

MANAGED RISK MEDICAL INSURANCE BOARD  
STATE LEGISLATIVE REPORT

May 5, 2011

Bill	Summary
<b>AB 43 (Monning)</b>	<b>Medi-Cal: Eligibility</b>
Version: A-4/25/2011	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 changes the income eligibility level for children ages 6 to 18 from 100 percent to 133 percent FPL and therefore changes HFP income eligibility standards.</i></b>
Sponsor: Author	
Status: Assembly Appropriations – Suspense	
<b>AB 52 (Feuer)</b>	<b>Health Care Coverage: Rate Approval</b>
Version: A-5/3/2011	Would require a health care service plan or health insurer that issues individual or group contracts or policies to file with the Department of Managed Health Care or the Department of Insurance, beginning January 1, 2012, a complete application for any proposed rate or rate change, and would prohibit DMHC or DOI from approving any rate or rate change that is found to be excessive, inadequate or unfairly discriminatory. The bill would authorize the imposition of fees and civil penalties on health care service plans and health insurers for deposit into newly created funds, subject to appropriation.
Sponsor: Author	
Status: Assembly Appropriations	
<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 promote healthy eating, physical activities, food security, smoking cessation, mental health and safety.
Sponsor: Author	
Status: Assembly Health	
<b>* AB 589 (Perea)</b>	<b>Medical School Scholarships</b>
Version: A-4/11/2011	Would shift managed care administrative fine and penalty funding from the Major Risk Medical Insurance Program to the Steven M. Thompson Medical School Scholarship Program administered by the Office of Statewide Health Planning and Development to promote the education of medical doctors and doctors of osteopathy beginning in 2014.
Sponsor: California Medical Association	
Status: Assembly Appropriations – Suspense	

\* New since last Board meeting.

~ Significant amendments since last Board meeting described with underlined text.

<b>AB 652 (Mitchell)</b>	<b>Child Health Assessments</b>
Version: A-4/25/2011	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 1975. 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.
Sponsor: L.A. County	
Status: Assembly Appropriations	
<b>* AB 714 (Atkins)</b>	<b>Health Care Coverage: California Health Benefit Exchange</b>
Version: A-5/3/2011	This bill would require certain public insurance programs, including HFP, AIM, MRMIP and PCIP to notify individuals who cease to be enrolled that they may be eligible for the Exchange and, upon approval from the federal government, would require them to transfer information to the Exchange to determine eligibility and initiate enrollment. The bill would also require certain hospitals, when billing, to include additional disclosures regarding health care coverage through the Exchange.
Sponsor: Health Access	
Status: Assembly Appropriations	
<b>* AB 792 (Bonilla)</b>	<b>Health Care Coverage: California Health Benefit Exchange</b>
Version: A-4/14/2011	Would require the disclosure of information on health care coverage through the California Health Benefit Exchange by health care service plans, health insurers, employers, employee associations, the Employment Development Department upon an initial claim for disability benefits, or by the court upon the filing of a petition for dissolution of marriage, nullity of marriage, legal separation or adoption.
Sponsor: Author	
Status: Assembly Appropriations	
<b>AB 823 (Dickinson)</b>	<b>Children's Cabinet of California</b>
Version: A-4/28/2011	Would establish the Children's Cabinet of California to consist of the Superintendent of Public Instruction, the Secretary of the California Health and Human Services Agency and the heads of several other specified agencies and departments within the state that provide services for, or have 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.
Sponsor: Children Now	
Status: Assembly Appropriations	
<b>AB 916 (V. Manuel Pérez)</b>	<b>Promotores: Medically Underserved Communities: Federal Grants.</b>
Version: I-2/18/2011	Would require the state Department of Public Health to assess grants to promote positive health behaviors and outcomes available pursuant to the federal Affordable Care Act related to the use of promotores, also known as community health workers, in medically underserved communities. The bill would also require the department to report on this assessment with recommendations for attaining and maximizing federal funding to the fiscal and health policy committees of the Legislature by April 1, 2012,
Sponsor: Author	
Status: Assembly Appropriations – Suspense	

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<b>AB 922 (Monning)</b>	<b>Office of Health Consumer Assistance</b>
Version: A-3/29/2011 Sponsors: Western Center on Law and Poverty; Health Access Status: Assembly Appropriations	Would eliminate the Office of the Patient Advocate and instead create an Office of Health Consumer Assistance as 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.
<b>AB 1296 (Bonilla)</b>	<b>Health Care Eligibility, Enrollment, and Retention Act</b>
Version: A-4/25/2011 Sponsor: Western Center on Law and Poverty Status: Assembly Appropriations	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.
<b>AB 1334 (Feuer)</b>	<b>Individual Health Plans: Essential Benefits and Actuarial Value of Coverage</b>
Version: I-2/18/2011 Sponsor: Author Status: Assembly Appropriations – Suspense	Would require health care service plans and health insurers, from July, 2012 through December 2013, to disclose whether or not their products meet the essential 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, commencing July 1, 2014, to categorize all products offered in the individual market into five tiers according to actuarial value as set forth in 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 Sponsor: California Hospital Association Status: Introduced	Would declare that it is the intent of the Legislature to enact legislation to extend the quality assurance fee currently imposed on general acute care hospitals through June 30, 2011. 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.
<b>SB 36 (Simitian)</b>	<b>County Health Initiative Matching Fund</b>
Version: A-3/29/2011 Sponsor: San Mateo County Status: Senate Appropriations –	Would expand eligibility in the County Health Initiative Matching Fund program, also known as C-CHIP, to children in families with incomes between 300 and 400 percent of the federal poverty level. San Mateo County currently provides 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

