

**Introduced by Senator Speier**February 25, 1999

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An act to add Section 1367.651 to the Health and Safety Code, to add Section 10123.811 to the Insurance Code, and to amend Sections 14132.16 and 14132.17 of the Welfare and Institutions Code, relating to health care.

## LEGISLATIVE COUNSEL'S DIGEST

SB 880, as introduced, Speier. Health care: screening tests: reimbursement.

Existing law provides for the Medi-Cal program, pursuant to which health services are provided to certain low-income persons. Under existing law, mammography and annual cervical cancer tests for screening or diagnostic purposes are covered to the extent required or permitted by federal law.

This bill would prohibit the Medi-Cal program from reimbursing less than the Medicare rate of payment for those services.

Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Commissioner of Corporations. Under existing law, willful violation of these provisions is a crime. Existing law also provides for the regulation of policies of disability insurance administered by the Insurance Commissioner. Existing law requires health care service plans and disability insurance policies to cover mammography and screening for cervical cancer in certain circumstances.

This bill would require health care service plans and disability insurers to reimburse providers of screening



mammography and cervical cancer screening tests at a rate equal to or greater than the reimbursement paid by the Medi-Cal program for those services. By changing the definition of a crime with regard to health care service plans, this bill would impose 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. (a) The timely and accurate screening  
2 of women for breast and cervical cancer through the use  
3 of mammography and pap smear screening is essential to  
4 early detection of breast and cervical cancer.

5 (b) The performance of both pap smear and  
6 mammography screening are uniquely regulated as  
7 medical procedures with specific state and federal  
8 requirements establishing training or accreditation  
9 standards for providers of those services.

10 (c) Current reimbursement by Medi-Cal and some  
11 private insurers is substantially less than the actual cost of  
12 providing those services. Reimbursement for other  
13 screening procedures, such as prostate cancer screening,  
14 which is much less labor intensive, is significant closer to  
15 actual cost.

16 (d) The impact of inadequate reimbursement for pap  
17 smears and mammography screening has led to the  
18 discontinuance by some physician providers of these  
19 services and has negatively effected the availability of  
20 new technologies for screening.

21 SEC. 2. Section 1367.651 is added, immediately  
22 following Section 1367.65, to the Health and Safety Code,  
23 to read:



1 1367.651. Every health care service plan contract  
2 issued, amended, renewed, or delivered on or after  
3 January 1, 2000, shall provide for reimbursement of  
4 providers of cervical cancer screening tests and screening  
5 mammography at a rate equal to or greater than the  
6 reimbursement paid by the Medi-Cal program for those  
7 services.

8 SEC. 3. Section 10123.811 is added, immediately  
9 following Section 10123.81, to the Insurance Code, to  
10 read:

11 10123.811. Every policy of individual or group  
12 disability insurance issued, amended, renewed, or  
13 delivered on or after January 1, 2000, shall provide for  
14 reimbursement of providers of cervical cancer screening  
15 tests and screening mammography at a rate equal to or  
16 greater than the reimbursement paid by the Medi-Cal  
17 program for those services.

18 SEC. 4. Section 14132.16 of the Welfare and  
19 Institutions Code is amended to read:

20 14132.16. Mammography for screening or diagnostic  
21 purposes upon the referral of a patient's physician shall be  
22 covered under this chapter on or after January 1, 1988, to  
23 the extent required or permitted by federal law. *The*  
24 *Medi-Cal program shall not reimburse less than the*  
25 *Medicare rate of payment for screening mammography*  
26 *as adjusted pursuant to federal law.*

27 SEC. 5. Section 14132.17 of the Welfare and  
28 Institutions Code is amended to read:

29 14132.17. Annual cervical cancer tests for screening or  
30 diagnostic purposes, upon the referral of a patient's  
31 physician, is a covered benefit under this chapter, on or  
32 after January 1, 1991, to the extent required or permitted  
33 by federal law. *The Medi-Cal program shall not*  
34 *reimburse less than provider cost for performance of*  
35 *cervical cancer tests for screening or diagnostic purposes.*  
36 *Provider cost shall not be less than fifteen dollars (\$15),*  
37 *but may be adjusted based upon a random cost survey of*  
38 *clinical laboratories performed by the department.*

39 SEC. 6. No reimbursement is required by this act  
40 pursuant to Section 6 of Article XIII B of the California



1 Constitution because the only costs that may be incurred  
2 by a local agency or school district will be incurred  
3 because this act creates a new crime or infraction,  
4 eliminates a crime or infraction, or changes the penalty  
5 for a crime or infraction, within the meaning of Section  
6 17556 of the Government Code, or changes the definition  
7 of a crime within the meaning of Section 6 of Article  
8 XIII B of the California Constitution.

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