

AMENDED IN ASSEMBLY APRIL 26, 2016

AMENDED IN ASSEMBLY APRIL 12, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

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 amended, 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.

This bill would require a health care service plan or a health insurer, for a health care service plan contract or a health insurance policy that is issued, renewed, or amended on or after January 1, 2017, to notify ~~an enrollee or insured in annual renewal materials that the enrollee's or insured's~~ *enrollees or insureds in annual renewal materials that a* prescription drug is no longer covered by the plan or policy or has changed tiers in the plan's or insurer's drug formulary, if that is the case. The bill would exempt a specialized health care service plan that covers dental or vision services from that requirement. The bill would also require a health care service plan or health insurer, for a health care

service plan contract or a health insurance policy that is issued, renewed, or amended on or after January 1, 2017, to include in annual renewal materials information regarding the plan's provider directory or directories. 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. Section 1399.7 is added to the Health and Safety
2 Code, to read:

3 1399.7. (a) (1) A health care service plan, for a health care
4 service plan contract that is issued, renewed, or amended on or
5 after January 1, 2017, shall include in annual renewal materials a
6 notice to ~~an enrollee that the enrollee's current~~ *enrollees that a*
7 prescription drug is no longer covered by the plan or has changed
8 tiers in the plan's drug formulary, if that is the case.

9 (2) This subdivision does not apply to a specialized health care
10 service plan that covers dental or vision services.

11 (b) A health care service plan, for a health care service plan
12 contract that is issued, renewed, or amended on or after January
13 1, 2017, shall include in annual renewal materials information
14 regarding the health care service plan's provider directory or
15 directories.

16 SEC. 2. Section 10133.58 is added to the Insurance Code, to
17 read:

18 10133.58. (a) (1) A health insurer, for a health insurance
19 policy that is issued, renewed, or amended on or after January 1,
20 2017, shall include in annual renewal materials a notice to ~~an~~
21 ~~insured that the insured's current~~ *insureds that a* prescription drug
22 is no longer covered by the policy or has changed tiers in the
23 insurer's drug formulary, if that is the case.

1 (2) This subdivision does not apply to a specialized health
2 insurance policy that covers dental or vision services.

3 (b) A health insurer, for a health insurance policy that is issued,
4 renewed, or amended on or after January 1, 2017, shall include in
5 annual renewal materials information regarding the health insurer's
6 provider directory or directories.

7 SEC. 3. No reimbursement is required by this act pursuant to
8 Section 6 of Article XIII B of the California Constitution because
9 the only costs that may be incurred by a local agency or school
10 district will be incurred because this act creates a new crime or
11 infraction, eliminates a crime or infraction, or changes the penalty
12 for a crime or infraction, within the meaning of Section 17556 of
13 the Government Code, or changes the definition of a crime within
14 the meaning of Section 6 of Article XIII B of the California
15 Constitution.