

Assembly Bill No. 471

CHAPTER 285

An act to amend Sections 12693.38, 12693.90, and 12693.96 of the Insurance Code, relating to children's health care, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 12, 1998. Filed with
Secretary of State August 13, 1998.]

LEGISLATIVE COUNSEL'S DIGEST

AB 471, Cardoza. Healthy Families Program.

(1) Existing law creates the Healthy Families Program, to be administered by the Managed Risk Medical Insurance Board, to arrange for the provision of health services, including dental and vision benefits, to children with a household income equal to or less than 200% of the federal poverty level. Existing law requires participating health plans to submit an annual report to the board on their provider network, including geographic access for subscribers, linguistic services, and the ethnic composition of providers.

This bill would require a similar annual report from participating dental plans, and would authorize the board to establish reasonable limits on dental plan administrative costs.

(2) Existing law provides for the board to appoint a 14-member advisory panel, as specified.

This bill would add a licensed, practicing dentist to the advisory panel, thereby expanding the panel to 15 members.

(3) Existing law creates the Healthy Families Fund in the State Treasury as a continuously appropriated fund, and authorizes the board to authorize expenditures from the fund.

This bill would authorize the board to authorize the State Department of Health Services to transfer funds appropriated to the department for the program to the fund, and to also deposit those funds in, and to disburse those funds from the fund.

(4) The bill would declare that it is to take effect immediately as an urgency statute.

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

SECTION 1. Section 12693.38 of the Insurance Code is amended to read:

12693.38. (a) The board shall contract with a sufficient number of dental and vision plans to assure that dental and vision benefits are available to all subscribers. The board shall develop and make available objective criteria for dental and vision plan selection and



provide adequate notice of the application process to permit all dental and vision plans a reasonable and fair opportunity to participate. The criteria and application process shall allow participating dental and vision plans to comply with their state and federal licensing and regulatory obligations, except as otherwise provided in this part. Dental and vision plan selection shall be based on the criteria developed by the board.

(b) Participating dental plans shall be required to submit to the board on an annual basis a report summarizing their provider network. The report shall provide, as available, information on the provider network as it relates to each of the following:

- (1) Geographic access for the subscribers.
- (2) Linguistic services.
- (3) The ethnic composition of providers.

(c) The board shall establish reasonable limits on dental plan administrative costs.

SEC. 2. Section 12693.90 of the Insurance Code is amended to read:

12693.90. (a) The board shall appoint a 15-member advisory panel to advise the board, the chair of which may serve as an ex officio, nonvoting member of the board. The panel shall be appointed and ready to perform its duties by no later than February 1, 1998.

(b) The membership of the advisory panel shall be composed of all of the following:

- (1) Three representatives from the subscriber population.
- (2) One physician and surgeon who is board certified in pediatrics.
- (3) One physician and surgeon who is board certified in the area of family practice medicine.
- (4) One member who is a licensed, practicing dentist.
- (5) One representative from a licensed nonprofit primary care clinic.
- (6) One representative from a licensed hospital that is on the disproportionate share list maintained by the State Department of Health Services.
- (7) One representative of the mental health provider community.
- (8) One representative of the substance abuse provider community.
- (9) One representative of the county public health provider community.
- (10) One representative from the education community.
- (11) One representative from the health plan community.
- (12) One representative from the business community.
- (13) One representative from an eligible family with children with special needs.

(c) The advisory board members shall have demonstrated expertise in the provision of health-related services to children aged 18 years and under, as applicable.



(d) The advisory board members shall be composed of representatives of the geographic, cultural, economic, and other social factors of the state.

(e) The panel shall elect, from among its members, its chair.

(f) The panel shall have all of the following powers and duties:

(1) To advise the board on all policies, regulations, operations, and implementation of the program.

(2) To consider all written recommendations of the panel and respond in writing when the board rejects the advice of the panel.

(3) To meet at least quarterly, unless deemed unnecessary by the chair.

(g) The members of the panel shall be reimbursed for all necessary travel expenses associated with the activities of the panel.

(h) The members of the panel who represent the subscriber population may receive per diem compensation if they are otherwise economically unable to meet panel responsibilities.

SEC. 3. Section 12963.96 of the Insurance Code is amended to read:

12963.96. (a) There is hereby created in the State Treasury the Healthy Families Fund which is, notwithstanding Section 13340 of the Government Code, continuously appropriated to the board for the purposes specified in this part.

(b) The board shall authorize the expenditure from the fund of any state funds, federal funds, or family contributions deposited into the fund. This shall include the authority for the board to authorize the State Department of Health Services to transfer funds appropriated to the department for the program to the Healthy Families Fund, and to also deposit those funds in, and to disburse those funds from, the Healthy Families Fund.

(c) Notwithstanding any other provision of law, this part shall be implemented only if, and to the extent that, as provided under Title XXI of the Social Security Act, federal financial participation is available and state plan approval is obtained.

(d) Nothing in this part is intended to establish an entitlement for individual coverage.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to obtain information on the provider networks of participating dental plans and to limit their administrative costs, and to allow the Healthy Families Advisory Board to perform its duties with the benefit of a dentist's input, as soon as possible, it is necessary that this act take effect immediately.

