

MANAGED RISK MEDICAL INSURANCE BOARD  
STATE LEGISLATIVE REPORT

March 14, 2011

Bill	Summary
<b>AB 43 (Monning)</b>	<b>Medi-Cal: Eligibility</b>
Version: I-12/6/2010	Would require the Department of Health Care Services to change Medi-Cal eligibility requirements to comply with the Medicaid expansions provided for in the federal Affordable Care Act beginning in 2014. The expansions are intended to include all non-elderly, non-pregnant and non-Medicare eligible individuals with adjusted incomes that do not exceed 133 percent of the federal poverty level. <b><i>Among other changes, the Medicaid expansion will change the income eligibility level for children ages 6 to 18 from 100 percent to 133 percent FPL and therefore change HFP income eligibility standards.</i></b>
Sponsor: Author	
Status: Assembly Health	
<b>AB 52 (Feuer)</b>	<b>Health Care Coverage: Rate Approval</b>
Version: I-12/6/2010	Would declare the intent of the Legislature to require that all health care service plans obtain approval from the Department of Managed Health Care and all health insurers obtain approval from the Department of Insurance in order to increase a premium, co-payment or deductible. The bill declares that the Affordable Care Act requires the federal government to work with the states to establish an annual review process of "unreasonable rate increases" and cites a Kaiser Family Foundation report finding that states with robust and transparent rate review processes have greater power to protect consumers from large rate increases.
Sponsor: Author	
Status: Introduced	
<b>AB 62 (Monning)</b>	<b>Medi-Cal: Hospitals: Quality Assurance Fee</b>
Version: I-12/7/2010	Would extend the quality assurance fee currently imposed on general acute care hospitals through October 15, 2015. The fee, first authorized in 2009 and approved by the Centers for Medicaid and Medicare Services in 2010, allowed the Department of Health Care Services to use the increased federal match provided by the American Reinvestment and Recovery Act for supplemental reimbursements to hospitals and managed health care plans and to provide \$80 million per quarter for health care coverage for children.
Sponsor: Author	
Status: Assembly Health	
<b>AB 70 (Monning)</b>	<b>California Health and Human Services Agency: Public Health: Federal Grant Opportunities</b>
Version: I-12/16/2010	Would require the California Health and Human Services Agency to direct the appropriate departments to apply for federal grants provided for by the Affordable Care Act and the Healthy, Hunger-Free Kids Act of 2010. Community Transformation Grants under the Affordable Care Act are to be awarded to state and local governmental agencies and community-based organizations to promote evidence-based community preventive health activities, including programs to increase healthy eating, physical activities, food security, smoking cessation, mental health and safety.
Sponsor: Author	
Status: Assembly Health	

\* New since last Board meeting.

