upon the
24 request of the individual, the amount of cost sharing, including,
25 but not limited to, deductibles, copayments, and coinsurance, under
26 the individual's plan or coverage that the individual would be
27 responsible for paying with respect to the furnishing of a specific
28 item or service by a participating provider. At a minimum, this
29 information shall be made available to the individual through an
30 Internet Web site and through other means for individuals without
31 access to the Internet.
32 (d) Provide for the operation of a toll-free telephone hotline to
33 respond to requests for assistance.
34 (e) Maintain an Internet Web site through which enrollees and
35 prospective enrollees of qualified health plans may obtain
36 standardized comparative information on those plans.
37 (f) Assign a rating to each qualified health plan offered through
38 the program in accordance with the criteria developed by board.
39 (g) Utilize a standardized format for presenting health benefits
40 plan options in the program.

(h) Inform individuals of eligibility requirements for the Medi-Cal program, the Exchange, or any applicable state or local public program and, if through screening of the application by the program, the program determines that an individual is eligible for the state or local program, enroll that individual in the program.

(i) Establish and make available by electronic means a calculator to determine the actual cost of coverage after the application of any premium subsidy and any cost-sharing reduction pursuant to subdivision (a).

(j) Establish a navigator program. Any entity chosen by the board as a navigator under this subdivision shall do all of the following:

(1) Conduct public education activities to raise awareness of the availability of qualified health plans through the program.

(2) Distribute fair and impartial information concerning enrollment in qualified health plans, and the availability of premium subsidies and cost-sharing reductions through the program.

(3) Facilitate enrollment in qualified health plans.

(4) Provide referrals to any applicable office of health insurance consumer assistance or health insurance ombudsman established under Section 2793 of the federal Public Health Service Act, or any other appropriate state agency or agencies, for any enrollee with a grievance, complaint, or question regarding his or her health plan, coverage, or a determination under that plan or coverage.

(5) Provide information in a manner that is culturally and linguistically appropriate to the needs of the population being served by the program.

100533. In addition to meeting the requirements of Section 100532, the board shall do all of the following:

(a) Determine the criteria and process for eligibility, enrollment, and disenrollment of enrollees and potential enrollees in the program and coordinate that process with the state and local government entities administering other health care coverage programs, including the Exchange, the State Department of Health Care Services, and California counties, in order to ensure consistent eligibility and enrollment processes and seamless transitions between coverage.

(b) Develop processes to coordinate with the county entities that administer eligibility for the Medi-Cal program.

1 (c) Determine the minimum requirements a carrier must meet
2 to be considered for participation in the program, and the standards
3 and criteria for selecting qualified health plans to be offered
4 through the program that are in the best interests of qualified
5 individuals. The board shall consistently and uniformly apply these
6 requirements, standards, and criteria to all carriers. In the course
7 of selectively contracting for health care coverage offered to
8 qualified individuals through the program, the board shall seek to
9 contract with carriers so as to provide health care coverage choices
10 that offer the optimal combination of choice, value, quality, and
11 service.
12 (d) Provide, in each region of the state, a choice of qualified
13 health plans at each of the five levels of coverage contained in
14 subsections (d) and (e) of Section 1302 of the federal act.
15 (e) Require, as a condition of participation in the program,
16 carriers to fairly and affirmatively offer, market, and sell in the
17 program at least one product within each of the five levels of
18 coverage contained in subsections (d) and (e) of Section 1302 of
19 the federal act. The board may require carriers to offer additional
20 products within each of those five levels of coverage. This
21 subdivision shall not apply to a carrier that solely offers
22 supplemental coverage in the program under paragraph (10) of
23 subdivision (a) of Section 100534.
24 (f) (1) Except as otherwise provided in this section, require, as
25 a condition of participation in the program, carriers that sell any
26 products outside the program to fairly and affirmatively offer,
27 market, and sell all products made available to individuals in the
28 program to individuals purchasing coverage outside the program.
29 (2) For purposes of this subdivision, "product" does not include
30 contracts entered into pursuant to Chapter 7 (commencing with
31 Section 14000) of, or Chapter 8 (commencing with Section 14200)
32 of, Part 3 of Division 9 of the Welfare and Institutions Code
33 between the State Department of Health Care Services and carriers
34 for enrolled Medi-Cal beneficiaries. "Product" also does not
35 include a bridge plan product offered pursuant to Section 100504.5.
36 (g) Determine when an enrollee's coverage commences and the
37 extent and scope of coverage.
38 (h) Provide for the processing of applications and the enrollment
39 and disenrollment of enrollees.

(i) Determine and approve cost-sharing provisions for qualified health plans.

(j) Establish uniform billing and payment policies for qualified health plans offered in the program to ensure consistent enrollment and disenrollment activities for individuals enrolled in the program.

