

AMENDED IN SENATE APRIL 29, 1996

SENATE BILL

No. 1805

Introduced by Senator Rosenthal

February 22, 1996

An act to add Section 1366.16 to the Health and Safety Code, and to add Section 10120.5 to the Insurance Code, relating to health care ~~service plans~~ coverage.

LEGISLATIVE COUNSEL'S DIGEST

SB 1805, as amended, Rosenthal. Health care ~~service plans~~ coverage.

Existing law provides for the licensure and regulation of health care service plans administered by the Commissioner of Corporations. Under existing law, willful violation of any of these provisions is a misdemeanor. Existing law also provides for the regulation of disability insurers administered by the Insurance Commissioner.

Existing law states that it is the public policy of the state that licensed health care practitioners, as defined, be encouraged to advocate for medically appropriate health care, as defined, for their patients. Existing law provides that the application and rendering by any person, as defined, of a decision that penalizes a health care practitioner principally for advocating for medically appropriate health care violates public policy.

This bill would *provide that a violation of those provisions would also be a violation of the law regulating health care service plans and a violation of the Insurance Code. The bill would prohibit health care service plans and certain disability insurers from preventing a provider from disclosing to a*

patient of the provider any information the provider determines is relevant to the patient’s care. ~~The bill would prohibit those plans and insurers from sanctioning a provider for advocating on behalf of a patient.~~

By changing the definition of 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 1366.16 is added to the Health
2 and Safety Code, to read:

3 1366.16. (a) It is the intent of the Legislature to
4 guarantee that health care providers can communicate
5 freely with their patients and act as advocates for their
6 patients to ensure that contracting arrangements
7 between health care service plans and providers do not
8 jeopardize a patient’s health care.

9 (b) No health care service plan shall prevent a
10 provider from disclosing to a patient of the provider any
11 information the provider determines is relevant to the
12 ~~patient’s care, including information regarding the~~
13 ~~financial arrangements between the provider and the~~
14 ~~plan.~~

15 (c) ~~No health care service plan shall discharge,~~
16 ~~discipline, demote, terminate a contract with, deny~~
17 ~~privileges to, or otherwise sanction, a provider for~~
18 ~~advocating on behalf of a patient, including, but not~~
19 ~~limited to, questioning or criticizing plan guidelines,~~
20 ~~policies, or decisions that deny, limit, or restrict medical~~
21 ~~services.~~ *patient’s care.*



1 (c) Any act that violates Section 510 or Section 2056 of
2 the Business and Professions Code shall also be a violation
3 of this chapter.

4 SEC. 2. Section 10120.5 is added to the Insurance
5 Code, to read:

6 10120.5. (a) It is the intent of the Legislature to
7 guarantee that health care providers can communicate
8 freely with their patients and act as advocates for their
9 patients to ensure that contracting arrangements
10 between disability insurers and providers do not
11 jeopardize a patient's health care.

12 (b) No disability insurer covering hospital, medical, or
13 surgical expenses shall prevent a provider from disclosing
14 to a patient of the provider any information the provider
15 determines is relevant to the patient's care, ~~including~~
16 ~~information regarding the financial arrangements~~
17 ~~between the provider and the insurer.~~

18 ~~(e) No disability insurer covering hospital, medical, or~~
19 ~~surgical expenses shall discharge, discipline, demote,~~
20 ~~terminate a contract with, deny privileges to, or~~
21 ~~otherwise sanction, a provider for advocating on behalf of~~
22 ~~a patient, including, but not limited to, questioning or~~
23 ~~criticizing insurer guidelines, policies, or decisions that~~
24 ~~deny, limit, or restrict medical services..~~

25 (c) Any act that violates Section 510 or Section 2056 of
26 the Business and Professions Code shall also be a violation
27 of this code.

28 SEC. 3. No reimbursement is required by this act
29 pursuant to Section 6 of Article XIII B of the California
30 Constitution because the only costs that may be incurred
31 by a local agency or school district will be incurred
32 because this act creates a new crime or infraction,
33 eliminates a crime or infraction, or changes the penalty
34 for a crime or infraction, within the meaning of Section
35 17556 of the Government Code, or changes the definition
36 of a crime within the meaning of Section 6 of Article
37 XIII B of the California Constitution.

38 Notwithstanding Section 17580 of the Government
39 Code, unless otherwise specified, the provisions of this act



1 shall become operative on the same date that the act
2 takes effect pursuant to the California Constitution.

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