<p><b>* AB 652 (Mitchell)</b></p> <p>Version: I-2/16/2011</p> <p>Sponsor: L.A. County</p> <p>Status: Assembly Health</p>	<p><b>Child Health Assessments</b></p> <p>Would require that an initial health assessment and a forensic medical evaluation for children newly placed in out-of-home care shall be covered benefits under the Healthy Families Program, the Medi-Cal program, and health care service plans licensed pursuant to the Knox-Keene Health Care Service Plan Act of 1973. According to the author, the Los Angeles County Department of Health Services provides initial medical examinations and forensic evaluations to all referred children, but is only reimbursed for these services when they are provided to children with fee-for-service Medi-Cal.</p>
<p><b>* AB 823 (Dickinson)</b></p> <p>Version: I-2/17/2011</p> <p>Sponsor: Children Now</p> <p>Status: Assembly Human Services</p>	<p><b>Children's Cabinet of California</b></p> <p>Would establish the Children's Cabinet of California to consist of the Superintendent of Public Instruction, the Secretary of California Health and Human Services, and the head of each agency and department within the state that provides services for, or has jurisdiction over the well being of children. It would set forth its powers and duties, including promoting and implementing information sharing, collaboration, increased efficiency, and improved service delivery among and within the state's child-serving agencies, departments, and organizations.</p>
<p><b>* AB 916 (V. Manuel Pérez)</b></p> <p>Version: I-2/18/2011</p> <p>Sponsor: Author</p> <p>Status: Assembly Health</p>	<p><b>Promotores: Medically Underserved Communities: Federal Grants.</b></p> <p>Would require the State Department of Public Health to assess the grants to promote positive health behaviors and outcomes available pursuant to the federal Affordable Care Act for funding opportunities related to the use of promotores, also known as community health workers, in medically underserved communities, and to report on this assessment to the fiscal and health policy committees of the Legislature by April 1, 2012, with recommendations for attaining and maximizing federal funding.</p>
<p><b>* AB 922 (Monning)</b></p> <p>Version: I-2/18/2011</p> <p>Sponsors: Western Center on Law and Poverty; Health Access</p> <p>Status: Assembly Health</p>	<p><b>Office of Health Consumer Assistance</b></p> <p>Would eliminate the Office of Patient Advocate and would instead create an Office of Health Consumer Assistance, an independent office within state government. It would require the Office of Health Consumer Assistance to provide assistance, outreach and education about health care coverage to consumers and would require specified state agencies, including the Managed Risk Medical Insurance Board, to make reports to the office regarding consumer complaints submitted to those agencies.</p>
<p><b>* AB 1296 (Bonilla)</b></p> <p>Version: I-2/15/2010</p> <p>Sponsor: Western Center on Law and Poverty</p> <p>Status: Introduced</p>	<p><b>Health Care Eligibility, Enrollment, and Retention Act</b></p> <p>Would enact the Health Care Eligibility, Enrollment, and Retention Act, which would require the California Health and Human Services Agency, in consultation with specified entities, to establish a standardized single application form and related renewal procedures for Medi-Cal, the Healthy Families Program, the Exchange, and county programs.</p>

\* New since last Board meeting.

* <b>AB 1334 (Feuer)</b>	<b>Individual Health Plans: Essential Benefits and Actuarial Value of Coverage</b>
Version: I-2/18/2011	Would require health care service plans and health insurers, from July, 2012,
Sponsor: Author	through 2013, to disclose whether or not their products meet the essential
Status: Introduced	benefits threshold set forth in the Affordable Care Act and whether or not their
	products offer an actuarial value of more than 70 percent. It would also require
	health care service plans and health insurers to, commencing July 1, 2014,
	categorize all products offered in the individual market into five tiers according to
	actuarial value in accordance with the Affordable Care Act, bronze, silver, gold,
	platinum, and catastrophic.
<b>SB 7 (Steinberg)</b>	<b>Medi-Cal: Hospitals: Quality Assurance Fee</b>
Version: I-12/6/2010	Would extend the quality assurance fee currently imposed on general acute care
Sponsor: California	hospitals through June 30, 2011. The fee, first authorized in 2009 and approved
Hospital Association	by the Centers for Medicaid and Medicare Services in 2010, allowed the
Status: Introduced	Department of Health Care Services to use the increased federal match provided
	by the American Reinvestment and Recovery Act for supplemental
	reimbursements to hospitals and managed health care plans and to provide \$80
	million per quarter for health care coverage for children.
<b>SB 36 (Simitian)</b>	<b>County Health Initiative Matching Fund</b>
Version: I-12/6/2010	Would expand eligibility in the County Health Initiative Matching Fund program,
Sponsor: San Mateo	also known as C-CHIP, to children in families with incomes between 300 and
County	400 percent of the federal poverty level. San Mateo County currently provides
Status: Senate Health	coverage for children up to 400 percent FPL. This bill would allow the county to
	replace local funds with federal CHIP matching funds upon approval by MRMIB
	and the federal government. It would also expand eligibility requirements to
	include children who, although they may have met the requirements for HFP, are
	unable to enroll when enrollment caps are utilized due to budget limitations. <b>No</b>
	<b>state funds would be used to support these expansions. An identical bill,</b>
	<b>SB 1431, was passed by the Legislature in 2010, but vetoed by the</b>
	<b>Governor.</b>
<b>SB 42 (Alquist)</b>	<b>Health Care Service Plans: Shared Savings Agreements</b>
Version: I-12/8/2010	Would require Accountable Care Organizations and other risk-bearing
Sponsor: Author	organizations that enter into shared savings agreements with the United States
Status: Senate Health	Department of Health and Human Services to (1) file such agreements with the
	Department of Managed Health Care and (2) file any other documents DMHC
	deems appropriate for a determination of whether the ACO is subject to
	regulation under the Knox-Keene Health Care Service Plan Act of 1975. These
	types of entities are expected to increase because the Affordable Care Act
	provides for certain payments to ACOs that are able to meet quality performance
	standards and savings benchmarks.
<b>SB 51 (Alquist)</b>	<b>Health Care Coverage: Benefit Limits: Medical Loss Ratio</b>
Version: I-12/15/2010	Would require Health Care Service Plans and Health Insurers to comply with the
Sponsor: Insurance	Affordable Care Act's prohibition on lifetime limits and restricted annual limits.
Commissioner Dave	The bill would also require those same entities to comply with the Affordable
Jones	Care Act's requirement to provide rebates to enrollees in plans that fall below the
	85 percent and 80 percent medical loss ratios for large group coverage and

