

AMENDED IN ASSEMBLY MAY 3, 2016  
AMENDED IN ASSEMBLY APRIL 27, 2016  
AMENDED IN ASSEMBLY APRIL 6, 2016  
AMENDED IN ASSEMBLY MARCH 18, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1764**

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**Introduced by Assembly Member Waldron**

February 3, 2016

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An act to amend Section 127660 of the Health and Safety Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

AB 1764, as amended, Waldron. California Health Benefit Review Program: financial impacts.

Existing law, until July 1, 2017, requests the University of California to establish the California Health Benefit Review Program to assess, among other things, legislation that proposes to mandate or repeal a mandated benefit or service, as defined. Existing law requests the University of California to prepare a written analysis with relevant data on public health, medical, financial, and other impacts of that legislation, as specified.

Existing law requests the University of California to provide the analysis to the appropriate policy and fiscal committees of the Legislature, as specified, and to submit a report to the Governor and the Legislature regarding the implementation of these provisions by January 1, 2017. Existing law establishes the Health Care Benefits Fund in the State Treasury to effectively support the University of California

and its work in implementing these provisions. ~~The California Health Benefit Review Program has been reauthorized since its predecessor was established in 2002.~~

This bill would additionally request the University of ~~California, commencing July 1, 2017, California~~ to include in its analysis, as part of the financial impacts of the above legislation, relevant data on the impact of coverage or repeal of coverage of the benefit or service on anticipated costs or savings estimated upon implementation for the 2 subsequent state fiscal years and, if applicable, for the 5 subsequent state fiscal years, as specified.

*This bill would make its provisions operative on July 1, 2017, and only if the California Health Benefit Review Program is reauthorized, as specified.*

Vote: majority. 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 127660 of the Health and Safety Code
- 2 is amended to read:
- 3 127660. (a) The Legislature hereby requests the University of
- 4 California to establish the California Health Benefit Review
- 5 Program to assess legislation proposing to mandate a benefit or
- 6 service, as defined in subdivision (d), and legislation proposing to
- 7 repeal a mandated benefit or service, as defined in subdivision (e),
- 8 and to prepare a written analysis with relevant data on the
- 9 following:
- 10 (1) Public health impacts, including, but not limited to, all of
- 11 the following:
- 12 (A) The impact on the health of the community, including the
- 13 reduction of communicable disease and the benefits of prevention
- 14 such as those provided by childhood immunizations and prenatal
- 15 care.
- 16 (B) The impact on the health of the community, including
- 17 diseases and conditions where disparities in outcomes associated
- 18 with the social determinants of health as well as gender, race,
- 19 sexual orientation, or gender identity are established in
- 20 peer-reviewed scientific and medical literature.
- 21 (C) The extent to which the benefit or service reduces premature
- 22 death and the economic loss associated with disease.

1 (2) Medical impacts, including, but not limited to, all of the  
2 following:

3 (A) The extent to which the benefit or service is generally  
4 recognized by the medical community as being effective in the  
5 screening, diagnosis, or treatment of a condition or disease, as  
6 demonstrated by a review of scientific and peer-reviewed medical  
7 literature.

8 (B) The extent to which the benefit or service is generally  
9 available and utilized by treating physicians.

10 (C) The contribution of the benefit or service to the health status  
11 of the population, including the results of any research  
12 demonstrating the efficacy of the benefit or service compared to  
13 alternatives, including not providing the benefit or service.

14 (D) The extent to which mandating or repealing the benefits or  
15 services would not diminish or eliminate access to currently  
16 available health care benefits or services.

17 (3) Financial impacts, including, but not limited to, all of the  
18 following:

19 (A) The extent to which the coverage or repeal of coverage will  
20 increase or decrease the benefit or cost of the benefit or service.

21 (B) The extent to which the coverage or repeal of coverage will  
22 increase the utilization of the benefit or service, or will be a  
23 substitute for, or affect the cost of, alternative benefits or services.

24 (C) The extent to which the coverage or repeal of coverage will  
25 increase or decrease the administrative expenses of health care  
26 service plans and health insurers and the premium and expenses  
27 of subscribers, enrollees, and policyholders.

28 (D) The impact of this coverage or repeal of coverage on the  
29 total cost of health care.

