

MANAGED RISK MEDICAL INSURANCE BOARD
STATE LEGISLATIVE REPORT

August 10, 2011

Bill	Summary
AB 52 (Feuer)	Health Care Coverage: Rate Approval
Version: A-6/1/2011	Would require a health care service plan or health insurer to receive approval from the Department of Managed Health Care or the Department of Insurance prior to implementing any new rate or rate change for individual or group contracts or policies, beginning January 1, 2012. The bill would also prohibit DMHC or DOI from approving any rate or rate change that is found to be excessive, inadequate or unfairly discriminatory and would authorize the imposition of fees and civil penalties on health care service plans and health insurers for violating its provisions.
Sponsor: Author	
Status: Senate Appropriations	
* AB 509 (Skinner)	Earned Income Tax Credit: Notification
Version: A-6/21/2011	Would require certain state departments and agencies that serve low-income Californians to notify program recipients at least once a year that they may be eligible for the federal Earned Income Tax Credit. The bill specifically mentions the Managed Risk Medical Insurance Board and the Healthy Families Program in its definition of state departments, agencies or programs that serve potentially eligible individuals.
Sponsor: Author	
Status: Senate Appropriations	
AB 714 (Atkins)	Health Care Coverage: California Health Benefit Exchange
Version: A-6/30/2011	Would require certain public insurance programs, including the Healthy Families Program, Access for Infants and Mothers, Major Risk Medical Insurance Program and Pre-Existing Condition Insurance Plan to notify individuals who cease to be enrolled that they may be eligible for coverage provided by the Exchange. Upon approval from the federal government, the bill would require these programs to transfer information to the Exchange to initiate eligibility determinations and enrollment. The bill would also require certain hospitals, when billing, to include additional disclosures regarding the availability of health care coverage provided through the Exchange.
Sponsor: Health Access	
Status: Senate Appropriations	
AB 792 (Bonilla)	Health Care Coverage: California Health Benefit Exchange
Version: A-6/30/2011	Would require the courts, health care service plans, health insurers, employers, employee associations, the Employment Development Department and other entities to notify individuals who may have had their health coverage suspended that they may be eligible for coverage provided by the Exchange. The bill would also require some of these entities to transfer information to the Exchange to initiate eligibility determinations and enrollment.
Sponsor: Author	
Status: Senate Appropriations	
AB 823 (Dickinson)	Children's Cabinet of California
Version: A-7/12/2011	Would establish the Children's Cabinet of California to advise and make recommendations to the Governor and the Legislature on ways to improve collaboration among state agencies and departments that provide services to children and ways to improve those services. The bill would specify that the
Sponsor: Children Now	

* New since last Board meeting.

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

Status: Senate
Appropriations

Cabinet consists of the Superintendent of Public Instruction, the Secretary of the California Health and Human Services Agency, the Chief Justice of the California Supreme Court, the heads of several other specified agencies and departments within the state, and two members each of the Assembly and the Senate.

AB 916 (V. Manuel Pérez) Promotores: Medically Underserved Communities: Federal Grants.

Version: A-5/27/2011

Sponsor: Author

Status: Senate

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,

AB 922 (Monning) Office of the Patient Advocate

Version: A-6/20/2011

Sponsors: Western Center
on Law and Poverty; Health
Access

Status: Senate
Appropriations

Would transfer the Office of the Patient Advocate from the Department of Managed Health Care to operate as an independent entity within state government. The bill would require the OPA to provide assistance, outreach and education for all types of health coverage programs, public and private. The bill would require the OPA to develop protocols and procedures for the resolution of complaints and responsibility of referral for several federal and state entities, including some MRMIB programs and would require specified state entities, including MRMIB, to make reports to the OPA regarding consumer complaints.

*** AB 1072 (Fuentes) Community Development: California Promise Neighborhoods Initiative**

Version: A-6/21/2011

Sponsors: Author

Status: Senate
Appropriations

Would establish the California Promise Neighborhoods Initiative in the Office of Economic Development to support children's development and improve community efforts regarding the health, safety, education and economic development within participating neighborhoods. This bill would specify that the OED use existing state resources, available federal funds and grants, donations and other public and private financial support. The bill would require the OED to work with the California Health and Human Services Agency and local counties to establish participation goals for the Healthy Families Program, CalFresh, Medi-Cal and other programs that it identifies.

