

AMENDED IN ASSEMBLY MAY 31, 2016
AMENDED IN ASSEMBLY APRIL 26, 2016
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CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 2004

**Introduced by Assembly Member Bloom
(Coauthors: Assembly Members Dodd, Gallagher, Cristina Garcia,
and Mullin)**

February 16, 2016

An act to add *and repeal* Section 1367.72~~to~~ of the Health and Safety Code, and to add *and repeal* Section 10123.72~~to~~ of the Insurance Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

AB 2004, as amended, Bloom. Hearing aids: minors.

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 the act a crime. Existing law also provides for the regulation of health insurers by the Department of Insurance. Existing law requires health care service plan contracts and health insurance policies to provide coverage for specified benefits.

This ~~bill~~ *bill*, until January 1, 2019, would require a health care service plan contract or a health insurance policy issued, amended, or renewed on or after January 1, 2017, to include coverage for hearing aids for an enrollee or insured under 18 years of age, as specified. *These provisions would become inoperative if the Department of Managed Health Care and the Department of Insurance receive a notification from the federal*

Centers for Medicare and Medicaid Services or any other applicable federal agency that these provisions constitute a discriminatory age limitation under federal law and the state is required to defray the costs of requiring a plan contract or policy to include coverage for hearing aids on behalf of enrollees or insureds who are 18 years of age or older pursuant to a specified federal law. Because a willful violation of these requirements by a health care service plan 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.

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

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

1 SECTION 1. *It is the intent of the Legislature to explore*
2 *alternate approaches to ensure the continuation of broad coverage*
3 *of pediatric hearing benefits upon expiration of this mandate,*
4 *including exploring ways to add pediatric hearing as an essential*
5 *health benefit, without incurring ongoing state costs.*

6 ~~SECTION 1.~~

7 SEC. 2. Section 1367.72 is added to the Health and Safety
8 Code, to read:

9 1367.72. (a) (1) A health care service plan contract issued,
10 amended, or renewed on or after January 1, 2017, shall include
11 coverage for hearing aids for all enrollees under 18 years of age
12 when medically necessary.

13 (2) Coverage for hearing aids includes an initial assessment,
14 new hearing aids at least every five years, new ear molds, new
15 hearing aids if alterations to existing hearing aids cannot meet the
16 needs of the child, a new hearing aid if the existing one is no longer
17 working, fittings, adjustments, auditory training, and maintenance
18 of the hearing aids.

19 (b) For purposes of this section, “hearing aid” means an
20 electronic device usually worn in or behind the ear of a deaf and
21 hard of hearing person for the purpose of amplifying sound.

1 (c) This section shall not apply to Medicare supplement,
2 dental-only, or vision-only health care service plan contracts.

3 (d) (1) *This section shall become inoperative if the department*
4 *receives a notification from the federal Centers for Medicare and*
5 *Medicaid Services or any other applicable federal agency that this*
6 *section constitutes a discriminatory age limitation under federal*
7 *law and the state is required to defray the costs of requiring a plan*
8 *contract to include coverage for hearing aids on behalf of enrollees*
9 *who are 18 years of age or older pursuant to Section 1311 of the*
10 *Patient Protection and Affordable Care Act (42 U.S.C. Sec.*
11 *18031(d)(3)).*

12 (2) *This section shall become inoperative 30 days after the*
13 *director executes a declaration, which shall be retained by the*
14 *director, stating that the department received the notification*
15 *described in paragraph (1). The director shall post the declaration*
16 *on the department's Internet Web site, and the director shall send*
17 *the declaration to the appropriate policy committees of the*
18 *Legislature and to the Legislative Counsel.*

19 (e) *This section shall remain in effect only until January 1, 2019,*
20 *and as of that date is repealed, unless a later enacted statute, that*
21 *is enacted before January 1, 2019, deletes or extends that date.*

22 ~~SEC. 2.~~

23 SEC. 3. Section 10123.72 is added to the Insurance Code, to
24 read:

25 10123.72. (a) (1) A health insurance policy issued, amended,
26 or renewed on or after January 1, 2017, shall include coverage for
27 hearing aids for all insureds under 18 years of age when medically
28 necessary.

29 (2) Coverage for hearing aids includes an initial assessment,
30 new hearing aids at least every five years, new ear molds, new
31 hearing aids if alterations to existing hearing aids cannot meet the
32 needs of the child, a new hearing aid if the existing one is no longer
33 working, fittings, adjustments, auditory training, and maintenance
34 of the hearing aids.

35 (b) For purposes of this section, "hearing aid" means an
36 electronic device usually worn in or behind the ear of a deaf and
37 hard of hearing person for the purpose of amplifying sound.

38 (c) This section shall not apply to accident-only, specified
39 disease, hospital indemnity, Medicare supplement, dental-only, or
40 vision-only health insurance policies.

1 (d) (1) *This section shall become inoperative if the department*
 2 *receives a notification from the federal Centers for Medicare and*
 3 *Medicaid Services or any other applicable federal agency that this*
 4 *section constitutes a discriminatory age limitation under federal*
 5 *law and the state is required to defray the costs of requiring a*
 6 *health insurance policy to include coverage for hearing aids on*
 7 *behalf of insureds who are 18 years of age or older pursuant to*
 8 *Section 1311 of the Patient Protection and Affordable Care Act*
 9 *(42 U.S.C. Sec. 18031(d)(3)).*

10 (2) *This section shall become inoperative 30 days after the*
 11 *commissioner executes a declaration, which shall be retained by*
 12 *the commissioner, stating that the department received the*
 13 *notification described in paragraph (1). The commissioner shall*
 14 *post the declaration on the department’s Internet Web site, and*
 15 *the commissioner shall send the declaration to the appropriate*
 16 *policy committees of the Legislature and to the Legislative Counsel.*

17 (e) *This section shall remain in effect only until January 1, 2019,*
 18 *and as of that date is repealed, unless a later enacted statute, that*
 19 *is enacted before January 1, 2019, deletes or extends that date.*

20 ~~SEC. 3:~~

21 SEC. 4. No reimbursement is required by this act pursuant to
 22 Section 6 of Article XIII B of the California Constitution because
 23 the only costs that may be incurred by a local agency or school
 24 district will be incurred because this act creates a new crime or
 25 infraction, eliminates a crime or infraction, or changes the penalty
 26 for a crime or infraction, within the meaning of Section 17556 of
 27 the Government Code, or changes the definition of a crime within
 28 the meaning of Section 6 of Article XIII B of the California
 29 Constitution.