

ASSEMBLY BILL

No. 2781

Introduced by Assembly Member Oller

February 25, 2000

An act to amend Section 1343 of the Health and Safety Code, relating to health care service plans.

LEGISLATIVE COUNSEL'S DIGEST

AB 2781, as introduced, Oller. Health care service plans.

Existing law provides for the regulation of health care service plans by the Department of Managed Care, effective no later than July 1, 2000, or earlier pursuant to an executive order of the Governor, and authorizes its director to exempt from this regulation specified classes of persons or plan contracts.

This bill would make nonsubstantive, technical changes to that provision.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

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

1 SECTION 1. Section 1343 of the Health and Safety
2 Code is amended to read:
3 1343. (a) This chapter shall apply to health care
4 service plans and specialized health care service plan
5 contracts as defined in subdivisions (f) and ~~(n)~~ (o) of
6 Section 1345.

1 (b) The director may by the adoption of rules or the
2 issuance of orders deemed necessary and appropriate,
3 either unconditionally or upon specified terms and
4 conditions or for specified periods, exempt from this
5 chapter any class of persons or plan contracts if the
6 director finds the action to be in the public interest and
7 not detrimental to the protection of subscribers,
8 enrollees, or persons regulated under this chapter, and
9 that the regulation of the persons or plan contracts is not
10 essential to the purposes of this chapter.

11 (c) The director, upon request of the Director of
12 Health Services, shall exempt from this chapter any
13 county-operated pilot program contracting with the
14 State Department of Health Services pursuant to Article
15 7 (commencing with Section 14490) of Chapter 8 of Part
16 3 of Division 9 of the Welfare and Institutions Code. The
17 director may exempt non-county-operated pilot
18 programs upon request of the State Director of Health
19 Services. Those exemptions may be subject to conditions
20 the Director of Health Services deems appropriate.

21 (d) Upon the request of the Director of Mental Health,
22 the director may exempt from this chapter any mental
23 health plan contractor or any capitated rate contract
24 under Part 2.5 (commencing with Section 5775) of
25 Division 5 of the Welfare and Institutions Code. Those
26 exemptions may be subject to conditions the Director of
27 Mental Health deems appropriate.

28 (e) This chapter shall not apply to:

29 (1) A person organized and operating pursuant to a
30 certificate issued by the Insurance Commissioner unless
31 the entity is directly providing the health care service
32 through those entity-owned or contracting health
33 facilities and providers, in which case this chapter shall
34 apply to the insurer's plan and to the insurer.

35 (2) A plan directly operated by a bona fide public or
36 private institution of higher learning which directly
37 provides health care services only to its students, faculty,
38 staff, administration, and their respective dependents.



1 (3) A nonprofit corporation formed under Chapter
2 11a (commencing with Section 11491) of Part 2 of
3 Division 2 of the Insurance Code.

4 (4) A person who does all of the following:

5 (A) Promises to provide care for life or for more than
6 one year in return for a transfer of consideration from, or
7 on behalf of, a person 60 years of age or older.

8 (B) Has obtained a written license pursuant to
9 Chapter 2 (commencing with Section 1250) or Chapter
10 3.2 (commencing with Section 1569).

11 (C) Has obtained a certificate of authority from the
12 State Department of Social Services.

13 (5) The ~~Major~~ *Managed Risk* Medical Insurance Board
14 when engaging in activities under Chapter ~~14~~ 8
15 (commencing with Section 10700) of Part 2 of Division 2
16 of the Insurance Code, Part 6.3 (commencing with
17 Section 12695) of Division 2 of the Insurance Code, and
18 Part 6.5 (commencing with Section 12700) of Division 2
19 of the Insurance Code.

20 (6) The California Small Group Reinsurance Fund.

