

ASSEMBLY BILL

No. 2752

Introduced by Assembly Member Nazarian

February 19, 2016

An act to add Section 1399.7 to the Health and Safety Code, and to add Section 10133.58 to the Insurance Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

AB 2752, as introduced, Nazarian. Health care coverage: continuity of care.

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 Insurance Commissioner.

Existing law requires certain nongrandfathered health care service plan contracts and health insurance policies to provide for a limit on annual out-of-pocket expenses for covered benefits, as specified. Existing law requires a health care service plan to furnish services in a manner providing continuity of care. Existing law requires a health insurer covering hospital, medical, and surgical expenses on a group basis and that contracts with providers for alternative rates to file a written policy with the Department of Insurance describing how the insurer will facilitate the continuity of care for new insureds receiving services during a current episode of care for an acute condition from a noncontracting provider.

This bill would declare the intent of the Legislature to enact legislation that would provide greater consumer protections regarding continuity

of care for an enrollee or insured, and that would give relief to an enrollee or insured that would prevent an enrollee or insured from paying maximum out-of-pocket expenses twice in one year if the enrollee or insured involuntarily changes health plans or insurers.

Existing law requires plans and insurers to annually issue specified notices pertaining to health care coverage to enrollees and insureds.

This bill would require a health care service plan or a health insurer to annually, every October 1, notify an enrollee or insured that the enrollee's or insured's drug treatment is no longer covered by the plan or policy, if that is the case, and that the enrollee's or insured's provider is no longer part of the provider network, if that is the case. Because a willful violation of that requirement 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. It is the intent of the Legislature to enact
2 legislation that would provide greater consumer protections
3 regarding continuity of care for an enrollee or insured, and that
4 would give relief to an enrollee or insured that would prevent him
5 or her from paying maximum out-of-pocket expense twice in one
6 year if he or she involuntarily changes health plans or health
7 insurers.

8 SEC. 2. Section 1399.7 is added to the Health and Safety Code,
9 to read:

10 1399.7. (a) Annually every October 1, a health care service
11 plan shall include in renewal materials a notice to an enrollee that
12 the enrollee's current drug treatment is no longer covered by the
13 plan, if that is the case.

14 (b) Annually every October 1, a health care service plan shall
15 include in renewal materials a notice to an enrollee that the
16 enrollee's current provider is no longer part of the health care
17 service plan's provider network, if that is the case.

1 SEC. 3. Section 10133.58 is added to the Insurance Code, to
2 read:

3 10133.58. (a) Annually every October 1, a health insurer shall
4 include in renewal materials a notice to an insured that the insured's
5 current drug treatment is no longer covered by the policy, if that
6 is the case.

7 (b) Annually every October 1, a health insurer shall include in
8 renewal materials a notice to an insured that the insured's current
9 provider is no longer part of the health benefit plan's provider
10 network, if that is the case.

11 SEC. 4. No reimbursement is required by this act pursuant to
12 Section 6 of Article XIII B of the California Constitution because
13 the only costs that may be incurred by a local agency or school
14 district will be incurred because this act creates a new crime or
15 infraction, eliminates a crime or infraction, or changes the penalty
16 for a crime or infraction, within the meaning of Section 17556 of
17 the Government Code, or changes the definition of a crime within
18 the meaning of Section 6 of Article XIII B of the California
19 Constitution.