

AMENDED IN ASSEMBLY SEPTEMBER 4, 2009

AMENDED IN ASSEMBLY AUGUST 31, 2009

AMENDED IN ASSEMBLY JUNE 22, 2009

AMENDED IN SENATE JUNE 1, 2009

AMENDED IN SENATE MAY 20, 2009

SENATE BILL

No. 630

**Introduced by Senator Steinberg
(Coauthor: Senator Alquist)**

February 27, 2009

An act to amend Section 1367.63 of the Health and Safety Code, and to amend Section 10123.88 of the Insurance Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

SB 630, as amended, Steinberg. Health care coverage: cleft palate reconstructive surgery: dental and orthodontic services.

Existing law provides for the licensure and regulation of health care service plans by the Department of Managed Health Care. Existing law provides for the regulation of health insurers by the Department of Insurance. A willful violation of the provisions governing health care service plans is a crime. Existing law requires health care service plan contracts and health insurance policies to cover reconstructive surgery, as defined.

This bill would define reconstructive surgery, *as of July 1, 2010*, to include medically necessary dental or orthodontic services that are an integral part of reconstructive surgery for cleft palate procedures, except as specified. Because a willful violation of this provision by a health

care service plan would be a crime, the 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. Section 1367.63 of the Health and Safety Code
2 is amended to read:

3 1367.63. (a) Every health care service plan contract, except a
4 specialized health care service plan contract, that is issued,
5 amended, renewed, or delivered in this state on or after July 1,
6 1999, shall cover reconstructive surgery, as defined in subdivision
7 (c), that is necessary to achieve the purposes specified in
8 subparagraph (A) or (B) of paragraph (1) of subdivision (c).
9 Nothing in this section shall be construed to require a plan to
10 provide coverage for cosmetic surgery, as defined in subdivision
11 (d).

12 (b) No individual, other than a licensed physician competent to
13 evaluate the specific clinical issues involved in the care requested,
14 may deny initial requests for authorization of coverage for
15 treatment pursuant to this section. For a treatment authorization
16 request submitted by a podiatrist or an oral and maxillofacial
17 surgeon, the request may be reviewed by a similarly licensed
18 individual, competent to evaluate the specific clinical issues
19 involved in the care requested.

20 (c) (1) "Reconstructive surgery" means surgery performed to
21 correct or repair abnormal structures of the body caused by
22 congenital defects, developmental abnormalities, trauma, infection,
23 tumors, or disease to do either of the following:

24 (A) To improve function.

25 (B) To create a normal appearance, to the extent possible.

26 ~~(2) "Reconstructive surgery" includes~~

27 (2) *As of July 1, 2010, "reconstructive surgery" shall include*
28 medically necessary dental or orthodontic services that are an

1 integral part of reconstructive surgery, as defined in paragraph (1),
2 for cleft palate procedures.

3 (3) For purposes of this section, “cleft palate” means a condition
4 that may include cleft palate, cleft lip, or other craniofacial
5 anomalies associated with cleft palate.

6 (d) “Cosmetic surgery” means surgery that is performed to alter
7 or reshape normal structures of the body in order to improve
8 appearance.

9 (e) In interpreting the definition of reconstructive surgery, a
10 health care service plan may utilize prior authorization and
11 utilization review that may include, but need not be limited to, any
12 of the following:

13 (1) Denial of the proposed surgery if there is another more
14 appropriate surgical procedure that will be approved for the
15 enrollee.

16 (2) Denial of the proposed surgery or surgeries if the procedure
17 or procedures, in accordance with the standard of care as practiced
18 by physicians specializing in reconstructive surgery, offer only a
19 minimal improvement in the appearance of the enrollee.

20 (3) Denial of payment for procedures performed without prior
21 authorization.

22 (4) For services provided under the Medi-Cal program (Chapter
23 7 (commencing with Section 14000) of Part 3 of Division 9 of the
24 Welfare and Institutions Code), denial of the proposed surgery if
25 the procedure offers only a minimal improvement in the appearance
26 of the enrollee, as may be defined in any regulations that may be
27 promulgated by the State Department of Health Care Services.

28 (f) As applied to services described in paragraph (2) of
29 subdivision (c) only, this section shall not apply to Medi-Cal
30 managed care plans that contract with the State Department of
31 Health Care Services pursuant to Chapter 7 (commencing with
32 Section 14000) of, Chapter 8 (commencing with Section 14200)
33 of, or Chapter 8.75 (commencing with Section 14590) of, Part 3
34 of Division 9 of the Welfare and Institutions Code, where such
35 contracts do not provide coverage for California Children’s
36 Services (CCS) or dental services.

