

AMENDED IN ASSEMBLY MAY 2, 1996
AMENDED IN ASSEMBLY APRIL 22, 1996
AMENDED IN ASSEMBLY APRIL 8, 1996

CALIFORNIA LEGISLATURE—1995–96 REGULAR SESSION

ASSEMBLY BILL

No. 3251

Introduced by Assembly Member Gallegos

February 23, 1996

An act to add Section 1383.1 to the Health and Safety Code, and to add Sections 10123.67 and 11512.61 ~~of~~ to the Insurance Code, relating to health care.

LEGISLATIVE COUNSEL'S DIGEST

AB 3251, as amended, Gallegos. Health care service plans: independent medical opinions.

Existing law provides for the licensure and regulation of health care service plans administered by the Commissioner of Corporations. Existing law authorizes an enrollee of a health care service plan to select as a primary care physician any available primary care physician who contracts with the plan in the service plan area where the enrollee lives or works. Under existing law, willful violation of any of these provisions is a misdemeanor. Existing law provides for the regulation of disability insurers and nonprofit hospital service plans by the Department of Insurance.

This bill would require every health care service plan, *with specified exceptions*, to file with the Department of Corporations a written policy describing the manner in which

the plan determines if a second medical opinion is medically necessary and appropriate. The bill would require notice of the policy and related information to be provided to all enrollees. By changing the definition of a crime, the bill would impose a state-mandated local program.

The bill would impose ~~identical~~ *similar* requirements on nonprofit hospital service plans and certain disability insurers.

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 1383.1 is added to the Health and
2 Safety Code, to read:

3 1383.1. (a) On or before July 1, 1997, every health
4 care service plan shall file with the department a written
5 policy describing the manner in which the plan
6 determines if a second medical opinion is medically
7 necessary and appropriate. Notice of the policy and
8 information regarding the manner in which an enrollee
9 may receive a second medical opinion shall be provided
10 to all enrollees *in the plan's evidence of coverage*. The
11 written policy shall describe the manner in which
12 requests for a second medical opinion are reviewed by
13 the plan.

14 (b) *This section shall not apply to any health care*
15 *service plan contract authorized under Section 1374.64.*

16 (c) *Nothing in this section shall require a health care*
17 *service plan to cover services or provide benefits that are*
18 *not otherwise covered under the terms and conditions of*
19 *the plan contract, nor to provide services through*
20 *providers who are not under contract with the plan.*

21 SEC. 2. Section 10123.67 is added to the Insurance
22 Code, immediately following Section 10123.6, to read:



1 10123.67. (a) On or before July 1, 1997, every
2 disability insurer that covers hospital, medical, or surgical
3 expenses, *as described in subdivision (b)*, shall file with
4 the department a written policy describing the manner
5 in which the insurer determines if a second medical
6 opinion is medically necessary and appropriate. Notice of
7 the policy and information regarding the manner in
8 which an insured may receive a second medical opinion
9 shall be provided to all insureds *in the plan's evidence of*
10 *coverage*. The written policy shall describe the manner
11 in which requests for a second medical opinion are
12 reviewed by the insurer.

13 (b) *This section shall only apply to disability insurers*
14 *covering hospital, medical, or surgical expenses that*
15 *contract with providers for alternative rates pursuant to*
16 *Section 10133 or 11512 and that limit payments under*
17 *those policies to services secured by insureds from*
18 *providers charging alternative rates pursuant to the*
19 *contracts.*

20 (c) *Nothing in this section shall require the disability*
21 *insurer to cover services or provide benefits that are not*
22 *otherwise covered under the terms and conditions of the*
23 *plan contract, nor to provide services through providers*
24 *who are not under contract with the plan.*

25 SEC. 3. Section 11512.61 is added to the Insurance
26 Code, immediately following 11512.6, to read:

27 11512.61. On or before July 1, 1997, every nonprofit
28 hospital service plan shall file with the department a
29 written policy describing the manner in which the plan
30 determines if a second medical opinion is medically
31 necessary and appropriate. Notice of the policy and
32 information regarding the manner in which a member
33 may receive a second medical opinion shall be provided
34 to all members. The written policy shall describe the
35 manner in which requests for a second medical opinion
36 are reviewed by the plan.

37 SEC. 4. No reimbursement is required by this act
38 pursuant to Section 6 of Article XIII B of the California
39 Constitution because the only costs that may be incurred
40 by a local agency or school district will be incurred



1 because this act creates a new crime or infraction,
2 eliminates a crime or infraction, or changes the penalty
3 for a crime or infraction, within the meaning of Section
4 17556 of the Government Code, or changes the definition
5 of a crime within the meaning of Section 6 of Article
6 XIII B of the California Constitution.

7 Notwithstanding Section 17580 of the Government
8 Code, unless otherwise specified, the provisions of this act
9 shall become operative on the same date that the act
10 takes effect pursuant to the California Constitution.

