

AMENDED IN ASSEMBLY APRIL 9, 2007

CALIFORNIA LEGISLATURE—2007—08 REGULAR SESSION

ASSEMBLY BILL

No. 1296

Introduced by Assembly Member Torrico

February 23, 2007

An act to ~~amend Section 22853~~ of *add Section 22854.5* to the Government Code, relating to public employee health benefits.

LEGISLATIVE COUNSEL'S DIGEST

AB 1296, as amended, Torrico. Public employee health benefits: *disclosures.*

The Public Employees' Medical and Hospital Care Act requires the Board of Administration of the Public Employees' Retirement System to approve health benefit plans for certain public employees and annuitants, and authorizes the board to contract with carriers offering health benefit plans. The act sets forth certain criteria the board may take into account when considering a contract with an entity seeking to provide health care benefits or services, and allows the board to require specified documents from that entity.

This bill would require a health benefit plan or contract, or entities offering services relating to the administration of health benefit plans, to disclose to the Board of Administration of the Public Employees' Retirement System the cost, utilization, and actual provider claim payments on behalf of each member and annuitant for all health care services rendered, including the allowance amounts for services billed. The bill would deem this information confidential, subject to evidentiary trade secret protections, and exempt from the California Public Records Act, as specified.

~~The Public Employees' Medical and Hospital Care Act requires the Board of Administration of the Public Employees' Retirement System to approve health benefit plans for certain public employees and annuitants, and authorizes the board to contract with carriers offering health benefit plans.~~

~~This bill would make technical, nonsubstantive changes to a provision of that act.~~

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

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

1 SECTION 1. Section 22854.5 is added to the Government Code,
2 to read:

3 22854.5. (a) A health benefit plan or contract, or an entity
4 offering services relating to the administration of health benefit
5 plans to employees and annuitants, shall disclose to the board and
6 staff the cost, utilization, and actual provider claim payments on
7 behalf of each member and annuitant for all health care services
8 rendered, including the provider contract allowance amounts for
9 services billed for each individual health care provider.

10 (b) The member and annuitant health care services cost,
11 utilization, and payment information shall be deemed confidential
12 information and protected in accordance with the federal Health
13 Insurance Portability and Accountability Act of 1996 (42 U.S.C.
14 Sec. 300gg) and the final regulations issued pursuant to the act
15 by the United States Department of Health and Human Services
16 (45 C.F.R. Parts 160 and 164). As such, information provided to
17 the board and staff shall not include individual member or
18 annuitant identifying information.

19 (c) The provider contract allowance amounts and payments
20 shall be deemed to be confidential trade secret information in
21 accordance with subdivision (d) of Section 3426.1 of the Civil
22 Code and Section 1060 of the Evidence Code.

23 (d) The board shall not disclose the member and annuitant
24 health care services cost, utilization, and payment information or
25 provider contract allowance amounts to any other carrier or entity,
26 and shall not make that information available to the public.

27 (e) The member and annuitant health care services cost,
28 utilization, and payment information and the provider contract

1 allowance amounts shall be exempt from disclosure under the
2 California Public Records Act (Chapter 3.5 (commencing with
3 Section 6250) of Division 7 of Title 1) pursuant to subdivision (k)
4 of Section 6254.

5 ~~SECTION 1. Section 22853 of the Government Code is~~
6 ~~amended to read:~~

7 ~~22853. (a) Each contract shall contain a detailed statement of~~
8 ~~benefits offered and shall include maximums, limitations,~~
9 ~~exclusions, and other definitions of benefits as the board deems~~
10 ~~necessary or desirable.~~

11 ~~(b) Except as otherwise provided by this part, a health benefit~~
12 ~~plan or contract may not exclude any person on account of physical~~
13 ~~condition, age, race, or any other status. Except as otherwise~~
14 ~~provided by this part, transfer of enrollment to a health benefit~~
15 ~~plan shall be open to all employees and annuitants in accordance~~
16 ~~with Section 22841.~~

17 ~~(c) A health benefit plan or contract shall offer to each employee~~
18 ~~or annuitant whose enrollment in the plan is terminated other than~~
19 ~~by cancellation of enrollment, voluntary separation from~~
20 ~~employment, or dismissal from employment for cause, the option~~
21 ~~to convert to an individual health benefit policy, without regard~~
22 ~~to health status, but within the time limit approved by the board.~~
23 ~~An employee or annuitant that exercises this option shall pay the~~
24 ~~full periodic charges of the individual policy according to the terms~~
25 ~~and conditions prescribed by the carrier and approved by the board.~~

26 ~~(d) A health benefit plan or contract shall provide grievance~~
27 ~~procedures to protect the rights of employees and annuitants.~~

28 ~~(e) The board shall provide a sufficient number of health benefit~~
29 ~~plans that provide chiropractic services so that every employee~~
30 ~~and annuitant has a reasonable opportunity to enroll in a health~~
31 ~~benefit plan that provides chiropractic services without prior~~
32 ~~referral by a physician.~~