

**2009-2010 Regular Session
State Legislative Report as of 01/20/2010**

Priority Board Bills

***AB 1595** (Jones) Federal Health Care Reform Implementation

This bill may not be heard in committee until 02/04/2010. This bill states the intent of the Legislature to enact legislation that would implement federal health care reform in California. For a summary of this bill see page 3 of this report.

***AB 1602** (Bass) California Cooperative Health Insurance Purchasing Exchange

This bill may not be heard in committee until 02/05/2010. This bill states the intent of the Legislature to implement the provisions of the health care exchange currently included in federal health care reform legislation. This bill is described further on page 3 of this report.

***AB 1653** (Jones) Extension of Quality Assurance Fee

This bill may not be heard in committee until 02/15/2010. This bill would extend for an additional six months—through June 30, 2011—the quality assurance fee that AB 1383 (2009) imposed on specified hospitals. For a summary of this bill see page 4 of this report.

SB 227 (Alquist) MRMIP Expansion

This bill is unchanged from last year. The author intends to move it forward in 2010. This bill would, among other things, significantly alter the funding and benefit structure of MRMIP and would expand MRMIB's role in the coverage of high-risk individuals. For a summary of this bill see page 5 of this report.

SB 311 (Alquist) CHIPRA Implementation

Status: 06/02/2009-Senate APPROPRIATIONS (failed deadline in 2009). 2-year bill

This bill is unchanged from last year. It is in Senate Appropriations, and the author intends to move this bill forward in 2010. This bill would state the intent of the Legislature to implement CHIPRA and would require MRMIB to apply the prospective payment system to services provided by federally qualified health centers and rural health clinics. For a summary of this bill see page 6 of this report.

SB 810 (Leno) Universal Health Care

This bill was amended 01/13/2010 to update its deadlines and is set to be heard in the Senate Appropriations Committee on 01/21/2010. This bill states the intent of the Legislature to establish a single system of universal health care coverage and a single public payer for all health care services in California. For a summary of this bill see page 8 of this report.

* New bills since the previous Board meeting

Assembly Bills

***AB 113** (Portantino) Mandated Benefit: Mammography for Screening and Diagnosis

Version: Amended 01/04/2010

Sponsor: Author

Status: 01/12/2010-Assembly APPROPRIATIONS-Set for hearing 01/21/2010

This bill would require health plans and insurers to cover screening and diagnostic mammography upon referral by participating physicians, physician assistants, nurse practitioners and certified nurse midwives. The bill would further require health plans and insurers to give subscribers information regarding recommended breast cancer screening timelines.

AB 1445 (Chesbro) Visits to Federally Qualified Health Centers and Rural Health Clinics

Version: Amended 06/01/2009

Sponsor: California Primary Care Association

Status: 07/09/2009-Senate APPROPRIATIONS

This bill is unchanged since last reported to the Board. MRMIB staff is inquiring with the author whether it will move forward in 2010. The bill would require federally qualified health centers (FQHCs) and rural health clinics (RHCs) to apply to the Department of Health Care Services for an adjustment to their per-visit rate when they count as a single visit the cost of multiple encounters with health professionals that occur on the same day at a single location. It would also require FQHCs and RHCs to bill a medical visit and another health visit that take place on the same day at a single location as separate visits.

AB 1503 (Lieu) Provider Reimbursement for Unpaid Emergency Health Care Services

Version: Introduced 02/27/2009

Sponsor: Health Access, Western Center on Law and Poverty

Status: 06/11/2009-Senate HEALTH

This bill is unchanged since last reported to the Board. The author intends to move this bill forward in 2010. Among other things, this bill would:

- Adapt fair pricing provisions established for hospitals by AB 774 (Chan, 2005) to emergency physicians;
- Modify current criteria for providers requesting reimbursement from the state Maddy Emergency Medical Services Fund (Maddy Fund), which was established to partially reimburse providers for uncompensated emergency care;
- Require providers to provide a fee discount for patients with high medical costs (as defined by the bill) and incomes at or below 350 percent of the federal poverty limit. This discount would limit payment to the provider to the greater of the rate paid by Medi-Cal, Healthy Families Program (HFP) or other state health program in which the provider participates;
- Prohibit garnishing the wages or selling the primary residence of patients receiving the providers discount, with exceptions;

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* New bills since the previous Board meeting

- Require providers to notify patients who do not have third-party coverage that the patient may be eligible for Medicare, Healthy Families, Medi-Cal, California Children's Services Program or discounted payment care.