(k) Undertake activities necessary to market and publicize the availability of health care coverage and subsidies through the program. The board shall also undertake outreach and enrollment activities that seek to assist enrollees and potential enrollees with enrolling and reenrolling in the program in the least burdensome manner, including populations that may experience barriers to enrollment, such as the disabled and those with limited English language proficiency.

(*l*) Select and set performance standards and compensation for navigators selected under subdivision (h) of Section 100532.

(m) Employ necessary staff. The board shall employ staff consistent with the applicable requirements imposed under subdivision (m) of Section 100503.

(n) Assess a charge on the qualified health plans offered by carriers that is reasonable and necessary to support the development, operations, and prudent cash management of the program.

(o) Authorize expenditures, as necessary, from the fund to pay program expenses to administer the program.

(p) Keep an accurate accounting of all activities, receipts, and expenditures. Commencing January 1, 2017, the board shall conduct an annual audit.

(q) (1) Notwithstanding Section 10231.5, annually prepare a written report on the implementation and performance of the program functions during the preceding fiscal year, including, at a minimum, the manner in which funds were expended and the progress toward, and the achievement of, the requirements of this title. The report shall also include data provided by health care service plans and health insurers offering bridge plan products regarding the extent of health care provider and health facility overlap in their Medi-Cal networks as compared to the health care provider and health facility networks contracting with the plan or insurer in their bridge plan contracts. This report shall be transmitted to the Legislature and the Governor and shall be made available to the public on the Internet Web site of the program. A

report made to the Legislature pursuant to this subdivision shall be submitted pursuant to Section 9795.

(2) In addition to the report described in paragraph (1), the board shall be responsive to requests for additional information from the Legislature, including providing testimony and commenting on proposed state legislation or policy issues. The Legislature finds and declares that activities including, but not limited to, responding to legislative or executive inquiries, tracking and commenting on legislation and regulatory activities, and preparing reports on the implementation of this title and the performance of the program, are necessary state requirements and are distinct from the promotion of legislative or regulatory modifications referred to in subdivision (c) of Section 100540.

(r) Maintain enrollment and expenditures to ensure that expenditures do not exceed the amount of revenue in the fund, and if sufficient revenue is not available to pay estimated expenditures, institute appropriate measures to ensure fiscal solvency.

(s) Exercise all powers reasonably necessary to carry out and comply with the duties, responsibilities, and requirements of this title.

(t) Consult with stakeholders relevant to carrying out the activities under this title, including, but not limited to, all of the following:

(1) Health care consumers who are enrolled in health plans.

(2) Individuals and entities with experience in facilitating enrollment in health plans.

(3) The executive director of the Exchange.

(4) The State Medi-Cal Director.

(5) Advocates for enrolling hard-to-reach populations.

(u) Facilitate the purchase of qualified health plans in the program by qualified individuals no later than January 1, 2016.

(v) Require carriers participating in the program to immediately notify the program, under the terms and conditions established by the board when an individual is or will be enrolled in or disenrolled from any qualified health plan offered by the carrier.

(w) Ensure that the program provides oral interpretation services in any language for individuals seeking coverage through the program and makes available a toll-free telephone number for the hearing and speech impaired. The board shall ensure that written information made available by the program is presented in a plainly

1 worded, easily understandable format and made available in
2 prevalent languages.
3 100534. (a) The board may do the following:
4 (1) Collect premiums and assist in the administration of
5 subsidies.
6 (2) Enter into contracts.
7 (3) Sue and be sued.
8 (4) Receive and accept gifts, grants, or donations of moneys
9 from any agency of the United States, any agency of the state, any
10 municipality, county, or other political subdivision of the state.
11 (5) Receive and accept gifts, grants, or donations from
12 individuals, associations, private foundations, or corporations, in
13 compliance with the conflict of interest provisions to be adopted
14 by the board at a public meeting.
15 (6) Adopt rules and regulations, as necessary. Until January 1,
16 2018, any necessary rules and regulations may be adopted as
17 emergency regulations in accordance with the Administrative
18 Procedure Act (Chapter 3.5 (commencing with Section 11340) of
19 Part 1 of Division 3 of Title 2). The adoption of these regulations
20 shall be deemed to be an emergency and necessary for the
21 immediate preservation of the public peace, health and safety, or
22 general welfare.
23 (7) Collaborate with the Exchange and the State Department of
24 Health Care Services, to the extent possible, to allow an individual
25 the option to remain enrolled with his or her carrier and provider
26 network in the event the individual experiences a loss of eligibility
27 for enrollment in a qualified health plan under this title and
28 becomes eligible for the Exchange or the Medi-Cal program, or
29 loses eligibility for the Medi-Cal program and becomes eligible
30 for a qualified health plan through the program.
31 (8) Share information with relevant state departments, consistent
32 with the applicable laws governing confidentiality, necessary for
33 the administration of the program.
34 (9) Require carriers participating in the program to make
35 available to the program and regularly update an electronic
36 directory of contracting health care providers so that individuals
37 seeking coverage through the program can search by health care
38 provider name to determine which health plans in the program
39 include that health care provider in their network. The board may
40 also require a carrier to provide regularly updated information to

