

AMENDED IN ASSEMBLY MARCH 18, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2081**

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**Introduced by Assembly Member Grove**

February 17, 2016

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An act to ~~amend Section 1367 of~~ *add Section 1367.255* to the Health and Safety Code, relating to health ~~care~~: *care coverage*.

LEGISLATIVE COUNSEL'S DIGEST

AB 2081, as amended, Grove. ~~Health care service plans~~: *Health care service plans: abortion coverage*.

*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 requires health care service plans and, if applicable, specialized health care service plans, to meet specified criteria, including requiring the~~

~~appropriate licensure of facilities and personnel. Willful violation of that act a crime.~~

~~This bill would make technical, nonsubstantive changes 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 Health and  
2 Safety 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 1367 of the Health and Safety Code is~~  
12 ~~amended to read:~~

13 ~~1367. A health care service plan and, if applicable, a specialized~~  
14 ~~health care service plan shall meet the following requirements:~~

15 ~~(a) Facilities located in this state, including, but not limited to,~~  
16 ~~clinics, hospitals, and skilled nursing facilities to be utilized by~~  
17 ~~the plan shall be licensed by the State Department of Public Health,~~  
18 ~~where licensure is required by law. Facilities not located in this~~  
19 ~~state shall conform to all licensing and other requirements of the~~  
20 ~~jurisdiction in which they are located.~~

21 ~~(b) Personnel employed by, or under contract with, the plan~~  
22 ~~shall be licensed or certified by their respective board or agency,~~  
23 ~~where licensure or certification is required by law.~~

24 ~~(c) Equipment required to be licensed or registered by law shall~~  
25 ~~be so licensed or registered, and the operating personnel for that~~  
26 ~~equipment shall be licensed or certified as required by law.~~

27 ~~(d) The plan shall furnish services in a manner providing~~  
28 ~~continuity of care and ready referral of patients to other providers~~  
29 ~~at times as may be appropriate consistent with good professional~~  
30 ~~practice.~~

- 1     ~~(e) (1) All services shall be readily available at reasonable times~~  
2 ~~to each enrollee consistent with good professional practice. To the~~  
3 ~~extent feasible, the plan shall make all services readily accessible~~  
4 ~~to all enrollees consistent with Section 1367.03.~~
- 5     ~~(2) To the extent that telehealth services are appropriately~~  
6 ~~provided through telehealth, as defined in subdivision (a) of Section~~  
7 ~~2290.5 of the Business and Professions Code, these services shall~~  
8 ~~be considered in determining compliance with Section 1300.67.2~~  
9 ~~of Title 28 of the California Code of Regulations.~~
- 10    ~~(3) The plan shall make all services accessible and appropriate~~  
11 ~~consistent with Section 1367.04.~~
- 12    ~~(f) The plan shall employ and utilize allied health manpower~~  
13 ~~for the furnishing of services to the extent permitted by law and~~  
14 ~~consistent with good medical practice.~~
- 15    ~~(g) The plan shall have the organizational and administrative~~  
16 ~~capacity to provide services to subscribers and enrollees. The plan~~  
17 ~~shall be able to demonstrate to the department that medical~~  
18 ~~decisions are rendered by qualified medical providers, unhindered~~  
19 ~~by fiscal and administrative management.~~
- 20    ~~(h) (1) Contracts with subscribers and enrollees, including~~  
21 ~~group contracts, and contracts with providers, and other persons~~  
22 ~~furnishing services, equipment, or facilities to, or in connection~~  
23 ~~with, the plan, shall be fair, reasonable, and consistent with the~~  
24 ~~objectives of this chapter. All contracts with providers shall contain~~  
25 ~~provisions requiring a fast, fair, and cost-effective dispute~~  
26 ~~resolution mechanism under which providers may submit disputes~~  
27 ~~to the plan, and requiring the plan to inform its providers upon~~  
28 ~~contracting with the plan or upon change to these provisions, of~~  
29 ~~the procedures for processing and resolving disputes, including~~  
30 ~~the location and telephone number where information regarding~~  
31 ~~disputes may be submitted.~~
- 32    ~~(2) A health care service plan shall ensure that a dispute~~  
33 ~~resolution mechanism is accessible to nonecontracting providers~~  
34 ~~for the purpose of resolving billing and claims disputes.~~
- 35    ~~(3) A health care service plan shall annually submit a report to~~  
36 ~~the department regarding its dispute resolution mechanism. The~~  
37 ~~report shall include information on the number of providers who~~  
38 ~~utilized the dispute resolution mechanism and a summary of the~~  
39 ~~disposition of those disputes.~~

1 (i) ~~A health care service plan contract shall provide to~~  
 2 ~~subscribers and enrollees all of the basic health care services~~  
 3 ~~included in subdivision (b) of Section 1345, except that the director~~  
 4 ~~may, for good cause, by rule or order exempt a plan contract or~~  
 5 ~~any class of plan contracts from that requirement. The director~~  
 6 ~~shall by rule define the scope of each basic health care service that~~  
 7 ~~health care service plans are required to provide as a minimum for~~  
 8 ~~licensure under this chapter. Nothing in this chapter shall prohibit~~  
 9 ~~a health care service plan from charging subscribers or enrollees~~  
 10 ~~a copayment or a deductible for a basic health care service~~  
 11 ~~consistent with Section 1367.006 or 1367.007, provided that the~~  
 12 ~~copayments, deductibles, or other cost sharing are reported to the~~  
 13 ~~director and set forth to the subscriber or enrollee pursuant to the~~  
 14 ~~disclosure provisions of Section 1363. Nothing in this chapter shall~~  
 15 ~~prohibit a health care service plan from setting forth, by contract,~~  
 16 ~~limitations on maximum coverage of basic health care services,~~  
 17 ~~provided that the limitations are reported to, and held~~  
 18 ~~unobjectionable by, the director and set forth to the subscriber or~~  
 19 ~~enrollee pursuant to the disclosure provisions of Section 1363.~~

20 (j) (1) ~~A health care service plan shall not require registration~~  
 21 ~~under the federal Controlled Substances Act (21 U.S.C. Sec. 801~~  
 22 ~~et seq.) as a condition for participation by an optometrist certified~~  
 23 ~~to use therapeutic pharmaceutical agents pursuant to Section 3041.3~~  
 24 ~~of the Business and Professions Code.~~

25 (2) ~~This section shall not be construed to permit the director to~~  
 26 ~~establish the rates charged subscribers and enrollees for contractual~~  
 27 ~~health care services.~~

28 (3) ~~The director's enforcement of Article 3.1 (commencing with~~  
 29 ~~Section 1357) shall not be deemed to establish the rates charged~~  
 30 ~~subscribers and enrollees for contractual health care services.~~

31 (4) ~~The obligation of the plan to comply with this chapter shall~~  
 32 ~~not be waived when the plan delegates services that it is required~~  
 33 ~~to perform to its medical groups, independent practice associations,~~  
 34 ~~or other contracting entities.~~