

AMENDED IN ASSEMBLY APRIL 11, 2016

AMENDED IN ASSEMBLY MARCH 17, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 2810

Introduced by Assembly Member Eggman
(Coauthor: Senator Volk)

February 19, 2016

~~An act to add and repeal Article 6.3 (commencing with Section 14196.50) of Chapter 7 of Part 3 of Division 9 of the Welfare and Institutions Code, relating to prescription drugs. An act to amend Sections 1812.84 and 1812.85 of the Civil Code, relating to health studio services.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 2810, as amended, Eggman. ~~Aid-in-dying prescription drugs: coverage for Medi-Cal beneficiaries.~~ *Health studio services: cancellation.*

Existing law authorizes a consumer to cancel a contract for health studio services within specified timeframes after the contract is executed, if the health studio fails to provide the specific facilities advertised or offered or if the health studio eliminates or reduces the scope of the facilities, as specified.

The bill would specify that a contract for health studio services may be canceled by the buyer in person or via first-class mail. The bill would make other conforming changes.

~~Under the End of Life Option Act, an adult who meets certain qualifications and who has been determined by his or her attending physician to be suffering from a terminal disease, as defined, is~~

authorized to make a request for a drug prescribed pursuant to these provisions for the purpose of ending his or her life. The act is repealed on January 1, 2026.

Existing law establishes the Medi-Cal program, administered by the State Department of Health Care Services, under which qualified low-income persons receive health care services. The Medi-Cal program is, in part, governed and funded by federal Medicaid Program provisions. Existing law provides for a schedule of benefits under the Medi-Cal program, which includes prescription drugs, as specified.

Existing federal law prohibits the expenditure of funds appropriated by Congress for the provision of health care services under the Medicaid Program from being used (1) to provide or pay for any health care item or service furnished for the purpose of causing, or for the purpose of assisting in causing, the death of any individual, as specified; or (2) to pay for health benefit coverage that includes any coverage of the item or service or of any expenses relating to the item or service.

This bill would add to the schedule of benefits under the Medi-Cal program coverage for aid-in-dying drugs, as defined. The bill would require coverage for an aid-in-dying drug prescription to be provided to a Medi-Cal beneficiary who meets the qualifications of the End of Life Option Act and who requests a prescription in accordance with that act, and would require the cost for those services to be provided with state-only funds. The bill would authorize the department to implement, interpret, or make specific its provisions by all-county letters or similar instructions, without taking regulatory action, until the time regulations are adopted, as specified. The bill's provisions would be repealed on January 1, 2026.

Vote: majority. Appropriation: no. Fiscal committee: *yes-no*. State-mandated local program: no.

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

- 1 *SECTION 1. Section 1812.84 of the Civil Code is amended to*
- 2 *read:*
- 3 1812.84. (a) A contract for health studio services may not
- 4 require payments or financing by the buyer to exceed the term of
- 5 the contract, nor may the term of the contract exceed three years.
- 6 This subdivision does not apply to a member's obligation to pay
- 7 valid, outstanding moneys due under the contract, including
- 8 moneys to be paid pursuant to a termination notice period in the

1 contract in which the termination notice period does not exceed
2 30 days.

3 (b) A contract for health studio services shall include a statement
4 printed in a size at least 14-point type that discloses the length of
5 the term of the contract. This statement shall be placed above the
6 space reserved for the signature of the buyer.

7 (c) *At any time a cancellation is authorized by this title, a*
8 *contract for health studio services may be canceled by the buyer*
9 *in person or via first-class mail.*

10 SEC. 2. Section 1812.85 of the Civil Code is amended to read:

11 1812.85. (a) Every contract for health studio services shall
12 provide that performance of the agreed-upon services will begin
13 within six months after the date the contract is entered into. The
14 consumer may cancel the contract and receive a pro rata refund if
15 the health studio fails to provide the specific facilities advertised
16 or offered in writing by the time indicated. If no time is indicated
17 in the contract, the consumer may cancel the contract within six
18 months after the execution of the contract and shall receive a pro
19 rata refund. If a health studio fails to meet a timeline set forth in
20 this section, the consumer may cancel the contract at any time after
21 the expiration of the timeline. However, if following the expiration
22 of the timeline, the health studio provides the advertised or
23 agreed-upon services, the consumer may cancel the contract up to
24 10 days after those services are provided.

