

AMENDED IN SENATE MARCH 25, 2014

SENATE BILL

No. 1446

Introduced by Senator DeSaulnier

February 21, 2014

~~An act to amend Section 128 of the Streets and Highways Code, relating to state highways.~~ *An act to add Section 1367.012 to the Health and Safety Code, and to add Section 10112.300 to the Insurance Code, relating to health care coverage, and declaring the urgency thereof, to take effect immediately.*

LEGISLATIVE COUNSEL'S DIGEST

SB 1446, as amended, DeSaulnier. ~~State highways: projects.~~ *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 with respect to plan years on or after 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 charged by a health insurance issuer offering small group or individual coverage to vary only by rating area, age, tobacco use, and whether the coverage is for an individual or family and prohibits discrimination against individuals based on health status. PPACA requires a health insurance issuer that offers coverage in the small group or individual market to

ensure that the coverage includes the essential health benefits package, as defined. However, guidance issued under PPACA grants transitional relief to health insurance coverage in the individual or small group market for policies that have issued or will issue in 2014 that are renewed on or before October 1, 2016, and exempts that coverage from certain PPACA reforms, as specified.

Existing law, the Knox-Keene Health Care Service Plan Act of 1975 (Knox-Keene Act), provides for the licensure and regulation of health care service plans by the Department of Managed Health Care. Existing law also provides for the regulation of health insurers by the Department of Insurance. Existing law implements the PPACA reforms described above under the Knox-Keene Act and the laws governing health insurance.

This bill would allow a small employer health care service plan contract or a small employer health benefit plan, as defined, that is in effect as of the effective date of this act, that does not qualify as a grandfathered health plan under PPACA to be renewed until October 1, 2016, and to continue to be in force until September 30, 2017. The bill would exempt those health care service plan contracts and health benefit plans from various provisions of state law that implement the PPACA reforms described above. The bill would require that these provisions be implemented only to the extent permitted by PPACA.

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

~~Existing law authorizes and directs the Department of Transportation to lay out and construct all state highways. Existing law also requires the department to improve and maintain existing state highways.~~

~~Existing law requires the department to maintain, in each district office, a file of its final construction plans and right-of-way record maps for all completed state highway projects located within the district. Existing law authorizes the department to file, in the office of the recorder of the county in which any state highway is located, those plans, maps, or drawings of each state highway that the department deems necessary in the public interest, as specified. Existing law provides that in counties using a microfilm system, such plans, maps, or drawings may be microfilmed in lieu of filing.~~

~~This bill would allow the department to maintain any files created on or after January 1, 2014, in electronic form. The bill would delete the provision allowing the department to submit plans, maps, or drawings in microfilmed form. Instead, the bill would allow the department, in~~

counties maintaining an appropriate electronic database, to submit plans, maps, or drawings to the office of the county recorder in electronic form in lieu of filing in that office as specified.

~~This bill would also make technical, nonsubstantive changes.~~

Vote: ~~majority~~^{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. Section 1367.012 is added to the Health and
2 Safety Code, to read:

3 1367.012. (a) A small employer health care service plan
4 contract in effect on October 1, 2013, and still in effect as of the
5 effective date of this section, that does not qualify as a
6 grandfathered health plan under Section 1251 of PPACA may be
7 renewed until October 1, 2016, and may continue to be in force
8 until September 30, 2017, subject to applicable federal law, and
9 any other requirements imposed by this chapter.

10 (b) Prior to renewing a small employer health care service plan
11 contract pursuant to subdivision (a), the health care service plan
12 shall provide notice to the group contract holder regarding the
13 option to renew coverage pursuant to subdivision (a) using the
14 relevant notice attached to the guidance entitled “Industry
15 Standards Bulletin Series – Extension of Transition Policy through
16 October 1, 2016,” issued by the United States Department of
17 Health and Human Services, Centers for Medicare and Medicaid
18 Services on March 5, 2014.

19 (c) A small employer health care service plan contract in effect
20 on October 1, 2013, and still in effect as of the effective date of
21 this section, that does not qualify as a grandfathered health plan
22 under Section 1251 of PPACA that is renewed on or before October
23 1, 2016, and that continues to be in force until no later than
24 September 30, 2017, is exempt from the following provisions:

- 25 (1) Subdivision (i) of Section 1357.503.
- 26 (2) Section 1357.512.
- 27 (3) Subdivision (a) of Section 1357.503.
- 28 (4) Subdivision (e) of Section 1357.503.
- 29 (5) Section 1365.
- 30 (6) Section 1367.005.

1 (7) Section 1367.0065 for health care service plan contracts
2 renewed on or after January 1, 2014, and Section 1367.006 for
3 health care service plan contracts renewed after January 1, 2015.

4 (8) Section 1367.007.

5 (9) Section 1367.009.

6 (d) A small employer health care service plan contract described
7 in subdivision (a) shall continue to be subject to the following
8 provisions:

9 (1) Sections 1357.12 and 1357.13.

10 (2) Subdivision (a) of Section 1357.506 and Section 1357.51.

11 (3) Subdivision (h) of Section 1357.503 and Section 1357.52.

12 (4) Subdivision (b) of Section 1357.506 and paragraph (1) of
13 subdivision (c) of Section 1357.51.

14 (5) Section 1357.514.

15 (e) This section shall be implemented only to the extent permitted
16 by PPACA.

17 (f) For purposes of this section, the following definitions shall
18 apply:

19 (1) "PPACA" means the federal Patient Protection and
20 Affordable Care Act (Public Law 111-148), as amended by the
21 federal Health Care and Education Reconciliation Act of 2010
22 (Public Law 111-152), and any rules, regulations, or guidance
23 issued pursuant to that law.

