California Health Benefit Exchange
State Legislative Report
April 26, 2012 Board Meeting Update

Proposed Legislation: Assembly Bills	SUMMARY	BILL STATUS
AB 43 (Monning) **Version:** As amended, May 27, 2011	**Medi-Cal: eligibility expansion** Effective January 1, 2014, this bill would expand Medi-Cal coverage to persons with income not exceeding 133% of the federal poverty level. Among other provisions, this bill would require the DHCS to establish eligibility for Medi-Cal benefits for any person who meets the requirements of a new Medicaid eligibility category added by the Affordable Care Act (ACA).	Location (4/23/2012): Senate Health Hearing Date: None scheduled
AB 52 (Feuer) **Version:** As amended, June 1, 2011	**Health care coverage: DMHC and CDI rate approval** Among other provisions, this bill would require that the DMHC and the CDI prior approve all health plan and insurance rate changes and rates for new products, and would prohibit the DMHC and the CDI from approving any rate or rate change that is found to be excessive, inadequate, or unfairly discriminatory. The bill would also authorize the DMHC and the CDI to approve, deny, or modify any proposed rate or rate change, as well as authorize the DMHC and the CDI to review any rate or rate change that went into effect between January 1, 2011 and January 1, 2012, and to order refunds subject to this bill's provisions.	Location (4/23/2012): Senate-Inactive File Hearing Date: None scheduled
AB 714 (Atkins) **Version:** As amended, June 30, 2011	**California health benefit exchange: eligibility disclosure** This bill would require the DHCS, the CDPH, and the MRMIB to provide two specified notices of potential health care eligibility through the Exchange to every individual enrolled in, or ceased to be enrolled in, specified publicly-funded state health care programs. The bill would also require certain hospitals, when billing, to include additional disclosures regarding health care coverage through the Exchange.	Location (4/23/2012): Senate- Appropriations Hearing Date: None scheduled
AB 792 (Bonilla) **Version:** As amended, August 17, 2011	**California Health Benefit Exchange: transfer of individual health information** Effective January 1, 2014, this bill would require health plans and insurers, upon termination of an enrollee's employer-sponsored coverage or nonrenewal of individual coverage, and, contingent upon obtaining consent, to transfer information to the Exchange for purposes of enrolling those individuals in coverage. The bill also requires disclosure of information on health care coverage through the Exchange, under specified circumstances, by health plans, insurers, employers, employee associations or other entities, and the courts.	Location (4/23/2012): Senate- Appropriations Hearing Date: None scheduled

Proposed Legislation: Assembly Bills	SUMMARY	BILL STATUS
AB 1083 (Monning) **Version:** As amended, September 2, 2011	**Health care coverage: rates** Among other provisions, this bill would change the definitions and criteria related to eligible employees and rating periods, and, for plan years commencing on or after January 1, 2014, risk adjustment factors, age categories, and health status-related factors, as specified. The bill would prohibit the use of risk adjustment factors and preexisting condition provisions on and after January 1, 2014. With regard to premium rates charged by a health plan on and after January 1, 2014, the bill would only allow rates to be varied with respect to family rating, rating area, and age, as specified. The bill would change the definition of small employer and would require employer contribution requirements to be consistent with the ACA. With regard to the sale of plan contracts or health benefit plans, the bill would prohibit specified persons or entities from encouraging or directing small employers to seek coverage from another plan or the voluntary purchasing pool established under the Exchange. The bill would also require all policies of individual health insurance that are offered, sold, renewed, or delivered on or after January 1, 2014, to provide coverage for essential health benefits, as defined, except as specified.	Location (4/23/2012): Senate- Inactive File Hearing Date: None scheduled
AB 1453 (Monning) **Version: As amended, April 17, 2012**	**Essential health benefits: coverage** This bill would require an individual or small group health plan contract or health insurance policy issued, amended, or renewed on or after January 1, 2014, to cover essential health benefits, which would be defined to include the benefits and services covered by the Kaiser small group HMO. The bill would specify that this provision applies regardless of whether the contract or policy is offered inside or outside the Exchange, but would provide that it does not apply to grandfathered plans or plans that offer excepted benefits, as specified. The bill would prohibit a health plan or insurer, when offering, issuing, selling, or marketing a plan contract or policy, from indicating or implying that the contract or policy covers essential health benefits unless the contract or policy covers essential health benefits as provided in the bill. This bill is related to SB 951 (Hernandez).	Location (4/23/2012): Assembly- Appropriations Hearing Date: None scheduled