1 the program as to whether a health care provider is accepting new
2 patients for a particular health plan. The program may provide an
3 integrated and uniform consumer directory of health care providers
4 indicating which carriers the providers contract with and whether
5 the providers are currently accepting new patients. The program
6 may also establish methods by which health care providers may
7 transmit relevant information directly to the program, rather than
8 through a carrier.
9 (10) Make available supplemental coverage for enrollees of the
10 program to the extent permitted by available funding. Any
11 supplemental coverage offered in the program shall be subject to
12 the charge imposed under subdivision (n) of Section 100533.
13 (b) The program shall only collect information from individuals
14 or designees of individuals necessary to administer the program.
15 (c) The board shall have the authority to standardize products
16 to be offered through the program.
17 100535. The board shall establish and use a competitive
18 process to select participating carriers and any other contractors
19 under this title. Any contract entered into pursuant to this title shall
20 be exempt from Chapter 2 (commencing with Section 10100) of
21 Division 2 of the Public Contract Code, and shall be exempt from
22 the review or approval of any division of the Department of General
23 Services.
24 100536. (a) The board shall establish an appeals process for
25 prospective and current enrollees of the program.
26 (b) The board shall not be required to provide an appeal if the
27 subject of the appeal is within the jurisdiction of the Department
28 of Managed Health Care pursuant to the Knox-Keene Health Care
29 Service Plan Act of 1975 (Chapter 2.2 (commencing with Section
30 1340) of Division 2 of the Health and Safety Code) and its
31 implementing regulations, or within the jurisdiction of the
32 Department of Insurance pursuant to the Insurance Code and its
33 implementing regulations.
34 100537. (a) Notwithstanding any other provision of law, the
35 program shall not be subject to licensure or regulation by the
36 Department of Insurance or the Department of Managed Health
37 Care.
38 (b) Carriers that contract with the program shall have a license
39 or certificate of authority from, and shall be in good standing with,
40 their respective regulatory agencies.

1 100538. (a) Records of the program that reveal the deliberative
2 processes, discussions, communications, or any other portion of
3 the negotiations with entities contracting or seeking to contract
4 with the program, entities with which the program is considering
5 a contract, or entities with which the program is considering or
6 enters into any other arrangement under which the program
7 provides, receives, or arranges services or reimbursement shall be
8 exempt from disclosure under the California Public Records Act
9 (Chapter 3.5 (commencing with Section 6250) of Division 7 of
10 Title 1).
11 (b) The following records of the program shall be exempt from
12 disclosure under the California Public Records Act (Chapter 3.5
13 (commencing with Section 6250) of Division 7 of Title 1) as
14 follows:
15 (1) (A) Except for the portion of a contract that contains the
16 rates of payments, contracts with participating carriers entered into
17 pursuant to this title on or after the date the act that added this
18 subparagraph becomes effective, shall be open to inspection one
19 year after the effective dates of the contracts.
20 (B) If contracts with participating carriers entered into pursuant
21 to this title are amended, the amendments shall be open to
22 inspection one year after the effective date of the amendments.
23 (c) Three years after a contract or amendment is open to
24 inspection pursuant to subdivision (b), the portion of the contract
25 or amendment containing the rates of payment shall be open to
26 inspection.
27 (d) Notwithstanding any other law, entire contracts with
28 participating carriers or amendments to contracts with participating
29 carriers shall be open to inspection by the Joint Legislative Audit
30 Committee. The committee shall maintain the confidentiality of
31 the contracts and amendments until the contracts or amendments
32 to a contract are open to inspection pursuant to subdivisions (b)
33 and (c).
34 100539. (a) No individual or entity shall hold himself, herself,
35 or itself out as representing, constituting, or otherwise providing
36 services on behalf of the program unless that individual or entity
37 has a valid agreement with the program to engage in those
38 activities.

