

AMENDED IN ASSEMBLY JUNE 21, 1999

AMENDED IN ASSEMBLY JUNE 8, 1999

SENATE BILL

No. 422

Introduced by Senator Figueroa

February 16, 1999

An act to add Section 1367.03 to the Health and Safety Code, relating to health care service plans.

LEGISLATIVE COUNSEL'S DIGEST

SB 422, as amended, Figueroa. Health care service plans: prior authorizations: denials.

Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for licensure and regulation of health care service plans and specialized health care service plans by the Commissioner of Corporations. Willful violation of those provisions is a crime.

This bill would *require any communication by a health care service plan or its contracting medical groups and independent practice associations, indicating a denial or modification of a request for prior authorization for health care services to be communicated to the enrollee in writing, and to physicians or other health care providers, initially by telephone, and then in typewritten form.* The bill would also require any written communication to a physician or other health care provider of a denial *or modification* of a request for prior authorization ~~that is issued by a physician or other health care provider~~ to include the name and telephone number of the health care professional responsible for the

denial. The bill would change the definition of a crime, thereby creating a state-mandated local program.

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 1367.03 is added to the Health
2 and Safety Code, to read:

3 1367.03. ~~Any~~ *Any communication by a health care*
4 *service plan or its contracting medical groups and*
5 *independent practice associations, indicating a denial or*
6 *modification of a request for prior authorization for*
7 *health care services shall be communicated to the*
8 *enrollee in writing, and to physicians or other health care*
9 *providers, initially by telephone, and then in typewritten*
10 *form. Any written communication to a physician or other*
11 *health care provider of a denial or modification of a*
12 *request for prior authorization—~~that is issued by a~~*
13 *physician or other health care provider shall include the*
14 *name and telephone number of the health care*
15 *professional responsible for the denial. The telephone*
16 *number provided shall be a direct number or an*
17 *extension, to allow the physician or health care provider*
18 *easily to contact the professional responsible for the*
19 *denial.*

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



1 of a crime within the meaning of Section 6 of Article
2 XIII B of the California Constitution.

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