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Suspense                      unable to enroll when enrollment caps are utilized due to budget limitations. ***No state funds would be used to support these expansions. An identical bill, SB 1431, was passed by the Legislature in 2010, but vetoed by the Governor.***

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**SB 51 (Alquist)**                      **Health Care Coverage: Benefit Limits: Medical Loss Ratio**

Version: A-4/25/2011                      Would require health care service plans and health insurers to comply with the Affordable Care Act's prohibition on lifetime limits and restricted annual limits.

Sponsor: Insurance Commissioner Dave Jones                      The bill would also require those same entities to comply with the Affordable 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 small group / individual coverage, respectively.

Status: Senate Appropriations

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**SB 222 (Alquist)**                      **Health Plans: Joint Ventures**

Version: I-2/9/2011                      Would authorize a health system that is governed, owned, or operated by a county board of supervisors, a county special commission, a county-organized health system, a county health authority or the County Medical Services Program, to form joint ventures to offer health plans to individuals and groups.

Sponsor: Author

Status: Senate Appropriations

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**\* SB 335 (Hernandez and Steinberg)**                      **Medi-Cal: Hospitals: Quality Assurance Fee**

Version: A-4/26/2011                      Would declare the intent of the Legislature to consider legislation to establish a quality assurance fee to be paid by hospitals for the period of July 1, 2011 through June 30, 2012. 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: California Hospital Association

Status: Senate Health

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**SB 486 (Dutton)**                      **California Children and Families Program: Funding**

Version: I-2/17/2011                      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.

Sponsor: Author

Status: Senate Health

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**SB 635 (Hernandez)**                      **Health Care: Workforce Training**

Version: I-2/18/2011                      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 beginning in 2014.

Sponsor: Author

Status: Senate Appropriations – Suspense

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<b>* SB 677 (Hernandez)</b>	<b>Medi-Cal: Eligibility: ACA Conformity</b>
Version: A-3/22/2011 Sponsor: Author Status: Senate Appropriations	Would prohibit the Department of Health Care Services from applying an assets or resources test for purposes of determining eligibility for Medi-Cal or under a Medi-Cal waiver. This bill would also require the department to use the modified adjusted gross income of an individual, or the household income of a family for the purposes of determining income eligibility for Medi-Cal. The bill would provide that these provisions shall become operative on January 1, 2014.
<b>SB 703 (Hernandez)</b>	<b>Managed Risk Medical Insurance Board: Basic Health Program</b>
Version: A-3/22/2011 Sponsor: Local Health Plans of California Status: Senate Appropriations	Would require the Managed Risk Medical Insurance Board to establish a basic health program pursuant to the federal Patient Protection and Affordable Care Act and specifies MRMIB's responsibilities and authorities to administer the program accordingly. 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 Program would be up to 95 percent of the coverage in the Exchange.
<b>* SB 728 (Hernandez)</b>	<b>Health Care Coverage: Risk Adjustment System</b>
Version: A-3/25/2011 Sponsor: Author Status: Senate Appropriations – Suspense	Would require the board of the California Health Benefit Exchange to work with the Office of Statewide Health Planning and Development, the Department of Insurance and the Department of Managed Health Care to develop a risk adjustment system for products sold in the Exchange and outside of the Exchange.
<b>SB 810 (Leno)</b>	<b>Single-Payer Health Care Coverage</b>
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.

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**Bills No Longer Being Reported**

Reason	Description
<b>AB 62 (Monning)</b>	<b>Medi-Cal: Hospitals: Quality Assurance Fee</b>
This bill was amended 4/28/2011 to address pilot projects for dually eligible individuals under both the Medi-Cal and Medicare programs.	Would have extended 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.
<b>SB 42 (Alquist)</b>	<b>Health Care Service Plans: Shared Savings Agreements</b>
This bill was amended 4/27/2011 to prohibit DHCS from entering into contracts for Medi-Cal / Medicare dually eligible individuals with health plans that have failed to repay overpaid amounts to the department.	Would have required Accountable Care Organizations and other risk-bearing organizations that enter into shared savings agreements with the United States 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.

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