Proposed Legislation: Assembly Bills	SUMMARY	BILL STATUS
AB 1461 (Monning) **Version: As amended, April 9, 2012**	**Individual Market Reform** This bill would prohibit a health plan contract or health insurance policy issued, amended, or renewed on or after January 1, 2014, from imposing any preexisting condition provision upon any individual, except as specified. The bill would require plans and insurers to offer, market, and sell all of the plan's health benefit plans that are sold in the individual market to all individuals in each service area in which the plan provides or arranges for the provision of health care services, but would require plans and insurers to limit enrollment to specified open enrollment and special enrollment periods. Effective January 1, 2014, the bill would prohibit a plan or insurer from conditioning the issuance or offering of individual health benefit plans on any health status-related factor, as specified, and would authorize plans and insurers to use only age, geographic region, and family size for purposes of establishing rates for individual health benefit plans. The bill would enact other related provisions and make related conforming changes.	Location (4/23/2012): Assembly- Appropriations Hearing Date: **April 25, 2012**
AB 1580 (Bonilla) **Version:** As introduced, February 2, 2012	**Health care: eligibility: enrollment** This bill would make technical and clarifying changes to provisions enacted in AB 1296 (Bonilla-2011), relating to revised and simplified applications for state health subsidy programs. The bill clarifies that a requirement granting an applicant benefits during the time the application for eligibility is being reviewed, also known as presumptive eligibility or PE, is not intended to grant a right to PE beyond what is currently required. The bill also clarifies that when the applicant appears to be eligible for Medi-Cal under the aged, blind, or disabled category, but is determined to be ineligible after a screening for the new Modified Adjusted Gross Income category, the application will be forwarded to the Medi-Cal program for further determination.	Location (4/23/2012): Assembly- Third Reading Hearing Date: None scheduled
AB 1636 (Monning) **Version: As introduced, February 9, 2012**	**California Health Benefit Exchange: health and wellness programs** This bill would require the Exchange, in collaboration with the CDI, the DMHC, and the CDPH, to convene a special committee to review and evaluate health and wellness incentive and rewards programs offered by health plans, health insurers, and employers. The committee would be required to meet publicly and engage experts and stakeholders in its deliberations with the first meeting commencing March 30, 2013.	Location (4/23/2012): Assembly- Appropriations Hearing Date: None scheduled

Proposed Legislation: Assembly Bills	SUMMARY	BILL STATUS
AB 1761 (Perez) **Version: As introduced, February 17, 2012**	**California Health Benefit Exchange: unfair business practices** This bill would prohibit an individual or entity from holding himself, herself, or itself out as representing, constituting, or otherwise providing services on behalf of the Exchange, unless that individual or entity has a valid agreement with the Exchange to engage in those activities. The bill would specify that it is an unfair business practice for health plans, entities engaged in the solicitation of health plan contracts, and persons engaged in the business of insurance to violate this provision.	Location (4/23/2012): Assembly- Consent Hearing Date: None scheduled
AB 1766 (Bonilla) **Version:** As amended, April 9, 2012	**California Health Benefit Exchange: small business health options program** This bill would prohibit the Small Business Health Options Program from informing an eligible employee or dependent thereof about, or screening that employee or dependent for eligibility for, a premium tax credit, the Medi-Cal program, the Healthy Families Program, or any other state or local public program.	Location (4/23/2012): Assembly-Health Hearing Date: None scheduled
AB 1846 (Gordon) **Version: As amended, March 29, 2012**	**Consumer operated and oriented plans (CO-OPs)** Among other provisions, this bill would authorize the Insurance Commissioner to issue a certificate of authority to a consumer operated and oriented plan (CO-OP) established consistent with the ACA, as specified. The bill would also specify that qualified CO-OPs are subject to all other provisions of law relating to insurance, and would further specify that a CO-OP insurer and any solvency loan obtained by the CO-OP from the federal CMS are subject to certain requirements imposed on mutual insurers. The bill would authorize the CDI to enact regulations implementing these provisions and would enact other related provisions.	Location (4/23/2012): Assembly- Health Hearing Date: **April 24, 2012**
AB 1869 (Perez) **Version: As introduced on February 22, 2012**	**Office of the Patient Advocate: federal veterans health benefits** This bill adds federal veterans' health benefits to the example of the type of information and assistance regarding public programs that the Office of Patient Advocate (OPA) shall do in order to assist in implementing federal health reform in California commencing, January 1, 2013.	Location (4/23/2012): Assembly- Consent Hearing Date: None scheduled

