

AMENDED IN ASSEMBLY JUNE 18, 2012
AMENDED IN SENATE JANUARY 10, 2012
AMENDED IN SENATE MAY 10, 2011

SENATE BILL

No. 690

Introduced by Senator Hernandez

February 18, 2011

An act to add Section 1373.15 to the Health and Safety Code, and to add Section 10177.15 to the Insurance Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

SB 690, as amended, Hernandez. Health care coverage: discrimination.

Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the regulation of health care service plans by the Department of Managed Health Care and makes a willful violation of the act a crime. Existing law provides for the regulation of health insurers by the Department of Insurance. Existing law prohibits certain discriminatory acts by health care service plans and health insurers. Existing federal law, beginning January 1, 2014, prohibits a group health plan and a health insurance issuer offering group or individual health insurance coverage from discriminating with respect to participation under the plan or coverage against any health care provider who is acting within the scope of that provider's license or certification under applicable state law.

Beginning January 1, 2014, this bill would prohibit a health care service plan or health insurer from discriminating against any health

care provider who is acting within the scope of that provider's license, as specified.

Because a willful violation of the bill's provisions relative to health care service plans 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 1373.15 is added to the Health and Safety
2 Code, to read:

3 1373.15. (a) Beginning January 1, 2014, no health care service
4 plan shall discriminate with respect to provider participation or
5 coverage under the plan against any health care provider who is
6 acting within the scope of that provider's license or certification
7 *under applicable state law including initiative act.*

8 (b) Notwithstanding subdivision (a), this section shall not be
9 construed to require that a health care service plan contract with
10 any health care provider willing to abide by the terms and
11 conditions for participation established by the plan or issuer.

12 (c) Nothing in this section shall be construed as preventing a
13 health care service plan from establishing varying reimbursement
14 rates based on quality or performance measures.

15 (d) This section shall be implemented only to the extent required
16 by the provider nondiscrimination provisions established in Section
17 2706 of the federal Public Health Service Act (42 U.S.C. Sec.
18 300gg-5), and any federal rules or regulations issued under that
19 section.

20 SEC. 2. Section 10177.15 is added to the Insurance Code, to
21 read:

22 10177.15. (a) Beginning January 1, 2014, no health insurer
23 shall discriminate with respect to provider participation or coverage
24 under the policy against any health care provider who is acting

1 within the scope of that provider's license or certification *under*
2 *applicable state law including initiative act.*

3 (b) Notwithstanding subdivision (a), this section shall not be
4 construed to require that a health insurer contract with any health
5 care provider willing to abide by the terms and conditions for
6 participation established by the insurer or issuer.

7 (c) Nothing in this section shall be construed as preventing a
8 health insurer from establishing varying reimbursement rates based
9 on quality or performance measures.

10 (d) This section shall be implemented only to the extent required
11 by the provider nondiscrimination provisions established in Section
12 2706 of the federal Public Health Service Act (42 U.S.C. Sec.
13 300gg-5), and any federal rules or regulations issued under that
14 section.

15 SEC. 3. No reimbursement is required by this act pursuant to
16 Section 6 of Article XIII B of the California Constitution because
17 the only costs that may be incurred by a local agency or school
18 district will be incurred because this act creates a new crime or
19 infraction, eliminates a crime or infraction, or changes the penalty
20 for a crime or infraction, within the meaning of Section 17556 of
21 the Government Code, or changes the definition of a crime within
22 the meaning of Section 6 of Article XIII B of the California
23 Constitution.