30 (E) ~~Commencing July 1, 2017, the~~ The impact of this coverage  
31 or repeal of coverage on anticipated costs or savings estimated  
32 upon implementation for the following periods:

33 (i) The two subsequent state fiscal years.

34 (ii) If applicable, the five subsequent state fiscal years through  
35 a longer-range estimate.

36 (F) The potential cost or savings to the private sector, including  
37 the impact on small employers as defined in paragraph (1) of  
38 subdivision (l) of Section 1357, the Public Employees' Retirement  
39 System, other retirement systems funded by the state or by a local  
40 government, individuals purchasing individual health insurance,

1 and publicly funded state health insurance programs, including  
2 the Medi-Cal program and the Healthy Families Program.

3 (G) The extent to which costs resulting from lack of coverage  
4 or repeal of coverage are or would be shifted to other payers,  
5 including both public and private entities.

6 (H) The extent to which mandating or repealing the proposed  
7 benefit or service would not diminish or eliminate access to  
8 currently available health care benefits or services.

9 (I) The extent to which the benefit or service is generally utilized  
10 by a significant portion of the population.

11 (J) The extent to which health care coverage for the benefit or  
12 service is already generally available.

13 (K) The level of public demand for health care coverage for the  
14 benefit or service, including the level of interest of collective  
15 bargaining agents in negotiating privately for inclusion of this  
16 coverage in group contracts, and the extent to which the mandated  
17 benefit or service is covered by self-funded employer groups.

18 (L) In assessing and preparing a written analysis of the financial  
19 impact of legislation proposing to mandate a benefit or service and  
20 legislation proposing to repeal a mandated benefit or service  
21 pursuant to this paragraph, the Legislature requests the University  
22 of California to use a certified actuary or other person with relevant  
23 knowledge and expertise to determine the financial impact.

24 (4) The impact on essential health benefits, as defined in Section  
25 1367.005 of this code and Section 10112.27 of the Insurance Code,  
26 and the impact on the California Health Benefit Exchange.

27 (b) The Legislature further requests that the California Health  
28 Benefit Review Program assess legislation that impacts health  
29 insurance benefit design, cost sharing, premiums, and other health  
30 insurance topics.

31 (c) The Legislature requests that the University of California  
32 provide every analysis to the appropriate policy and fiscal  
33 committees of the Legislature not later than 60 days, or in a manner  
34 and pursuant to a timeline agreed to by the Legislature and the  
35 California Health Benefit Review Program, after receiving a request  
36 made pursuant to Section 127661. In addition, the Legislature  
37 requests that the university post every analysis on the Internet and  
38 make every analysis available to the public upon request.

39 (d) As used in this section, “legislation proposing to mandate a  
40 benefit or service” means a proposed statute that requires a health

1 care service plan or a health insurer, or both, to do any of the  
2 following:

3 (1) Permit a person insured or covered under the policy or  
4 contract to obtain health care treatment or services from a particular  
5 type of health care provider.

6 (2) Offer or provide coverage for the screening, diagnosis, or  
7 treatment of a particular disease or condition.

8 (3) Offer or provide coverage of a particular type of health care  
9 treatment or service, or of medical equipment, medical supplies,  
10 or drugs used in connection with a health care treatment or service.

11 (e) As used in this section, “legislation proposing to repeal a  
12 mandated benefit or service” means a proposed statute that, if  
13 enacted, would become operative on or after January 1, 2008, and  
14 would repeal an existing requirement that a health care service  
15 plan or a health insurer, or both, do any of the following:

16 (1) Permit a person insured or covered under the policy or  
17 contract to obtain health care treatment or services from a particular  
18 type of health care provider.

19 (2) Offer or provide coverage for the screening, diagnosis, or  
20 treatment of a particular disease or condition.

21 (3) Offer or provide coverage of a particular type of health care  
22 treatment or service, or of medical equipment, medical supplies,  
23 or drugs used in connection with a health care treatment or service.

24 *SEC. 2. This act shall become operative on July 1, 2017, and*  
25 *shall become operative only if the dates on which Chapter 7*  
26 *(commencing with Section 127660) of Part 2 of Division 107 of*  
27 *the Health and Safety Code becomes inoperative and is repealed*  
28 *are deleted or extended.*