

**2009-2010 Regular Session  
State Legislative Report as of 02/16/2010**

**Overview of Priority Board Bills**

**\*AB 1445** (Chesbro) Visits to Federally Qualified Health Centers and Rural Health Clinics (S-APPROPRIATIONS)

This 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. For a summary of this bill see page 3 of this report.

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

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 (A-HEALTH)

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 4 of this report.

**AB 1653** (Jones) Extension of Quality Assurance Fee (A-HEALTH)

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 56** (Alquist) County Joint Health Plan Ventures (A-HEALTH)

This 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. For a summary of this bill see page 5 of this report.

**SB 227** (Alquist) MRMIP Expansion (A-APPROPRIATIONS)

The author intends to move this bill 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 (DEAD)

This bill failed to be heard in committee by January 22 and is now dead. This bill would have stated the intent of the Legislature to implement CHIPRA and would have required 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 9 of this report.

**SB 810** (Leno) Universal Health Care (A-DESK)

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\* New bills since the previous Board meeting

This bill was passed by the Senate and is now in the Assembly. 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 6 of this report.

**\*SB 890** (Alquist) Health Care Reform Implementation (S-RULES)

May not be heard until 02/21/2010. This bill would state the Legislature's intent to implement health care reform legislation, including modifying the provisions relating to the Major Risk Medical Insurance Program in order to make the state eligible for federal funding. For a summary of this bill see page 7 of this report.

**\*SB 900** (Alquist) California Health Insurance Exchange (S-HEALTH)

Introduced 1/26/10 and in Senate Health. This bill would establish the California Health Insurance Exchange within the California Health and Human Services Agency and would require the exchange to provide or make available health care coverage through participating health plans. For a summary of this bill see page 7.

## Assembly Bills

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

Version: Amended 01/04/2010

Sponsor: Author

Status: **01/28/2010-Senate FIRST READING**

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**

**Author has stated that this bill 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 1595** (Jones) Federal Health Care Reform Implementation

Version: Introduced 01/04/2010

Sponsor: Author

Status: **01/04/2010-FIRST READIN.**

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: Author

Status: **01/14/2010-Assembly HEALTH**

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.

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\* New bills since the previous Board meeting

**AB 1602** (Bass) California Cooperative Health Insurance Purchasing Exchange  
Version: Introduced 01/5/2010  
Sponsor: Author  
Status: **01/14/2010-Assembly HEALTH**

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.

**AB 1653** (Jones) Extension of Quality Assurance Fee  
Version: Introduced 01/14/2010  
Sponsor: Author  
Status: **01/27/2010-Assembly HEALTH**

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: Author  
Status: **09/11/2009-A-PRINT. 2-year bill**

The author has informed MRMIB staff that 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

Version: *Amended 01/11/2010*

Sponsor: Author

Status: *01/28/2010 passed out of Senate. Assembly HEALTH*

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.

### **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)*

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 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 and increase the lifetime limit;
- 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.

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\* New bills since the previous Board meeting

**SB 316** (Alquist) Minimum Loss Ratio

Version: Amended 12/17/2009

Sponsor: Author

Status: **01/28/2009-Passed out of Senate. Assembly HEALTH.**

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.

**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 trying 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, 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: **01/28/2010 Passed out of the Senate. Asssembly DESK**

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 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

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\* New bills since the previous Board meeting

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: **01/21/2010-Senate HEALTH**

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.

**\*SB 890** (Alquist) Health Care Reform Implementation

Version: Introduced 01/21/2010

Sponsor: Author

Status: **01/21/2010-Senate RULES**

This bill would state the Legislature's intent to implement health care reform legislation. To this end, the bill states that the Legislature would, among other things, increase the dependent coverage age limit, and address rescission, preexisting condition exclusions, rating rules, medical loss ratios, waiting periods, annual and lifetime limits, and guaranteed issue. The Legislature would also expand Medi-Cal medically indigent adult coverage. The bill would also state the Legislature' intent to modify the provisions relating to the Major Risk Medical Insurance Program in order to make the state eligible for federal funding.

**\*SB 900** (Alquist) California Health Insurance Exchange

Version: Introduced 01/26/10

Sponsor: Author

Status: **02/11/2010-Senate HEALTH**

This bill would establish the California Health Insurance Exchange within the California Health and Human Services Agency. The bill would require the exchange to, among other things, provide, or make available, health care coverage through participating health plans, determine eligibility, enrollment, and disenrollment criteria and processes, authorize expenditures from the California Health Insurance Exchange Fund, which the bill would create in the State Treasury,

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\* New bills since the previous Board meeting

and be governed by an unspecified board whose members would be appointed by the Legislature.

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## Bills MRMIB Will No Longer Report to the Board

**SB 311** (Alquist) CHIPRA Implementation

Version: Amended 05/20/2009

Sponsor: Author

Status: **01/22/2010-Senate APPROPRIATIONS (died)**

This bill failed to be heard in committee by January 22 and is now dead. This bill would have 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 have required 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.

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

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