24 (2) "Small employer health care service plan contract" means
25 a group health care service plan contract issued to a small
26 employer, as defined in subdivision (s) of Section 1357.500.

27 SEC. 2. Section 10112.300 is added to the Insurance Code, to
28 read:

29 10112.300. (a) A small employer health benefit plan in effect
30 on October 1, 2013, and still in effect as of the effective date of
31 this section, that does not qualify as a grandfathered health plan
32 under Section 1251 of PPACA may be renewed until October 1,
33 2016, and may continue to be in force until September 30, 2017,
34 subject to applicable federal law, and any other requirements
35 imposed by this part.

36 (b) Prior to renewing a small employer health benefit plan
37 pursuant to subdivision (a), the insurer shall provide notice to the
38 group contract holder regarding the option to renew coverage
39 pursuant to subdivision (a) using the relevant notice attached to
40 the guidance entitled "Industry Standards Bulletin Series –

1 *Extension of Transition Policy through October 1, 2016,” issued*
2 *by the United States Department of Health and Human Services,*
3 *Centers for Medicare and Medicaid Services on March 5, 2014.*

4 *(c) A small employer health benefit plan in effect on October*
5 *1, 2013, and still in effect as of the effective date of this section,*
6 *that does not qualify as a grandfathered health plan under Section*
7 *1251 of PPACA that is renewed on or before October 1, 2016, and*
8 *that continues to be in force until no later than September 30,*
9 *2017, is exempt from the following provisions:*

10 *(1) Subdivision (k) of Section 10753.05.*

11 *(2) Section 10753.14.*

12 *(3) Paragraph (1) of subdivision (b) of Section 10753.05 and*
13 *subdivision (c) of Section 10753.05.*

14 *(4) Subdivision (g) of Section 10753.05.*

15 *(5) Section 10753.13.*

16 *(6) Section 10112.27.*

17 *(7) Section 10112.285 for policies renewed on or after January*
18 *1, 2014, and Section 10112.28 for policies renewed on or after*
19 *January 1, 2015.*

20 *(8) Section 10112.29.*

21 *(9) Section 10112.297.*

22 *(d) A small employer health benefit plan described in subdivision*
23 *(a) shall continue to be subject to the following provisions:*

24 *(1) Sections 10714 and 10715.*

25 *(2) Sections 10753.08 and 10198.7.*

26 *(3) Subdivision (j) of Section 10753.05 and Section 10198.9.*

27 *(4) Subdivision (b) of Section 10753.08 and paragraph (1) of*
28 *subdivision (c) of Section 10198.7.*

29 *(5) Section 10753.16.*

30 *(e) This section shall be implemented only to the extent permitted*
31 *by PPACA.*

32 *(f) For purposes of this section, the following definitions shall*
33 *apply:*

34 *(1) “Health benefit plan” has the same meaning as defined in*
35 *subdivision (j) of Section 10753.*

36 *(2) “PPACA” means the federal Patient Protection and*
37 *Affordable Care Act (Public Law 111-148), as amended by the*
38 *federal Health Care and Education Reconciliation Act of 2010*
39 *(Public Law 111-152), and any rules, regulations, or guidance*
40 *issued pursuant to that law.*

1 (3) “Small employer health benefit plan” means a group health
2 benefit plan issued to a small employer, as defined in Section
3 10753.

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

8 In order to carry out the extended transitional policy under the
9 federal Patient Protection and Affordable Care Act announced by
10 the United States Department of Health and Human Services,
11 Centers for Medicare and Medicaid Services on March 5, 2014,
12 and to allow small businesses to reenroll in their current health
13 care coverage in 2014, it is necessary that this act take effect
14 immediately.

15 SECTION 1. ~~Section 128 of the Streets and Highways Code~~
16 ~~is amended to read:~~

17 ~~128. (a) (1) Except as provided in paragraph (2), the~~
18 ~~department shall maintain, in each district office, a file of its final~~
19 ~~construction plans and right-of-way record maps for all completed~~
20 ~~state highway projects located within the district.~~

21 ~~(2) The department may maintain any files created on and after~~
22 ~~January 1, 2014, in electronic form.~~

23 ~~(b) (1) The department may file, in the office of the recorder~~
24 ~~of the county in which a state highway is located, those plans,~~
25 ~~maps, or drawings of each state highway as the department deems~~
26 ~~necessary in the public interest, that the county recorder shall~~
27 ~~accept and file without fee. No certificate need be attached to the~~
28 ~~plans, maps, or drawings other than the usual title of the department~~
29 ~~showing the approval of the plans, maps, or drawings by the proper~~
30 ~~officer or engineer of the department.~~

31 ~~(2) All maps filed in the office of a county recorder pursuant to~~
32 ~~this section shall conform to this paragraph. The map shall be~~
33 ~~legibly drawn, printed, or reproduced by a process that provides~~
34 ~~a permanent record. Each sheet of paper or other material used for~~
35 ~~the map shall be 22 by 36 inches in size, shall have clearly shown~~
36 ~~on the paper or material the particular number of the sheet, the~~
37 ~~total number of sheets comprising the map, and its relation to each~~
38 ~~adjoining sheet, and shall have encompassing its border a line that~~
39 ~~leaves a blank margin one inch in width, except that the left side~~
40 ~~margin shall be two inches in width.~~

1 ~~(3) In any county maintaining an appropriate electronic database,~~
2 ~~the plans, maps, or drawings submitted pursuant to this subdivision~~
3 ~~may be submitted to the office of a county recorder in electronic~~
4 ~~form in lieu of filing pursuant to paragraph (2).~~

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