

AMENDED IN ASSEMBLY MARCH 26, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 1254

Introduced by Assembly Member Grove

February 27, 2015

An act to ~~amend Section 1341 of~~ *add Section 1367.255* to the Health and Safety Code, relating to health care service plans.

LEGISLATIVE COUNSEL'S DIGEST

AB 1254, as amended, Grove. Health care service plans: ~~Department of Managed Health Care.~~ *abortion coverage.*

Existing federal law, the federal Patient Protection and Affordable Care Act (PPACA), enacts various health care coverage market reforms that took effect January 1, 2014. Among other things, PPACA requires a health insurance issuer offering coverage in the individual or small group market to ensure that the coverage includes the essential health benefits package, as defined. PPACA does not require that a qualified health plan provide coverage for abortion, as specified.

Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the regulation of health care service plans by the Department of Managed Health Care. Under existing law, the Director of Managed Health Care may, after appropriate notice and opportunity for a hearing, by order suspend or revoke a license issued under the act, or assess administrative penalties if the director determines that the licensee has committed an act or omission constituting grounds for disciplinary action.

This bill would provide that a health care service plan is not required to include abortion as a covered benefit. The bill would prohibit the

director from denying a license, or disciplining a licensee, on the basis that the plan excludes coverage for abortions.

~~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. Existing law specifies that the Department of Managed Health Care has charge of the execution of state laws relating to health care service plans to ensure that health care service plans provide enrollees with access to quality health care services.~~

~~This bill would make a technical, nonsubstantive change to these provisions:~~

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

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

1 SECTION 1. Section 1367.255 is added to the Welfare and
2 Institutions Code, immediately following Section 1367.25, to read:

3 1367.255. (a) Notwithstanding any other law, a health care
4 service plan is not required to include abortion as a covered
5 benefit. The director shall not deny, suspend, or revoke the license
6 of, or otherwise sanction or discriminate against, a licensee on
7 the basis that the licensee excludes coverage for abortions pursuant
8 to this section.

9 (b) This section does not require a health care service plan to
10 exclude or restrict coverage for abortions.

11 SECTION 1. ~~Section 1341 of the Health and Safety Code is~~
12 ~~amended to read:~~

13 1341. (a) ~~There is in state government, in the California Health~~
14 ~~and Human Services Agency, a Department of Managed Health~~
15 ~~Care that is in charge of the execution of the laws of this state~~
16 ~~relating to health care service plans and the health care service~~
17 ~~plan business including, but not limited to, those laws directing~~
18 ~~the department to ensure that health care service plans provide~~
19 ~~enrollees with access to quality health care services and protect~~
20 ~~and promote the interests of enrollees.~~

21 (b) ~~The chief officer of the Department of Managed Health~~
22 ~~Care is the Director of the Department of Managed Health Care.~~
23 ~~The director shall be appointed by the Governor and shall hold~~
24 ~~office at the pleasure of the Governor. The director shall receive~~

1 an annual salary as fixed in the Government Code. Within 15 days
2 from the time of the director's appointment, the director shall take
3 and subscribe to the constitutional oath of office and file it in the
4 office of the Secretary of State.

5 (e) ~~The director shall be responsible for the performance of all~~
6 ~~duties, the exercise of all powers and jurisdiction, and the~~
7 ~~assumption and discharge of all responsibilities vested by law in~~
8 ~~the department. The director has and may exercise all powers~~
9 ~~necessary or convenient for the administration and enforcement~~
10 ~~of, among other laws, the laws described in subdivision (a).~~

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