***AB 1595** (Jones) Federal Health Care Reform Implementation

Version: Introduced 01/04/2010

Sponsor: Author

Status: 01/04/2010-FIRST READING. May not be heard in committee until 02/04/2010

This spot bill states the intent of the Legislature to enact legislation that would implement federal health care reform in California.

***AB 1600** (Beall) Mental Health Parity

Version: Introduced 01/04/2010

Sponsor: TBD

Status: 01/14/2010-Assembly HEALTH. May not be heard in committee until 02/04/2010.

The bill would require health plan contracts and insurer policies issued, amended or renewed on or after January 1, 2011, to cover the diagnosis and treatment of any mental illness, for any person of any age, and under the same terms and conditions of other medical conditions. The bill would exempt Medi-Cal plans. The coverage required by this bill must be provided in the plan or insurers' entire service area and in emergencies. The bill would permit CalPERS to purchase a health plan or policy that includes mental health coverage and would exempt CalPERS plans, contracts or policies from the bill's other requirements unless CalPERS exercises this authority.

***AB 1602** (Bass) California Cooperative Health Insurance Purchasing Exchange

Version: Introduced 01/5/2010

Sponsor: Author

Status: 01/14/2010-Assembly HEALTH. May not be heard in committee until 02/05/2010

This bill would create the Cooperative Health Insurance Purchasing Exchange (Cal-CHIPE) tasked with implementing federal health reform, including providing health care coverage. The bill would create the California Health Trust Fund for these purposes. The bill would prohibit plans and insurers that limit the eligibility age of dependent children from setting that age at less than 26 years of age, with exceptions. The bill states that it would not require employers participating in the Public Employees' Medical and Hospital Care Act to pay the cost of coverage for dependents between 23 and 26 years of age.

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* New bills since the previous Board meeting

***AB 1653** (Jones) Extension of Quality Assurance Fee

Version: Introduced 01/14/2010

Sponsor: Author

This bill may not be heard in committee until 02/15/2010. This bill would extend for an additional six months—through June 30, 2011—the quality assurance fee that AB 1383 (2009) imposed on specified hospitals. AB1383 required DHCS to use the combined state and federal funds for supplemental reimbursements to hospitals and managed health care plans and to provide \$80 million per quarter of the year for health care coverage for children.

ACA 27 (Logue) Funding of State-Mandated Local Programs

Version: Introduced 09/11/09

Sponsor: TBD

Status: 09/11/2009-INTRODUCED. 2-year bill

This bill is unchanged from last year. MRMIB staff is currently inquiring with the author's office whether this bill will move forward in 2010. This bill would:

- Amend the Constitution to prohibit the Legislature or any state agency from mandating on local governments by statute or regulation any new unfunded programs or higher levels of service;
- Make such statutes or regulations enacted or imposed on or after July 1, 2009 inoperative until the Legislature appropriates sufficient funds to implement them.

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* New bills since the previous Board meeting

Senate Bills

SB 56 (Alquist) County Joint Health Plan Ventures ~~Universal Access to Health Care Coverage~~

Version: Amended 01/11/2010

Sponsor: Author

Status: 01/11/2010-Senate APPROPRIATIONS-2-year bill-Set for hearing 01/21/2010

This bill is expected to be heard in committee in January. The bill would state the intent of the Legislature that local initiative health plans, county-organized health systems, and consumer, labor, and provider groups hold stakeholder discussions for the purposes of facilitating establishment of affordable health coverage options in the individual and group markets. This bill would also authorize specified county-organized health plans to form joint ventures to create integrated networks of public health plans that pool risk and share networks or to provide for the joint or coordinated offering of health plans to individuals and groups.