AB 1083 (Monning) Health Care Coverage: ACA Conformity

Version: A-7/14/2011

Sponsors: Health Access;
Small Business Majority

Status: Senate
Appropriations

Would conform state law to certain provisions in the Affordable Care Act related to small business health care coverage. The bill would also make necessary changes to state law to implement certain ACA requirements related to individual health insurance products. Among other changes, this bill would enact the following, beginning in 2014: a prohibition on limiting or excluding coverage on the basis of health status or a pre-existing condition; a prohibition on applying risk adjustment factors; and a requirement that rate adjustments for age not vary by a ratio of more than three to one for adults. The bill would also implement the federal option to define a small employer as having 1 to 50 eligible employees from January 1, 2014, until December 31, 2015, and define a small employer as having at least 1, but no more than 100, eligible employees, on or after January 1, 2016.

* New since last Board meeting.

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

AB 1296 (Bonilla)**Health Care Eligibility, Enrollment, and Retention Act**

Version: A-7/13/2011

Sponsor: Western Center
on Law and PovertyStatus: Senate
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 develop a standardized single application form and related renewal procedures for Medi-Cal, the Healthy Families Program, the California Health Benefit Exchange, the Access for Infants and Mothers Program and, if enacted, the Basic Health Program. The bill would require the application to be operational by July 1, 2013, and would require the Agency to report information regarding the policy changes necessary to implement the eligibility, enrollment and retention system to the appropriate fiscal and policy committees of the Legislature by April 1, 2012.

SB 7 (Steinberg)**Medi-Cal: Hospitals: Quality Assurance Fee**

Version: I-12/6/2010

Sponsor: California Hospital
AssociationStatus: Senate
-- 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. That fee is scheduled to expire June 30, 2011. This bill would take effect immediately as an urgency statute.

SB 36 (Simitian)**County Health Initiative Matching Fund**

Version: A-3/29/2011

Sponsor: San Mateo
CountyStatus: Assembly
Appropriations – Suspense

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 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.***

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

Version: A-7/11/2011

Sponsor: Insurance
Commissioner Dave JonesStatus: Assembly
Appropriations

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. The bill would also require those same entities to comply with the ACA's requirement to provide rebates to enrollees in plans that fall below 85 percent and 80 percent medical loss ratios for large group coverage and small group / individual coverage, respectively. The bill would authorize the Department of Managed Health Care to issue regulations to implement the medical loss ratio requirements as set forth by the ACA and any rules or regulations issued by the federal government under authority granted by the ACA. The bill specifies that these provisions should not be construed to apply to health plan contracts or health insurance policies offered through specific public programs, including those programs administered by MRMIB.

* New since last Board meeting.

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

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

Version: I-2/9/2011

Sponsor: Author

Status: Assembly
Appropriations – Suspense

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.

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

Version: A-6/9/2011

Sponsor: California Hospital Association

Status: Senate
Appropriations

Would establish a quality assurance fee to be paid by hospitals for the period of July 1, 2011 through June 30, 2012, to be made available for certain purposes, including increased Medicaid payments. A similar 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 increased capitation payments to Medi-Cal managed health care plans and to provide \$80 million per quarter for health care coverage for children. That fee is scheduled to expire June 30, 2011. This bill would take effect immediately as an urgency statute.

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. This bill would take effect immediately as an urgency statute.

SB 703 (Hernandez)**Managed Risk Medical Insurance Board: Basic Health Program**

Version: A-6/28/2011

Sponsor: Local Health Plans of California

Status: Assembly
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.

* New since last Board meeting.

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

2 Year Bills No Longer Being Reported

Bill	Summary
AB 1334 (Feuer)	Individual Health Plans: Essential Benefits and Actuarial Value of Coverage
Version: A-5/5/2011	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.
Sponsor: Author	
Status: Senate Health	
SB 635 (Hernandez)	Health Care: Workforce Training
Version: A-5/31/2011	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 on the date that MRMIP becomes inoperative.
Sponsor: Author	
Status: Assembly Health	
SB 728 (Hernandez)	Health Care Coverage: Risk Adjustment System: ACA Conformity
Version: A-5/31/2011	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 as required under the Affordable Care Act.
Sponsor: Author	
Status: Assembly Health	

* New since last Board meeting.

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