\* New since last Board meeting.

Status: Senate Health small group / individual coverage, respectively.

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**\* SB 222 (Alquist)**

**Health Plans: Joint Ventures**

Version: I-2/9/2011

Sponsor: Author

Status: Senate Health

Would authorize a county board of supervisors, a county special commission, or a county health authority that governs, owns, or operates a local initiative health plan or county-organized health system, or the County Medical Services Program governing board, to form joint ventures for the joint or coordinated offering of health plans to individuals and groups.

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**\* SB 486 (Dutton)**

**California Children and Families Program: Funding**

Version: I-2/17/2011

Sponsor: Author

Status: Senate Health

Would submit to the voters an initiative to abolish the California Children and Families Commission and the county children and families commissions, effective 90 days after approval in the next statewide general election.

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**\* SB 635 (Hernandez)**

**Health Care: Workforce Training**

Version: I-2/18/2011

Sponsor: Author

Status: Senate Health

Would shift managed care administrative fine and penalty funding from the Major Risk Medical Insurance Program to family practice residency programs, physician assistant and nurse practitioner programs, and registered nurse education programs administered by the Office of Statewide Health Planning and Development under the Song-Brown Workforce Training Act.

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**\* SB 703 (Hernandez)**

**Managed Risk Medical Insurance Board: Basic Health Plan**

Version: I-2/18/2011

Sponsor: Local Health Plans of California

Status: Senate Health

Would require the Managed Risk Medical Insurance Board to establish a basic health plan pursuant to the federal Patient Protection and Affordable Care Act. Section 1331 of the Affordable Care Act provides for a state option to establish one or more "Basic Health" insurance plans to individuals between 133 percent and 200 percent of the federal poverty level instead of offering those individuals coverage through the Exchange. Coverage is provided through competitive contracting with standard health plans. Plans must provide at least the essential health benefits and individual premiums must be no greater than the corresponding silver plan on the Exchange. Federal payment for the cost of coverage in a Basic Health Plan would be up to 95 percent of the coverage in the Exchange.

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**\* SB 810 (Leno)**

**Single-Payer Health Care Coverage**

Version: I-2/18/2011

Sponsor: Various

Status: Senate Health

Would establish the California Healthcare System to be administered by the newly created California Healthcare Agency under the control of a Healthcare Commissioner appointed by the Governor and subject to confirmation by the Senate. The bill would make all California residents eligible for health care benefits under the California Healthcare System, which would, on a single-payer basis, negotiate for or set fees for health care services provided through the system and pay claims for those services. The bill would require the commissioner to seek all necessary waivers, exemptions, agreements, or legislation to allow various existing federal, state, and local health care payments to be paid to the California Healthcare System, which would then assume responsibility for all benefits and services previously paid for with those funds.

\* New since last Board meeting.