37 SEC. 2. Section 10123.88 of the Insurance Code is amended
38 to read:

39 10123.88. (a) Every policy of health insurance covering
40 hospital, medical, or surgical expenses that is issued, amended,

1 renewed, or delivered in this state on or after July 1, 1999, shall
2 cover reconstructive surgery, as defined in subdivision (c), that is
3 necessary to achieve the purposes specified in subparagraph (A)
4 or (B) of paragraph (1) of subdivision (c). Nothing in this section
5 shall be construed to require a policy to provide coverage for
6 cosmetic surgery, as defined in subdivision (d). This section shall
7 only apply to health benefit plans, as defined in subdivision (a) of
8 Section 10198.6, except that for accident only, specified disease,
9 or hospital indemnity insurance, coverage for benefits under this
10 section shall apply to the extent that the benefits are covered under
11 the general terms and conditions that apply to all other benefits
12 under the policy. Nothing in this section shall be construed as
13 imposing a new benefit mandate on accident only, specified
14 disease, or hospital indemnity insurance.

15 (b) No individual, other than a licensed physician competent to
16 evaluate the specific clinical issues involved in the care requested,
17 may deny initial requests for authorization of coverage for
18 treatment pursuant to this section. For a treatment authorization
19 request submitted by a podiatrist or an oral and maxillofacial
20 surgeon, the request may be reviewed by a similarly licensed
21 individual, competent to evaluate the specific clinical issues
22 involved in the care requested.

23 (c) (1) “Reconstructive surgery” means surgery performed to
24 correct or repair abnormal structures of the body caused by
25 congenital defects, developmental abnormalities, trauma, infection,
26 tumors, or disease to do either of the following:

27 (A) To improve function.

28 (B) To create a normal appearance, to the extent possible.

29 ~~(2) “Reconstructive surgery” includes~~

30 *(2) As of July 1, 2010, “reconstructive surgery” shall include*
31 medically necessary dental or orthodontic services that are an
32 integral part of reconstructive surgery, as defined in paragraph (1),
33 for cleft palate procedures.

34 (3) For purposes of this section, “cleft palate” means a condition
35 that may include cleft palate, cleft lip, or other craniofacial
36 anomalies associated with cleft palate.

37 (d) Nothing in this section shall be construed to require an
38 insurer to provide coverage for cosmetic surgery. “Cosmetic
39 surgery” means surgery that is performed to alter or reshape normal
40 structures of the body in order to improve the patient’s appearance.

1 (e) In interpreting the definition of reconstructive surgery, an
2 insurer may utilize prior authorization and utilization review that
3 may include, but need not be limited to, any of the following:

4 (1) Denial of the proposed surgery if there is another more
5 appropriate surgical procedure that will be approved for the
6 enrollee.

7 (2) Denial of the proposed surgery or surgeries if the procedure
8 or procedures, in accordance with the standard of care as practiced
9 by physicians specializing in reconstructive surgery, offer only a
10 minimal improvement in the appearance of the enrollee.

11 (3) Denial of payment for procedures performed without prior
12 authorization.

13 ~~SEC. 3.—It is the intent of the Legislature to clarify and confirm~~
14 ~~that medically necessary dental or orthodontic services performed~~
15 ~~to provide or complete reconstructive surgery for cleft palate~~
16 ~~procedures are examples of services that are already required by~~
17 ~~the statutory provisions amended by this act.~~

18 ~~It is not the intent of the Legislature to narrow the existing~~
19 ~~requirement to provide reconstructive surgery or to otherwise limit~~
20 ~~or prevent coverage for dental or orthodontic services that are a~~
21 ~~necessary and integral part of reconstructive surgery to address~~
22 ~~other medical conditions pursuant to current law. Further, it is not~~
23 ~~the intent of the Legislature to extend the requirement to provide~~
24 ~~coverage to dental or orthodontic services that are not medically~~
25 ~~necessary and are not related to medical conditions that require~~
26 ~~reconstructive surgery.~~

27 ~~SEC. 4.~~

28 *SEC. 3.* No reimbursement is required by this act pursuant to
29 Section 6 of Article XIII B of the California Constitution because
30 the only costs that may be incurred by a local agency or school
31 district will be incurred because this act creates a new crime or
32 infraction, eliminates a crime or infraction, or changes the penalty
33 for a crime or infraction, within the meaning of Section 17556 of
34 the Government Code, or changes the definition of a crime within
35 the meaning of Section 6 of Article XIII B of the California
36 Constitution.