25 (b) (1) Every contract for health studio services shall, in
26 addition, contain on its face, and in close proximity to the space
27 reserved for the signature of the buyer, a conspicuous statement
28 in a size equal to at least 10-point boldface type, as follows:

29 “You, the buyer, may *choose to* cancel this agreement at any
30 time prior to midnight of the fifth business day of the health studio
31 after the date of this agreement, excluding Sundays and holidays.
32 To cancel this agreement, mail or deliver a signed and dated notice,
33 ~~or send a telegram which~~ *notice that* states that you, the buyer, are
34 canceling this agreement, or words of similar effect. The notice
35 shall be sent *via first-class mail or delivered in person to,*
36

37 _____
38 (Name of health studio operator)

39 at _____
40 (Address of health studio operator).”

1 (2) The contract for health studio services shall contain on the
2 first page, in a type size no smaller than that generally used in the
3 body of the document, the following: (A) the name and address
4 of the health studio operator to which the notice of cancellation is
5 to be mailed, and (B) the date the buyer signed the contract.

6 (3) The contract shall provide a description of the services,
7 facilities, and hours of access to which the consumer is entitled.
8 Any services, facilities, and hours of access that are not described
9 in the contract shall be considered optional services, and these
10 optional services shall be considered as separate contracts for the
11 purposes of this title and Section 1812.83.

12 (4) Until the health studio operator has complied with this
13 section, the buyer may cancel the contract for health studio
14 services.

15 (5) All moneys paid pursuant to a contract for health studio
16 services shall be refunded within 10 days after receipt of the notice
17 of cancellation, except that payment shall be made for any health
18 studio services received prior to cancellation.

19 (c) If at any time during the term of the contract, including a
20 transfer of the contractual obligation, the health studio eliminates
21 or substantially reduces the scope of the facilities, such as
22 swimming pools or tennis courts, that were described in the
23 contract, in an advertisement relating to the specific location, or
24 in a written offer, and available to the consumer upon execution
25 of the contract, the consumer may cancel the contract and receive
26 a pro rata refund. The consumer may not cancel the contract
27 pursuant to this subdivision if the health studio, after giving
28 reasonable notice to its members, temporarily takes facilities out
29 of operation for reasonable repairs, modifications, substitutions,
30 or improvements. This subdivision shall not be interpreted to give
31 the consumer the right to cancel a contract because of changes to
32 the type or quantity of classes or equipment offered, provided the
33 consumer is informed in the contract that the health studio reserves
34 the right to make changes to the type or quantity of classes or
35 equipment offered and the changes to the type or quantity of classes
36 or equipment offered are reasonable under the circumstances.

37 (d) (1) If a contract for health studio services requires payment
38 of one thousand five hundred dollars (\$1,500) to two thousand
39 dollars (\$2,000), inclusive, including initiation fees or initial
40 membership fees, by the person receiving the services or the use

1 of the facility, the person shall have the right to cancel the contract
2 within 20 days after the contract is executed.

3 (2) If a contract for health studio services requires payment of
4 two thousand one dollars (\$2,001) to two thousand five hundred
5 dollars (\$2,500), inclusive, including initiation fees or initial
6 membership fees, by the person receiving the services or the use
7 of the facility, the person shall have the right to cancel the contract
8 within 30 days after the contract is executed.

9 (3) If a contract for health studio services requires payment of
10 two thousand five hundred one dollars (\$2,501) or more, including
11 initiation fees or initial membership fees, by the person receiving
12 the services or the use of the facility, the person shall have the
13 right to cancel the contract within 45 days after the contract is
14 executed.

