

AMENDED IN SENATE FEBRUARY 23, 1999

SENATE BILL

No. 169

Introduced by Senator Speier

January 11, 1999

An act to add Section 22791.5 to the Government Code, to add Section 12693.22 to the Insurance Code, and to add Sections 14165.65 and 14207 to the Welfare and Institutions Code, relating to health care service plans.

LEGISLATIVE COUNSEL'S DIGEST

SB 169, as amended, Speier. Health care service plans: state systems: ~~contract~~ *contract* service area.

Existing law provides for the licensure and regulation of health care service plans, administered by the Commissioner of Corporations.

Existing law, the Public Employees' Medical and Hospital Care Act, authorizes the Board of Administration of the Public ~~Employee's~~ *Employees'* Retirement System to contract with carriers for health benefits plans for state and local employees and annuitants and their family members.

Existing law establishes the Healthy Families Program to arrange for the provision of health care coverage to eligible children. The Managed Risk Medical Insurance Board is required to administer the program and is authorized to enter contracts for this purpose.

Existing law authorizes the California Medical Assistance Commission to contract with health care delivery systems for the provision of health care services to recipients under the Medi-Cal program.

Existing law authorizes the State Department of Health Services to contract with prepaid health plans to provide benefits under the Medi-Cal program.

This bill would prohibit the above-described boards, commission, and department from contracting with or renewing a contract with a health care service plan that also participates in the federal Medicare managed care program *in the State of California* unless the plan offers Medicare *managed care* coverage throughout the plan’s entire proposed contracted service area.

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

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

1 SECTION 1. Section 22791.5 is added to the
2 Government Code, to read:

3 22791.5. The board shall not contract or renew a
4 contract with a health care service plan that also
5 participates in the federal Medicare managed care
6 program *in the State of California* unless that plan offers
7 ~~the—Medicare~~ *Medicare managed care* coverage
8 throughout the plan’s entire proposed contracted service
9 area.

10 SEC. 2. Section 12693.22 is added to the Insurance
11 Code, to read:

12 12693.22. The board shall not contract or renew a
13 contract with a health care service plan that also
14 participates in the federal Medicare managed care
15 program *in the State of California* unless that plan offers
16 ~~the—Medicare~~ *Medicare managed care* coverage
17 throughout the plan’s entire proposed contracted service
18 area.

19 SEC. 3. Section 14165.65 is added to the Welfare and
20 Institutions Code, to read:

21 14165.65. The commission shall not contract or renew
22 a contract with a health care service plan that also
23 participates in the federal Medicare managed care
24 program *in the State of California* unless that plan offers
25 ~~the—Medicare~~ *Medicare managed care* coverage



1 throughout the plan's entire proposed contracted service
2 area.

3 SEC. 4. Section 14207 is added to the Welfare and
4 Institutions Code, to read:

5 14207. The department shall not contract or renew a
6 contract with a health care service plan that also
7 participates in the federal Medicare managed care
8 program *in the State of California* unless that plan offers
9 ~~the~~ Medicare *Medicare managed care* coverage
10 throughout the plan's entire proposed contracted service
11 area.

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