

AMENDED IN ASSEMBLY MARCH 26, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 1027

Introduced by Assembly Member Gatto

February 26, 2015

An act to ~~amend Section 11580.010 of~~ *add Section 1367.48 to the Health and Safety Code, and to add Section 10133.62 to the Insurance Code, relating to ~~automobile insurance; health care coverage.~~*

LEGISLATIVE COUNSEL'S DIGEST

AB 1027, as amended, Gatto. ~~Automobile insurance coverage; medical transportation services. Health care coverage; contracted rates; disclosure to consumers.~~

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 that act a crime. Existing law also provides for the regulation of health insurers by the Department of Insurance. Existing law requires a health care service plan or a health insurer to submit to the Department of Managed Health Care or the Department of Insurance, as applicable, specified rate information, including information regarding the contracted rate between a health care service plan or health insurer and a provider of health care services. Existing law deems that contracted rate confidential information that is exempt from disclosure under the California Public Records Act and prohibits the Department of Managed Health Care or the Department of Insurance, as applicable, from making that information public.

This bill would require, notwithstanding the provisions described above deeming contracted rate information confidential and exempt

from public disclosure, a health care service plan or a health insurer to disclose, upon request, to a consumer, as defined, information regarding the contracted rate for a procedure or a full course of treatment between the plan or insurer and a provider or supplier, as defined.

Because a willful violation of the bill’s requirements relative to health care service plans would be a crime, this 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 no reimbursement is required by this act for a specified reason.

~~Existing law provides that an automobile liability insurer that is responsible for coverage for ordinary, reasonable, and necessary medical transportation services to an insured, or to a valid claimant on behalf of an insured, is liable to the person performing those services. Existing law provides that the insurer may discharge the obligation by making payment to the person performing those services, to the insured, or to the claimant on behalf of the insured. Existing law provides that an insured or claimant who receives that payment, as specified, from the insurer is liable for those charges to the person performing those services.~~

~~This bill would make technical, nonsubstantive changes to those provisions.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes.
State-mandated local program: ~~no~~-yes.

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

- 1 SECTION 1. Section 1367.48 is added to the Health and Safety
- 2 Code, immediately following Section 1367.46, to read:
- 3 1367.48. (a) Notwithstanding Section 1385.07, upon the
- 4 request of a consumer, a health care service plan shall provide to
- 5 the consumer information regarding the contracted rate between
- 6 the health care service plan and a provider or supplier for a
- 7 procedure or course of treatment, including, but not limited to,
- 8 facility, professional, and diagnostic services, prescription drugs,

1 *durable medical equipment, and other items and services related*
2 *to the treatment.*

3 *(b) The health care service plan shall use the information*
4 *available to it at the time of the request in responding to a request*
5 *made pursuant to subdivision (a).*

6 *(c) The health care service plan shall respond to a request made*
7 *pursuant to subdivision (a) no later than 30 calendar days after*
8 *receipt of the request.*

9 *(d) For the purposes of this section, the following definitions*
10 *shall apply:*

11 *(1) "Consumer" means an enrollee or subscriber of the health*
12 *care service plan or a beneficiary of a self-funded health coverage*
13 *arrangement administered by the health care service plan, or a*
14 *person entitled to access services through a network established*
15 *by the health care service plan.*

16 *(2) "Provider" has the same meaning as that term is defined*
17 *in Section 1367.50.*

18 *(3) "Supplier" has the same meaning as that term is defined in*
19 *Section 1367.50.*

20 *SEC. 2. Section 10133.62 is added to the Insurance Code,*
21 *immediately following Section 10133.6, to read:*

22 *10133.62. (a) Notwithstanding Section 10181.7, upon the*
23 *request of a consumer, a health insurer shall provide to the*
24 *consumer information regarding the contracted rate between the*
25 *health insurer and a provider or supplier for a procedure or course*
26 *of treatment, including, but not limited to, facility, professional,*
27 *and diagnostic services, prescription drugs, durable medical*
28 *equipment, and other items and services related to the treatment.*

29 *(b) The health insurer shall use the information available to it*
30 *at the time of the request in responding to a request made pursuant*
31 *to subdivision (a).*

32 *(c) The health insurer shall respond to a request made pursuant*
33 *to subdivision (a) no later than 30 calendar days after receipt of*
34 *the request.*

35 *(d) For the purposes of this section, the following definitions*
36 *shall apply:*

37 *(1) "Consumer" means a policyholder or insured of the health*
38 *insurer or the beneficiary of a self-funded health coverage*
39 *arrangement administered by the health insurer, or other persons*

1 entitled to access services through a network established by the
2 health insurer.

3 (2) "Provider" has the same meaning as that term is defined
4 in Section 10117.52.

5 (3) "Supplier" has the same meaning as that term is defined in
6 Section 10117.52.

7 SEC. 3. No reimbursement is required by this act pursuant to
8 Section 6 of Article XIII B of the California Constitution because
9 the only costs that may be incurred by a local agency or school
10 district will be incurred because this act creates a new crime or
11 infraction, eliminates a crime or infraction, or changes the penalty
12 for a crime or infraction, within the meaning of Section 17556 of
13 the Government Code, or changes the definition of a crime within
14 the meaning of Section 6 of Article XIII B of the California
15 Constitution.

16 SECTION 1. ~~Section 11580.010 of the Insurance Code is~~
17 ~~amended to read:~~

18 ~~11580.010. (a) An automobile liability insurer that is~~
19 ~~responsible for coverage for ordinary, reasonable, and necessary~~
20 ~~medical transportation services provided to an insured, or a valid~~
21 ~~claimant on behalf of an insured, is liable for those charges to the~~
22 ~~person performing those services. The insurer may discharge this~~
23 ~~obligation by making payment to the person performing the~~
24 ~~medical transportation services or to the insured or to the claimant~~
25 ~~on behalf of the insured.~~

26 ~~(b) An insured or claimant who has received payment from an~~
27 ~~insurer for a loss relating to a vehicle that includes charges for~~
28 ~~medical transportation services is liable for those charges to the~~
29 ~~person performing those services.~~