

AMENDED IN ASSEMBLY JUNE 6, 2000

AMENDED IN ASSEMBLY JULY 12, 1999

AMENDED IN ASSEMBLY JUNE 24, 1999

AMENDED IN SENATE APRIL 21, 1999

SENATE BILL

No. 168

Introduced by Senator Speier

January 11, 1999

~~An act to amend Sections 12693.60, 12693.61, 12693.615, 12693.63, 12693.65, and 12693.68 of, to amend, repeal, and add Sections 12693.27, 12693.39, 12693.40, 12693.42, and 12693.44 of, and to add Section 12693.76 to, the Insurance Code, relating to children's health insurance. An act to add Section 1367.36 to the Health and Safety Code, relating to health care service plans.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 168, as amended, Speier. ~~Healthy Families Program~~
Health care service plans: immunizations for children: reimbursement of physicians.

Existing law provides for the licensing and 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. Existing law requires every health care service plan that covers hospital, medical, or surgical expenses on a group basis to provide certain preventative health care benefits for children, including

immunizations. A willful violation of the provisions governing health care service plans is a crime.

This bill would generally prohibit a risk-based contract between a health care service plan and a physician or physician group that is issued, amended, delivered, or renewed in this state on or after January 1, 2001, from including a provision that requires a physician or a physician group to assume financial risk for the acquisition or administrative costs of required immunizations for children as a condition of accepting the risk-based contract. This bill would require plans to reimburse physicians within a specified time for those immunizations at not less than the actual acquisition cost of the vaccine and the reasonable cost to administer the vaccine. This bill would prohibit a health care service plan from including the acquisition or administration costs associated with required immunizations for children in the capitation rate of a physician who is individually capitated. This bill would enact other related provisions. Because a willful violation of the bill's requirements would be a crime, this bill would impose a state-mandated local program by creating a new crime.

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.

~~Existing law creates the Healthy Families Program, administered by the Managed Risk Medical Insurance Board, to arrange for the provision of health care coverage, including dental and vision care, to children older than 12 months and less than 19 years of age who meet certain criteria, including having a gross annual household income equal to or less than 200% of the federal poverty level, and meeting citizenship and immigration requirements. Existing law requires the board to establish a purchasing pool to obtain coverage for eligible children, and also requires the board to develop a purchasing credit mechanism under certain conditions whereby applicants with access to an employer-sponsored health plan may have an eligible child enrolled in that plan.~~



~~This bill would allow the board to use the purchasing credit mechanism to enroll the child in the employer health plan if the applicant declines coverage for the child and the child has not been covered for 3 months and if it is cost-effective to do so.~~

~~This bill would require the board to report to the Legislature by January 15, 2003, on the implementation of the purchasing credit mechanism, as specified. This bill would require a participating employer to provide certain information to the board. This bill would also repeal these and other related changes affecting the purchasing credit mechanism on July 1, 2003.~~

~~This bill would also authorize a local government entity to use local funds to match federal funds that will not be used by the state to provide additional services through a community-based health delivery system to eligible children, as specified.~~

~~The bill would make various other changes to the program.~~

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

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

1 SECTION 1.—Section 12693.27 of the Insurance Code
2 SECTION 1. Section 1367.36 is added to the Health
3 and Safety Code, to read:
4 1367.36. (a) A risk-based contract between a health
5 care service plan and a physician or physician group that
6 is issued, amended, delivered, or renewed in this state on
7 or after January 1, 2001, shall not include a provision that
8 requires a physician or a physician group to assume
9 financial risk for the acquisition or administrative costs of
10 required immunizations for children as a condition of
11 accepting the risk-based contract. For purposes of this
12 section, a change in a contract's capitation rate shall be
13 considered an amendment of the contract.
14 (b) Beginning January 1, 2001, a health care service
15 plan shall reimburse physicians, who are contractually
16 obligated to provide required immunizations for
17 children, at not less than the actual acquisition cost of the



1 vaccine and the reasonable cost to administer the
2 vaccine. Reimbursements shall be made within 45 days of
3 receipt by the plan of documents from the physician
4 demonstrating that the immunizations were performed,
5 consistent with Section 1371.

6 (c) Physicians and physician groups may assume
7 financial risk for providing required immunizations, if the
8 immunizations have experiential data that has been
9 negotiated and agreed upon by the health care service
10 plan and the physician risk-bearing organization.
11 However, a health care service plan shall not require a
12 physician risk-bearing organization to accept financial
13 risk or impose additional risk on a physician risk-bearing
14 organization in violation of subdivision (a).

15 (d) A health care service plan shall not include the
16 acquisition or administration costs associated with
17 required immunizations for children in the capitation
18 rate of a physician who is individually capitated.

19 SEC. 2. No reimbursement is required by this act
20 pursuant to Section 6 of Article XIII B of the California
21 Constitution because the only costs that may be incurred
22 by a local agency or school district will be incurred
23 because this act creates a new crime or infraction,
24 eliminates a crime or infraction, or changes the penalty
25 for a crime or infraction, within the meaning of Section
26 17556 of the Government Code, or changes the definition
27 of a crime within the meaning of Section 6 of Article
28 XIII B of the California Constitution.

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**All matter omitted in this version of the
bill appears in the bill as amended in the
Assembly, July 12, 1999 (JR 11)**

