

**ASSEMBLY BILL**

**No. 892**

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**Introduced by Assembly Member Alquist**

February 25, 1999

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An act to amend Section 1345 of the Health and Safety Code, relating to health care.

LEGISLATIVE COUNSEL'S DIGEST

AB 892, as introduced, Alquist. Health care service plans: hospice care.

(1) Existing law requires each health care service plan to provide basic health care services, as specified.

This bill would include as a basic health care service hospice care equivalent to that provided pursuant to the federal Medicare program, as specified.

(2) Existing law makes a violation of any provision of the Knox-Keene Health Care Service Plan Act of 1975 a crime. This bill by increasing the requirements for basic health care services, changes the scope of that crime, thus creating a state-mandated local program.

(3) 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 1345 of the Health and Safety  
2 Code is amended to read:

3 1345. As used in this chapter:

4 (a) "Advertisement" means any written or printed  
5 communication or any communication by means of  
6 recorded telephone messages or by radio, television, or  
7 similar communications media, published in connection  
8 with the offer or sale of plan contracts.

9 (b) "Basic health care services" means all of the  
10 following:

11 (1) Physician services, including consultation and  
12 referral.

13 (2) Hospital inpatient services and ambulatory care  
14 services.

15 (3) Diagnostic laboratory and diagnostic and  
16 therapeutic radiologic services.

17 (4) Home health services.

18 (5) Preventive health services.

19 (6) Emergency health care services, including  
20 ambulance and ambulance transport services and  
21 out-of-area coverage. "Basic health care services"  
22 includes ambulance and ambulance transport services  
23 provided through the "911" emergency response system.

24 (7) *Hospice care for terminally ill patients equivalent*  
25 *to hospice care provided by the federal Medicare*  
26 *program pursuant to Title XVIII of the Social Security*  
27 *Act, and the regulations adopted for hospice care in Title*  
28 *42 of the Code of Federal Regulations, Chapter IV, Part*  
29 *418, and any amendments thereto.*

30 (c) "Enrollee" means a person who is enrolled in a  
31 plan and who is a recipient of services from the plan.

32 (d) "Evidence of coverage" means any certificate,  
33 agreement, contract, brochure, or letter of entitlement  
34 issued to a subscriber or enrollee setting forth the  
35 coverage to which the subscriber or enrollee is entitled.

36 (e) "Group contract" means a contract which by its  
37 terms limits the eligibility of subscribers and enrollees to  
38 a specified group.



1 (f) “Health care service plan” or “specialized health  
2 care service plan” means either of the following:

3 (1) Any person who undertakes to arrange for the  
4 provision of health care services to subscribers or  
5 enrollees, or to pay for or to reimburse any part of the cost  
6 for those services, in return for a prepaid or periodic  
7 charge paid by or on behalf of the subscribers or enrollees.

8 (2) Any person, whether located within or outside of  
9 this state, who solicits or contracts with a subscriber or  
10 enrollee in this state to pay for or reimburse any part of  
11 the cost of, or who undertakes to arrange or arranges for,  
12 the provision of health care services that are to be  
13 provided wholly or in part in a foreign country in return  
14 for a prepaid or periodic charge paid by or on behalf of  
15 the subscriber or enrollee.

16 (g) “License” means, and “licensed” refers to, a  
17 license as a plan pursuant to Section 1353.

18 (h) “Out-of-area coverage,” for purposes of paragraph  
19 (6) of subdivision (b), means coverage while an enrollee  
20 is anywhere outside the service area of the plan, and shall  
21 also include coverage for urgently needed services to  
22 prevent serious deterioration of an enrollee’s health  
23 resulting from unforeseen illness or injury for which  
24 treatment cannot be delayed until the enrollee returns to  
25 the plan’s service area.

26 (i) “Provider” means any professional person,  
27 organization, health facility, or other person or institution  
28 licensed by the state to deliver or furnish health care  
29 services.

30 (j) “Person” means any person, individual, firm,  
31 association, organization, partnership, business trust,  
32 foundation, labor organization, corporation, limited  
33 liability company, public agency, or political subdivision  
34 of the state.

35 (k) “Service area” means a geographical area  
36 designated by the plan within which a plan shall provide  
37 health care services.

38 (l) “Solicitation” means any presentation or  
39 advertising conducted by, or on behalf of, a plan, where  
40 information regarding the plan, or services offered and



1 charges therefor, is disseminated for the purpose of  
2 inducing persons to subscribe to, or enroll in, the plan.

3 (m) “Solicitor” means any person who engages in the  
4 acts defined in subdivision (1) of this section.

5 (n) “Solicitor firm” means any person, other than a  
6 plan, who through one or more solicitors engages in the  
7 acts defined in subdivision (1) of this section.

8 (o) “Specialized health care service plan contract”  
9 means a contract for health care services in a single  
10 specialized area of health care, including dental care, for  
11 subscribers or enrollees, or which pays for or which  
12 reimburses any part of the cost for those services, in  
13 return for a prepaid or periodic charge paid by or on  
14 behalf of the subscribers or enrollees.

15 (p) “Subscriber” means the person who is responsible  
16 for payment to a plan or whose employment or other  
17 status, except for family dependency, is the basis for  
18 eligibility for membership in the plan.

19 (q) Unless the context indicates otherwise, “plan”  
20 refers to health care service plans and specialized health  
21 care service plans.

22 (r) “Plan contract” means a contract between a plan  
23 and its subscribers or enrollees or a person contracting on  
24 their behalf pursuant to which health care services,  
25 including basic health care services, are furnished; and  
26 unless the context otherwise indicates it includes  
27 specialized health care service plan contracts; and unless  
28 the context otherwise indicates it includes group  
29 contracts.

30 (s) All references in this chapter to financial  
31 statements, assets, liabilities, and other accounting items  
32 mean those financial statements and accounting items  
33 prepared or determined in accordance with generally  
34 accepted accounting principles, and fairly presenting the  
35 matters which they purport to present, subject to any  
36 specific requirement imposed by this chapter or by the  
37 commissioner.

38 SEC. 2. No reimbursement is required by this act  
39 pursuant to Section 6 of Article XIII B of the California  
40 Constitution because the only costs that may be incurred



1 by a local agency or school district will be incurred  
2 because this act creates a new crime or infraction,  
3 eliminates a crime or infraction, or changes the penalty  
4 for a crime or infraction, within the meaning of Section  
5 17556 of the Government Code, or changes the definition  
6 of a crime within the meaning of Section 6 of Article  
7 XIII B of the California Constitution.

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