~~This bill stated the intent of the Legislature to, by 2012, enact health care reform that would ensure all Californians have access to affordable, quality health care coverage. It also stated legislative intent to equitably distribute the responsibility for providing and paying for health care coverage between individuals, employers and government, and to further reduce the reliance on medical status or conditions as criteria for medical underwriting of individual coverage. The bill also stated the intent of the Legislature, by 2010, to provide a foundation for future reforms, such as ensuring coverage for all children, allowing workers to set aside pre-tax health care dollars, beginning to draw down federal funds for covering low income adults and families, and reducing the use of medical underwriting.~~

~~The bill would have created the California Health Benefits Service Program (CHBSP) within the Department of Health Care Services (DHCS). It would have allowed plans contracting with specified county entities to form joint ventures to “create integrated networks of public health plans that pool risk and share networks.” The bill would have required these joint ventures to seek to contract with designated public hospitals, county health clinics, community health centers, and other traditional safety net providers. It would have required the CHBSP to identify legal or financial barriers or incentives to forming these joint ventures and to report these findings to the Legislature by November 1, 2010.~~

SB 227 (Alquist) MRMIP Expansion

Version: Amended 07/13/2009

Sponsor: Author

Status: 07/01/2009-Assembly APPROPRIATIONS. 2-year bill (needs concurrence in Senate)

This bill is unchanged from last year. The author intends to move this bill forward in 2010.

The Board originally took a position of “support if amended” on this bill. Because the author amended the bill to cap the maximum subscriber contribution at 125 percent of the standard premium for comparable coverage, the Board is now “in support” of the bill. SB 227 is similar to AB 2 (Dymally, 2007) and AB 1971 (Chan, 2005). The bill would ensure long-term stable

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funding for the Major Risk Medical Insurance Program (MRMIP), thereby expanding the program to cover more individuals.

To accomplish this, the bill would:

- Require health care plans and insurers to either provide guaranteed-issue coverage to individuals eligible for MRMIP or to pay a fee;
- Eliminate the annual \$75,000 benefit limit;
- Require MRMIB to increase the lifetime limit to no less than \$1,000,000;
- Require MRMIB, conditioned on the absence of a MRMIP waitlist, to establish a process for individuals in the Guaranteed Issue Pilot program to voluntarily re-enroll into MRMIP;
- Require MRMIB to establish premiums at no more than 125 percent of the standard average individual rate for comparable coverage, which is consistent with existing maximum subscriber contribution rates.
- Require MRMIB, in the absence of a MRMIP waiting list, to use federal funds to lower contributions for subscribers who are at or below 300 percent of the federal poverty level to no less than 6 percent of their income;
- Allow MRMIB, with any remaining federal funds, to lower contributions to no less than 6 percent of their income for subscribers with income over 300 percent but less than 400 percent of the federal poverty level.

SB 311 (Alquist) CHIPRA Implementation

Version: Amended 05/20/2009

Sponsor: Author

Status: 06/02/2009-Senate APPROPRIATIONS (failed deadline in 2009). 2-year bill

This bill is unchanged from last year. The author intends to move this bill forward in 2010.

This bill would state the intent of the Legislature to implement key elements of the federal Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA), including receiving federal matching funds for enrolling eligible immigrant children, implementing changes to citizen documentation requirements, ensuring parity in state mental health and substance abuse coverage, establishing new payment methods for clinics participating in the Healthy Families Program, measuring quality of care within child health programs, and taking advantage of the increased federal funding that may be available to California, including funding for performance bonuses and outreach.

Contingent upon federal financial participation and only to the extent that the Legislature appropriates funds for the following purpose, this bill would require the Managed Risk Medical Insurance Board (MRMIB) to apply the prospective payment system to services provided under the Managed Risk Medical Insurance Board (MRMIB) by federally qualified health centers and rural health clinics as required by CHIPRA.

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The bill would also deem regulations necessary to implement this coverage as emergency regulations and would exempt such regulations from requirements to substantiate the emergency in writing.

SB 316 (Alquist) Minimum Loss Ratio

Version: Amended 12/17/2009

Sponsor: Author

Status: 01/04/2009-Senate THIRD READING

Current law requires health plans and insurers, when presenting a plan contract or policy for examination or sale to a group of 25 or fewer individuals, to disclose the minimum loss ratio (ratio of premiums paid to health services or claims paid) for the preceding year. This bill would increase this to 50 or fewer individuals.

