

ASSEMBLY BILL

No. 2587

Introduced by Assembly Member Tom Berryhill

February 19, 2010

An act to add Section 1367.001 to the Health and Safety Code, and to add Section 10112.55 to the Insurance Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

AB 2587, as introduced, Tom Berryhill. Health care coverage: benefit mandates.

Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care. Existing law also provides for regulation of health insurers by the Department of Insurance. Existing law imposes certain benefit mandates on health care service plan contracts and health insurance policies.

This bill would exempt a health care service plan contract or health insurance policy issued, amended, or renewed on or after January 1, 2011, from complying with those benefit mandates, as specified, until the Department of Managed Health Care or the Department of Insurance, as applicable, issues a declaration finding that the state unemployment rate has been no more than 5.5% for 4 consecutive quarters.

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

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

1 SECTION 1. Section 1367.001 is added to the Health and
2 Safety Code, to read:

3 1367.001. (a) Notwithstanding any other provision of this
4 chapter, until the department issues a declaration finding that the
5 state unemployment rate, as determined by the official statistics
6 of the Labor Market Information Division of the Employment
7 Development Department, has been no more than 5.5 percent for
8 four consecutive quarters, a health care service plan contract issued,
9 amended, or renewed on or after January 1, 2011, shall not be
10 required to comply with the benefit mandates imposed by this
11 chapter, including any benefit mandates that become operative on
12 or after January 1, 2011.

13 (b) (1) For purposes of this section, “benefit mandate” means
14 a requirement to do any of the following:

15 (A) Permit a subscriber or enrollee to obtain health care
16 treatment or services from a particular type of health care provider.

17 (B) Offer or provide coverage for the screening, diagnosis, or
18 treatment of a particular disease or condition.

19 (C) Offer or provide coverage of a particular type of health care
20 treatment or service, or of medical equipment, medical supplies,
21 or drugs used in connection with a health care treatment or service.

22 (2) Notwithstanding paragraph (1), “benefit mandate” does not
23 include the requirement to provide basic health care services
24 imposed under subdivision (i) of Section 1367.

25 SEC. 2. Section 10112.55 is added to the Insurance Code, to
26 read:

27 10112.55. (a) Notwithstanding Section 10112.5 or any other
28 provision of this part, until the department issues a declaration
29 finding that the state unemployment rate, as determined by the
30 official statistics of the Labor Market Information Division of the
31 Employment Development Department, has been no more than
32 5.5 percent for four consecutive quarters, a health insurance policy
33 issued, amended, or renewed on or after January 1, 2011, shall not
34 be required to comply with the benefit mandates imposed by this
35 part, including any benefit mandates that become operative on or
36 after January 1, 2011.

37 (b) For purposes of this section, “benefit mandate” means a
38 requirement to do any of the following:

- 1 (1) Permit a policyholder or insured to obtain health care
- 2 treatment or services from a particular type of health care provider.
- 3 (2) Offer or provide coverage for the screening, diagnosis, or
- 4 treatment of a particular disease or condition.
- 5 (3) Offer or provide coverage of a particular type of health care
- 6 treatment or service, or of medical equipment, medical supplies,
- 7 or drugs used in connection with a health care treatment or service.

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