

Assembly Bill No. 1032

CHAPTER 701

An act to amend Sections 12698, 12705, and 12725 of the Insurance Code, relating to health insurance, and making an appropriation therefor.

[Approved by Governor September 25, 2000. Filed
with Secretary of State September 27, 2000.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1032, Thomson. Health coverage: federally recognized California Indian tribes.

Existing law creates the Access for Infants and Mothers Program, which is administered by the Managed Risk Medical Insurance Board, to provide coverage for perinatal and infant care to residents of this state meeting certain income and other eligibility requirements and paying certain subscriber contributions. Funding for the program is provided by the Perinatal Insurance Fund, a continuously appropriated fund.

This bill would provide that a member of a federally recognized California Indian tribe is a resident of this state for these purposes. This bill would authorize a federally recognized California Indian tribal government to make required subscriber contributions on behalf of a member of the tribe, as specified. Because this bill would result in an increase in revenues to the fund and an increase in expenditures from the fund, it would thereby make an appropriation.

Existing law creates the California Major Risk Medical Insurance Program, which is also administered by the board, to provide major risk health coverage to residents of this state who are unable to secure adequate private health coverage because of preexisting medical conditions and who meet other eligibility requirements and pay certain subscriber contributions. Funding for the program is provided by the Major Risk Medical Insurance Fund, a continuously appropriated fund.

This bill would provide that a member of a federally recognized California Indian tribe is a resident of this state for these purposes. This bill would authorize a federally recognized California Indian tribal government to make required subscriber contributions on behalf of a member of the tribe. Because this bill would result in an increase in revenues to the fund and an increase in expenditures from the fund, it would thereby make an appropriation.

This bill would also make various legislative findings and declarations relative to the potential offer by health plans of health coverage to tribal members.

Appropriation: yes.

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

SECTION 1. This act shall be known and may be cited as the California Indian Health Insurance Purchase Act of 1999.

SEC. 2. The Legislature finds and declares all of the following:

(a) California's Native American tribes lack access to adequate health care services and to health care coverage. The rural areas in which tribes traditionally have resided and the lack of employment relationships of some tribal members make health care coverage difficult to obtain for California's federally recognized Indian tribes and their members.

(b) At least two licensed health care service plans have agreed to offer group health care coverage to members of California tribes under certain conditions, including requirements pertaining to eligibility, participation, and tribal contributions toward premiums, and have agreed to file an undertaking with the Department of Managed Care describing these efforts. These health plans have also agreed to make affirmative efforts to market this coverage to tribes in California.

(c) It is the intent of the Legislature that these health care service plans provide information to the Department of Managed Care, beginning on or before December 31, 2001, on their marketing efforts to California tribes, the number of tribes that elect to purchase coverage, the number of tribal members that are covered pursuant to agreements with these health plans, and the participation of agents and brokers in this effort. It is the intent of the Legislature that these reports continue annually until December 31, 2006.

SEC. 3. Section 12698 of the Insurance Code is amended to read:

12698. To be eligible to participate in the program, a person shall meet all of the following requirements:

(a) Be a resident of the state for at least six continuous months prior to application. A person who is a member of a federally recognized California Indian tribe is a resident of the state for these purposes.

(b) (1) Until the first day of the second month following the effective date of the amendment made to this subdivision in 1994, have a household income that does not exceed 250 percent of the official federal poverty level unless the board determines that the program funds are adequate to serve households above that level.

(2) Upon the first day of the second month following the effective date of the amendment made to this subdivision in 1994, have a household income that is above 200 percent of the official federal poverty level but does not exceed 250 percent of the official federal poverty level unless the board determines that the program funds are



adequate to serve households above the 250 percent of the official federal poverty level.

(c) Pay an initial subscriber contribution of not more than fifty dollars (\$50), and agree to the payment of the complete subscriber contribution. A federally recognized California Indian tribal government may make the initial and complete subscriber contributions on behalf of a member of the tribe only if a contribution on behalf of members of federally recognized California Indian tribes does not limit or preclude federal financial participation under Title XXI of the Social Security Act. If a federally recognized California Indian tribal government makes a contribution on behalf of a member of the tribe, the tribal government shall ensure that the subscriber is made aware of all the health plan options available in the county where the member resides..

SEC. 4. Section 12705 of the Insurance Code is amended to read:

12705. For the purposes of this part, the following terms have the following meanings:

(a) “Applicant” means an individual who applies for major risk medical coverage through the program.

(b) “Board” means the Managed Risk Medical Insurance Board.

(c) “Fund” means the Major Risk Medical Insurance Fund, from which the program may authorize expenditures to pay for medically necessary services which exceed subscribers’ contributions, and for administration of the program.

(d) “Major risk medical coverage” means the payment for medically necessary services provided by institutional and professional providers.

(e) “Participating health plan” means a private insurer (1) holding a valid outstanding certificate of authority from the Insurance Commissioner, a nonprofit hospital service plan qualifying under Chapter 11A (commencing with Section 11491) of Part 2 of Division 2, a nonprofit membership corporation lawfully operating under the Nonprofit Corporation Law (Division 2 (commencing with Section 5000) of the Corporations Code), or a health care service plan as defined under subdivision (f) of Section 1345 of the Health and Safety Code, which is lawfully engaged in providing, arranging, paying for, or reimbursing the cost of personal health care services under insurance policies or contracts, medical and hospital service agreements, or membership contracts, in consideration of premiums or other periodic charges payable to it, and (2) which contracts with the program to administer major risk medical coverage to program subscribers.

(f) “Plan rates” means the total monthly amount charged by a participating health plan for a category of risk.

(g) “Program” means the California Major Risk Medical Insurance Program.



(h) "Subscriber" means an individual who is eligible for and receives major risk medical coverage through the program, and includes a member of a federally recognized California Indian tribe.

(i) "Subscriber contribution" means the portion of participating health plan rates paid by the subscriber, or paid on behalf of the subscriber by a federally recognized California Indian tribal government. If a federally recognized California Indian tribal government makes a contribution on behalf of a member of the tribe, the tribal government shall ensure that the subscriber is made aware of all the health plan options available in the county where the member resides.

SEC. 5. Section 12725 of the Insurance Code is amended to read:

12725. Each resident of the state meeting the eligibility criteria of this section and who is unable to secure adequate private health coverage is eligible to apply for major risk medical coverage through the program. For these purposes, "resident" includes a member of a federally recognized California Indian tribe. To be eligible for enrollment in the program an applicant shall have been rejected for health care coverage by at least one private health plan. An applicant shall be deemed to have been rejected if the only private health coverage which the applicant could secure would (1) impose substantial waivers which the program determines would leave a subscriber without adequate coverage for medically necessary services, or (2) would afford such limited coverage, as the program determines would leave the subscriber without adequate coverage for medically necessary services, or (3) would afford coverage only at an excessive price, which the board determines is significantly above standard average individual coverage rates. Rejection for policies or certificates of specified disease or policies or certificates of hospital confinement indemnity, as described in Section 10198.61, shall not be deemed to be rejection for the purposes of eligibility for enrollment. The board may permit dependents of eligible subscribers to enroll in major risk medical coverage through the program if the board determines the enrollment can be carried out in an actuarially and administratively sound manner.