~~This bill would require full service health care service plans and health insurers to expend on benefits no less than 85% of the aggregate dues, fees, premiums, and other periodic payments they receive with respect to contracts or policies issued, amended, or renewed on or after January 1, 2011-2013. The bill would authorize these plans and insurers to assess compliance with this requirement by averaging their total costs across all plan contracts or insurance policies issued, amended, or renewed by them and their affiliated plans and insurers in California, except as specified. The bill would require these plans and insurers to annually, commencing January 1, 2011-2013, provide written affirmation of compliance with the bill's requirements to the Department of Managed Health Care (DMHC) or the Department of Insurance (CDI), and would also require these plans and insurers to annually, commencing January 1, 2011-2013, report to the DMHC or CDI the medical loss ratio of each individual and small group plan product and policy form issued, amended, or renewed in California. It would also require plans and insurers to report the ratio when presenting a plan for examination or sale to any individual or group consisting of 50 or fewer individuals. The bill would prohibit DMHC from assessing compliance with these reporting requirements within the 12-month period after the date a plan has complied unless the plan certifies that it failed to meet its medical loss ratio, or DMHC believes the plan's certification of its medical loss ratio is incorrect.~~

SB 543 (Leno) Minors: Consent for Mental Health Treatment

Version: Amended 09/03/2009

Sponsor: National Association of Social Workers, California Chapter; Mental Health America of Northern California; GSA Network; and Equality California

Status: 09/11/2009-Senate INACTIVE FILE, meaning the bill may or may not move forward (needs concurrence in Senate). 2-year bill

The author is endeavoring to resolve opposition related to cost pressures potentially created by the bill and intends to move the bill forward in 2010. This bill would:

- Allow a minor who is at least 12 years old to consent to outpatient mental health treatment or counseling services if the attending "professional person," as defined,

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determines the minor is mature enough to participate intelligently in the mental health treatment or counseling services;

- Require involvement of the minor's parents in the treatment or services unless the "professional person" determines, after consulting with the minor, that the parental involvement would be inappropriate;
- Expand the definition of a "professional person" to include a licensed clinical social worker, as specified, and a board-certified or board-eligible psychiatrist.

SB 810 (Leno) Universal Health Care

Version: **Amended 01/13/2010**

Sponsor: One Care Now, Health Care For All

Status: 06/02/2009-Senate APPROPRIATIONS-**Set for hearing 01/21/2010**

This bill states the intent of the Legislature to establish a single system of universal health care coverage and a single public payer for all health care services in California. To that end, this bill would:

- Create the California Healthcare Agency, an independent agency under the control of a Healthcare Commissioner appointed by the Governor on or before ~~March 1, 2010~~ **July 1 of the fiscal year following the bill's effective date** and confirmed by the Senate;
- Require the system to become operational no later than two years from the date the Secretary of the California Health and Human Services agency determines that the Healthcare Fund, created for this bill's purposes, would have sufficient revenues to fund the costs of implementing the bill. The California Healthcare Agency would supervise the California Healthcare System Plan. All people physically present in California with the intent to reside in the state would be eligible for the California Healthcare System Plan.
- Prohibit any health care service plan contract or health insurance policy, except for the California Healthcare System Plan, from being sold in California for services provided by the system.
- Require the Managed Risk Medical Insurance Board (MRMIB) to serve, with other departments and agencies, on an advisory panel that would make recommendations to the Commissioner on how to establish the system throughout local regions.

***SB 836** (Oropeza) Breast And Cervical Cancer Early Detection Program Expansion

Version: Introduced 01/04/2010

Sponsor: Author

Status: 01/04/2010-Senate FIRST READING. May be acted upon no sooner than 02/04/2010

This bill would, consistent with federal law and without jeopardizing federal funding, require the Department of Public Health (DPH) to provide breast cancer screening services to individuals of any age who are exhibiting symptoms, with a physician's recommendation, and individuals 40 years of age or older whose family income does not exceed 200 percent of the federal poverty level. This bill would also appropriate an unspecified amount to fund the DPH breast and cervical cancer early detection program.

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