15 (4) The right of cancellation provided in this subdivision shall
16 be set out in the membership contract.

17 (5) The rights and remedies under this paragraph are cumulative
18 to any rights and remedies under other law.

19 (6) A health studio entering into a contract for health studio
20 services that requires a payment of less than one thousand five
21 hundred dollars (\$1,500), including initiation or initial membership
22 fees and exclusive of interest or finance charges, by the person
23 receiving the services or the use of the facilities, is not required to
24 comply with paragraph (1), (2), or (3).

25 (e) Upon cancellation, the consumer shall be liable only for that
26 portion of the total contract payment, including initiation fees and
27 other charges however denominated, that has been available for
28 use by the consumer, based upon a pro rata calculation over the
29 term of the contract. The remaining portion of the contract payment
30 shall be returned to the consumer by the health studio.

31 ~~SECTION 1. Article 6.3 (commencing with Section 14196.50)~~
32 ~~is added to Chapter 7 of Part 3 of Division 9 of the Welfare and~~
33 ~~Institutions Code, to read:~~

34

35 ~~Article 6.3. Coverage for Aid-in-Dying Drugs~~

36

37 ~~14196.50. (a) Aid-in-dying drugs, as defined in Section 443.1~~
38 ~~of the Health and Safety Code are covered under the Medi-Cal~~
39 ~~program.~~

1 ~~(b) Notwithstanding any other law, a beneficiary who is a~~
 2 ~~qualified person, as defined in Section 443.1 of the Health and~~
 3 ~~Safety Code, and who requests a prescription for an aid-in-dying~~
 4 ~~drug in accordance with the End of Life Option Act (Part 1.85~~
 5 ~~(commencing with Section 443) of the Health and Safety Code)~~
 6 ~~shall receive coverage for any drug prescribed for this purpose as~~
 7 ~~provided by this article.~~

8 ~~14196.51. (a) The cost for services under this article shall be~~
 9 ~~provided with state-only funds.~~

10 ~~(b) (1) Notwithstanding Chapter 3.5 (commencing with Section~~
 11 ~~11340) of Part 1 of Division 3 of Title 2 of the Government Code,~~
 12 ~~the department may implement, interpret, or make specific this~~
 13 ~~section by all-county letters or similar instructions from the~~
 14 ~~director, without taking regulatory action, until the time regulations~~
 15 ~~are adopted.~~

16 ~~(2) The department shall adopt emergency regulations pursuant~~
 17 ~~to Chapter 3.5 (commencing with Section 11340) of Part 1 of~~
 18 ~~Division 3 of Title 2 of the Government Code no later than January~~
 19 ~~1, 2018. The department may readopt any emergency regulation~~
 20 ~~authorized by this section that is the same as, or substantially~~
 21 ~~equivalent to, an emergency regulation previously adopted under~~
 22 ~~this section. The initial adoption of emergency regulations and one~~
 23 ~~readoption of emergency regulations implementing this section~~
 24 ~~shall be deemed an emergency and necessary for the immediate~~
 25 ~~preservation of the public peace, health, safety, or general welfare.~~

26 ~~(3) Initial emergency regulations and the one readoption of~~
 27 ~~emergency regulations authorized by this section shall be exempt~~
 28 ~~from review by the Office of Administrative Law. The initial~~
 29 ~~emergency regulations and the one readoption of emergency~~
 30 ~~regulations shall be submitted to the Office of Administrative Law~~
 31 ~~for filing with the Secretary of State and each shall remain in effect~~
 32 ~~for no more than 180 days, by which time final regulations may~~
 33 ~~be adopted.~~

34 ~~14196.52. This article shall remain in effect only until January~~
 35 ~~1, 2026, and as of that date is repealed, unless a later enacted~~
 36 ~~statute, that is enacted before January 1, 2026, deletes or extends~~
 37 ~~that date.~~