

Assembly Bill No. 2115

Passed the Assembly August 25, 2016

Chief Clerk of the Assembly

Passed the Senate August 22, 2016

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 2016, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

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, 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, on and after January 1, 2018, that the notice include a statement 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. The bill would require the Department of Insurance, the Department of Managed Health Care, the Office of the Patient Advocate, and the California Health Benefit Exchange to develop the statement no later than July 1, 2017. 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.

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

SECTION 1. Section 1366.50 of the Health and Safety Code is amended to read:

1366.50. (a) (1) On and after January 1, 2014, a health care service plan providing individual or group health care coverage shall provide to enrollees or subscribers 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. The notice shall include information on obtaining coverage 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, 2013, in consultation with the Department of Insurance and the California Health Benefit Exchange.

(2) (A) On and after January 1, 2018, the notice shall include a statement 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, or the Internet Web site determined to be the most appropriate to contain this information, but that these programs may not meet the requirements of the individual mandate under the federal Patient Protection and Affordable Care Act.

(B) No later than July 1, 2017, the department, in consultation with the Office of the Patient Advocate, the Department of Insurance, and the California Health Benefit Exchange, shall develop the statement to be included in the notice pursuant to subparagraph (A).

(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, 2014, 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. The notice shall include information on obtaining coverage 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, 2013, in consultation with the Department of Managed Health Care and the California Health Benefit Exchange.

(2) (A) On and after January 1, 2018, the notice shall include a statement 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, or the Internet Web site determined to be the most appropriate to contain this information, but that these programs may not meet the requirements of the individual mandate under the federal Patient Protection and Affordable Care Act.

(B) No later than July 1, 2017, the department, in consultation with the Office of the Patient Advocate, the Department of Managed Health Care, and the California Health Benefit Exchange, shall develop the statement to be included in the notice pursuant to subparagraph (A).

(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 insurer.

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

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because

the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

Approved _____, 2016

Governor