

Assembly Bill No. 1959

CHAPTER 658

An act to add Section 1380.1 to the Health and Safety Code, relating to health care coverage.

[Approved by Governor September 20, 1998. Filed
with Secretary of State September 21, 1998.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1959, Gallegos. Health care service plans: providers: audits.

Existing law requires the Department of Corporations to conduct periodically an onsite medical survey of the health delivery system of a health care service plan, not less frequently than once every 3 years. Willful violation of the law regulating health care service plans is a crime.

This bill would require the department, as the lead agency, and the State Department of Health Services, to convene a working group for the purpose of developing standards for quality audits of providers that provide services to enrollees pursuant to contracts governed by the law regulating health care service plans.

The bill would prescribe the goals of the working group and would require the department to report its findings and recommendations to the Governor, the Department of Corporations, the State Department of Health Services, and the appropriate committees of the Legislature.

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

SECTION 1. Section 1380.1 is added to the Health and Safety Code, to read:

1380.1. (a) (1) With the department as the lead agency, the department and the State Department of Health Services shall convene a working group for the purpose of developing standards for quality audits of providers that provide services to enrollees pursuant to contracts governed by this chapter.

(2) The working group shall include, but not be limited to, representatives of health care service plans, consumer organizations, public and private purchasers of health care, and providers, including medical groups, independent practice associations, and health facilities.

(3) The working group shall be comprised so that a balance of perspectives of providers, plans, purchasers of health care, and consumers can reasonably be expected to be represented.

(4) The department may consult with the National Commission on Quality Assurance, the federal Health Care Financing Authority, and other organizations that have worked toward defining quality standards.

(5) The department shall consult with the State Department of Health Services on the implementation of this section.

(6) The Legislature recognizes that streamlining audits, and defining quality standards, are best achieved with consideration of federal regulatory and third party auditing standards.

(b) To the extent feasible, the goals of this working group shall include, but not be limited to, all of the following:

(1) Recommending ways to reduce duplicative audits of providers by health plans.

(2) Developing a core set of health care quality standards that can serve as baseline requirements for meeting audit standards for contracts governed by this chapter.

(3) Recommending data collection methods and processes that can result in better coordination of health care quality audits, lessen the burden on providers, and maintain high quality standards for providers.

(4) Developing recommendations as to how health care service plans can best access quality information about providers in order to ensure higher quality standards than those core standards identified by the working group.

(5) Recommending standards for determining appropriate nonprofit organizations to conduct audits pursuant to the standards developed in this section.

(6) Determining how the results of quality audits shall be made available to the public.

(c) The department shall report to the Governor, the Department of Corporations, the State Department of Health Services, and the appropriate committees of the Legislature, on or before January 1, 2000, its findings and recommendations pursuant to this section.

