

Introduced by Senator Scott
(Coauthors: Assembly Members Koretz and Wiggins)

February 12, 2003

An act to add Section 1367.195 to the Health and Safety Code, and to add Section 10123.75 to the Insurance Code, relating to health care.

LEGISLATIVE COUNSEL'S DIGEST

SB 174, as introduced, Scott. Hearing aids.

Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the regulation of health care service plans by the Department of Managed Health Care. Existing law requires health care service plan contracts to provide specified coverage to its enrollees and subscribers. Existing law provides that a violation of the act is a crime.

Existing law provides for the regulation of health insurers by the Insurance Commissioner. Existing law requires health insurance policies to provide specified coverage to its insureds.

This bill would require health care service plans and health insurers to provide coverage, up to \$1,000, for hearing aids, as defined, to all enrollees and subscribers under 18 years of age. The bill would provide that the coverage would not apply to certain types of insurance.

Because this bill would place additional requirements on health care service plans, the violation of which is a crime, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 1367.195 is added to the Health and
2 Safety Code, to read:
3 1367.195. (a) Every health care service plan contract that
4 covers hospital, medical, or surgical expenses on a group basis,
5 that is issued, amended, or renewed on or after January 1, 2004,
6 shall provide coverage for hearing aids, up to one thousand dollars
7 (\$1,000), to all enrollees and subscribers under 18 years of age.
8 (b) For purposes of this section “hearing aid” means any
9 nonexperimental, wearable instrument, or device designed for the
10 ear and offered for the purpose of aiding or compensating for
11 impaired human hearing, but excluding batteries and cords.
12 (c) It shall remain within the sole discretion of the health care
13 service plan as to the provider of hearing aids with which they
14 choose to contract. Reimbursement shall be provided according to
15 the respective principles and policies of the health care service
16 plan. Nothing contained in this section shall preclude a health care
17 service plan from conducting managed care, medical necessity, or
18 utilization review.

19 SEC. 2. Section 10123.75 is added to the Insurance Code, to
20 read:
21 10123.75. (a) Every policy of health insurance that covers
22 hospital, medical, or surgical expenses, that is issued, amended, or
23 renewed on or after January 1, 2004, shall provide coverage for
24 hearing aids, up to one thousand dollars (\$1,000), to all insureds
25 under 18 years of age.
26 (b) For purposes of this section “hearing aid” means any
27 nonexperimental, wearable instrument, or device designed for the
28 ear and offered for the purpose of aiding or compensating for
29 impaired human hearing, but excluding batteries and cords.
30 (c) It shall remain within the sole discretion of the health
31 insurer as to the provider of hearing aids with which they choose
32 to contract. Reimbursement shall be provided according to the
33 respective principles and policies of the health insurer. Nothing
34 contained in this section shall preclude a health insurer from
35 conducting managed care, medical necessity, or utilization review.



1 This section shall not apply to Medicare supplement, vision-only,
2 dental-only, or Champus-supplement insurance, or to hospital
3 indemnity, accident-only, or specified disease insurance that does
4 not pay benefits on a fixed benefit, cash payment only basis.

5 SEC. 3. No reimbursement is required by this act pursuant to
6 Section 6 of Article XIII B of the California Constitution because
7 the only costs that may be incurred by a local agency or school
8 district will be incurred because this act creates a new crime or
9 infraction, eliminates a crime or infraction, or changes the penalty
10 for a crime or infraction, within the meaning of Section 17556 of
11 the Government Code, or changes the definition of a crime within
12 the meaning of Section 6 of Article XIII B of the California
13 Constitution.

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