1 (b) Any individual or entity who aids or abets another individual
2 or entity in violation of this section shall also be in violation of
3 this section.
4 100540. (a) The California Health Trust Fund For All
5 Californians is hereby created in the State Treasury for the purpose
6 of this title. Notwithstanding Section 13340, all moneys in the
7 fund shall be continuously appropriated without regard to fiscal
8 year for the purposes of this title. Any moneys in the fund that are
9 unexpended or unencumbered at the end of a fiscal year may be
10 carried forward to the next succeeding fiscal year.
11 (b) The board of the program shall establish and maintain a
12 prudent reserve in the fund.
13 (c) The board or staff of the program shall not utilize any funds
14 intended for the administrative and operational expenses of the
15 program for staff retreats, promotional giveaways, excessive
16 executive compensation, or promotion of federal or state legislative
17 or regulatory modifications.
18 (d) Notwithstanding Section 16305.7, all interest earned on the
19 moneys that have been deposited into the fund shall be retained
20 in the fund and used for purposes consistent with the fund.
21 (e) Effective January 1, 2018, if at the end of any fiscal year,
22 the fund has unencumbered funds in an amount that equals or is
23 more than the board approved operating budget of the program
24 for the next fiscal year, the board shall reduce the charges imposed
25 under subdivision (n) of Section 100533 during the following fiscal
26 year in an amount that will reduce any surplus funds of the program
27 to an amount that is equal to the agency's operating budget for the
28 next fiscal year.
29 100541. (a) The board shall ensure that the establishment,
30 operation, and administrative functions of the program do not
31 exceed the combination of state funds, private donations, and other
32 non-General Fund moneys available for this purpose.
33 (b) The implementation of the provisions of this title, other than
34 this section, Section 100530, and paragraphs (4) and (5) of
35 subdivision (a) of Section 100534, shall be contingent on a
36 determination by the board that sufficient financial resources exist
37 or will exist in the fund. The determination shall be based on at
38 least the following:
39 (1) Financial projections identifying that sufficient resources
40 exist or will exist in the fund to implement the program.

(2) A comparison of the projected resources available to support the program and the projected costs of activities required by this title.

(3) The financial projections demonstrate the sufficiency of resources for at least the first two years of operation under this title.

(c) The board shall provide notice to the Joint Legislative Budget Committee and the Director of Finance that sufficient financial resources exist in the fund to implement this title.

(d) If the board determines that the level of resources in the fund cannot support the actions and responsibilities described in subdivision (a), it shall provide the Department of Finance and the Joint Legislative Budget Committee a detailed report on the changes to the functions, contracts, or staffing necessary to address the fiscal deficiency along with any contingency plan should it be impossible to operate the program without the use of General Fund moneys.

(e) The board shall assess the impact of the program's operations and policies on other publicly funded health programs administered by the state and the impact of publicly funded health programs administered by the state on the program's operations and policies. This assessment shall include, at a minimum, an analysis of potential cost shifts or cost increases in other programs that may be due to program policies or operations. The assessment shall be completed on at least an annual basis and submitted to the Secretary of California Health and Human Services and the Director of Finance.

SEC. 3. Section 14102.1 is added to the Welfare and Institutions Code, to read:

14102.1. (a) Notwithstanding any other law, individuals who meet all of the eligibility requirements for full-scope Medi-Cal benefits under this chapter, but for their immigration status, shall be eligible for full-scope Medi-Cal benefits.

(b) This section shall not apply to individuals eligible for coverage pursuant to Section 14102.

(c) Benefits for services under this section shall be provided with state-only funds only if federal financial participation is not available for those services. The department shall maximize federal financial participation in implementing this section to the extent allowable.

1 (d) Notwithstanding Chapter 3.5 (commencing with Section
2 11340) of Part 1 of Division 3 of Title 2 of the Government Code,
3 the department, without taking any further regulatory action, shall
4 implement, interpret, or make specific this section by means of
5 all-county letters, plan letters, plan or provider bulletins, or similar
6 instructions until the time regulations are adopted. The department
7 shall adopt regulations by July 1, 2018, in accordance with the
8 requirements of Chapter 3.5 (commencing with Section 11340) of
9 Part 1 of Division 3 of Title 2 of the Government Code.
10 Commencing July 1, 2015, and notwithstanding Section 10321.5
11 of the Government Code, the department shall provide a status
12 report to the Legislature on a semiannual basis, in compliance with
13 Section 9795 of the Government Code, until regulations have been
14 adopted.
15 SEC. 4. The Legislature finds and declares that Section 2 of
16 this act, which adds Section 100538 to the Government Code,
17 imposes a limitation on the public's right of access to the meetings
18 of public bodies or the writings of public officials and agencies
19 within the meaning of Section 3 of Article I of the California
20 Constitution. Pursuant to that constitutional provision, the
21 Legislature makes the following findings to demonstrate the interest
22 protected by this limitation and the need for protecting that interest:
23 In order to ensure that the California Health Exchange Program
24 for All Californians is not constrained in exercising its fiduciary
25 powers and obligations to negotiate on behalf of the public, the
26 limitations on the public's right of access imposed by Section 2
27 of this act are necessary.
28 SEC. 5. If the Commission on State Mandates determines that
29 this act contains costs mandated by the state, reimbursement to
30 local agencies and school districts for those costs shall be made
31 pursuant to Part 7 (commencing with Section 17500) of Division
32 4 of Title 2 of the Government Code.

O