

AMENDED IN ASSEMBLY APRIL 19, 2007

AMENDED IN ASSEMBLY APRIL 9, 2007

CALIFORNIA LEGISLATURE—2007—08 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1296**

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**Introduced by Assembly Member Torrico**

February 23, 2007

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An act to 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 *by hospitals*, 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.

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 22854.5 is added to the Government  
2 Code, 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~~ *health care services rendered by hospitals*, including the  
9 ~~provider~~ contract allowance amounts for services billed for each  
10 individual ~~health care provider~~ *hospital*.

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

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

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

28 (e) The member and annuitant health care services cost,  
29 utilization, and payment information and the provider contract  
30 allowance amounts shall be exempt from disclosure under the  
31 California Public Records Act (Chapter 3.5 (commencing with

- 1 Section 6250) of Division 7 of Title 1) pursuant to subdivision (k)
- 2 of Section 6254.

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