

AMENDED IN SENATE AUGUST 2, 2016
AMENDED IN ASSEMBLY MAY 11, 2016
AMENDED IN ASSEMBLY APRIL 20, 2016
AMENDED IN ASSEMBLY APRIL 5, 2016
AMENDED IN ASSEMBLY MARCH 18, 2016
CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 2115

Introduced by Assembly Member Wood

February 17, 2016

An act to amend Section 1366.50 of the Health and Safety Code, and to amend Section 10786 of the Insurance Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

AB 2115, as amended, Wood. Health care coverage: disclosures.

Existing law, the federal Patient Protection and Affordable Care Act, requires each state to, by January 1, 2014, establish an American Health Benefit Exchange that makes available qualified health plans to qualified individuals and small employers. Existing state law establishes the California Health Benefit Exchange within state government for the purpose of facilitating the enrollment of qualified individuals and qualified small employers in qualified health plans.

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 and makes a willful violation of the act a crime. Existing law provides for the regulation of health

insurers by the Department of Insurance. Existing law requires specified health care service plans and health insurers to provide to individuals who cease to be enrolled in individual or group health care coverage a notice informing those individuals that they may be eligible for reduced-cost coverage through the California Health Benefit Exchange or no-cost coverage through Medi-Cal.

This bill would require a statement regarding patient assistance programs to be included in the notice from health care service plans and health insurers to individuals who cease to be enrolled in individual or group health care coverage, as specified. Because a willful violation of these requirements by a health care service plan would be a crime, the 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. Section 1366.50 of the Health and Safety Code
2 is amended to read:
3 1366.50. (a) (1) On and after January 1, ~~2017~~, 2018, a health
4 care service plan providing individual or group health care coverage
5 shall provide to enrollees or subscribers who cease to be enrolled
6 in coverage a notice informing them that they may be eligible for
7 reduced-cost coverage through the California Health Benefit
8 Exchange established under Title 22 (commencing with Section
9 100500) of the Government Code, *or* no-cost coverage through
10 ~~Medi-Cal, or free or reduced-cost prescription medicines through~~
11 ~~a manufacturer's patient assistance program. Medi-Cal.~~ The notice
12 shall include information on obtaining coverage or assistance
13 pursuant to those programs, shall be in no less than 12-point type,
14 and shall be developed by the department, no later than July 1,
15 2017, in consultation with the Department of Insurance, the Office
16 of the Patient Advocate, and the California Health Benefit
17 Exchange.

(2) The notice shall include a statement ~~clarifying that assistance through a manufacturer's patient assistance program does not constitute coverage under, and will indicating that additional information on low- or no-cost programs for health care and prescription medicines may be found on the Office of the Patient Advocate's Internet Web site but that these programs may not meet the requirements of the individual mandate under, under the federal Patient Protection and Affordable Care Act.~~

~~(3) The department shall include information in the notice on locating free or reduced cost programs for health care and prescription medicines, such as through the Internet Web site of the Office of the Patient Advocate.~~

(b) The notice described in subdivision (a) may be incorporated into or sent simultaneously with and in the same manner as any other notices sent by the health care service plan.

(c) This section shall not apply with respect to a specialized health care service plan contract or a Medicare supplemental plan contract.

SEC. 2. Section 10786 of the Insurance Code is amended to read:

10786. (a) (1) On and after January 1, ~~2017, 2018~~, a health insurer providing health insurance coverage shall provide to policyholders in individual policies or certificate holders in group policies who cease to be enrolled in coverage a notice informing them that they may be eligible for reduced-cost coverage through the California Health Benefit Exchange established under Title 22 (commencing with Section 100500) of the Government Code, *or* no-cost coverage through Medi-Cal, ~~or free or reduced cost prescription medicines through a manufacturer's patient assistance program.~~ Medi-Cal. The notice shall include information on obtaining coverage or assistance pursuant to those programs, shall be in no less than 12-point type, and shall be developed by the department, no later than July 1, 2017, in consultation with the Department of Managed Health Care, the Office of the Patient Advocate, and the California Health Benefit Exchange.

(2) The notice shall include a statement ~~clarifying that assistance through a manufacturer's patient assistance program does not constitute coverage under, and will indicating that additional information on low- or no-cost programs for health care and prescription medicines may be found on the Office of the Patient~~

1 *Advocate's Internet Web site but that these programs may not meet*
2 *the requirements of the individual mandate under, under the federal*
3 *Patient Protection and Affordable Care Act.*

4 ~~(3) The department shall include information in the notice on~~
5 ~~locating free or reduced cost programs for health care and~~
6 ~~prescription medicines, such as through the Internet Web site of~~
7 ~~the Office of the Patient Advocate.~~

8 (b) The notice described in subdivision (a) may be incorporated
9 into or sent simultaneously with and in the same manner as any
10 other notices sent by the health insurer.

11 (c) This section shall not apply with respect to a specialized
12 health insurance policy or a health insurance policy consisting
13 solely of coverage of excepted benefits as described in Section
14 2722 of the federal Public Health Service Act (42 U.S.C. Sec.
15 300gg-21).

16 SEC. 3. No reimbursement is required by this act pursuant to
17 Section 6 of Article XIII B of the California Constitution because
18 the only costs that may be incurred by a local agency or school
19 district will be incurred because this act creates a new crime or
20 infraction, eliminates a crime or infraction, or changes the penalty
21 for a crime or infraction, within the meaning of Section 17556 of
22 the Government Code, or changes the definition of a crime within
23 the meaning of Section 6 of Article XIII B of the California
24 Constitution.