Proposed Legislation: Assembly Bills	**SUMMARY**	**BILL STATUS**
AB 1921 (Hill) **Version: As amended, April 10, 2012**	**Health insurance: transitional reinsurance program** This bill, until January 1, 2018, would establish a transitional reinsurance program for health plans, and require participation by health plans and health insurers. The bill would require the Insurance Commissioner to select a reinsurance entity, which would collect payments from contributing health plans and the United States Department of Health and Human Services on behalf of self-insured group plans and pay claims, as specified. The bill would authorize the Commissioner and the Director the DMHC to take various actions to implement the program. The bill would require contributing entities to make payments to the reinsurance entity no earlier than October 1, 2013, and would provide for the reinsurance entity to pay claims to a reinsurance-eligible recipient no earlier than January 1, 2014, with payments and claims to cease on December 31, 2016, except for necessary adjustments.	Location (4/23/2012): Assembly- Health Hearing Date: None scheduled
AB 2508 (Bonilla) **Version: As amended, April 19, 2012**	**Public Contracts: public health agencies** This bill would prohibit a state agency authorized to contract for public benefit programs from contracting for call center services with a contractor or subcontractor unless that contractor or subcontractor certifies under penalty of perjury in his or her bid for the contract that the contract, and any subcontract performed under that contract, will be performed solely with workers employed in California. This bill would authorize these agencies to waive this requirement, with the consent of the Controller, if certain conditions are met. This bill would also require the contract to include a clause for termination for noncompliance and specified penalties, if the contractor or subcontractor performs the contract or the subcontract with workers outside of California during the life of the contract. This bill would also specify that these provisions do not apply to an existing contract, as provided, or to a contract if the refusal to award that contract would violate the specific terms of federal trade treaties or bilateral or regional free trade agreements, as specified.	Location (4/23/2012) Assembly- In desk process Hearing Date: **April 25, 2012**

Proposed Legislation: Senate Bills	SUMMARY	BILL STATUS
SB 615 (Calderon) **Version:** As amended, May 10, 2011	**Health plans: accident and health agents: licensure** Effective January 1, 2013, this bill would require solicitors and solicitor firms, and principal persons engaged in the supervision of solicitation for health plan contracts, to complete specified training. The bill would also require the Insurance Commissioner's curriculum board to make recommendations to the Commissioner to instruct accident and health agents about the requirements imposed by the federal ACA.	Location (4/23/2012): Assembly-Health Hearing Date: None scheduled
SB 677 (Hernandez) **Version:** As amended, May 23, 2011	**Medi-cal: eligibility** This bill prohibits the DHCS from applying an assets or resources test when determining eligibility for Medi-Cal or any Medi-Cal waiver, as specified	Location (4/23/2012): Assembly-Health Hearing Date: None scheduled
SB 703 (Hernandez) **Version:** As amended, July 12, 2011	**Health care coverage: Basic Health Program** This bill would establish in State government a Basic Health Program (BHP), to be administered by the MRMIB, to provide coverage to eligible individuals. The bill would require the MRMIB to enter into a contract with the United States Secretary of Health and Human Services (HHS) to implement the BHP, and would set forth the powers and duties of the MRMIB regarding this program. The bill would require the MRMIB to begin enrollment in the program on January 1, 2014, and would create the Basic Health Program Trust Fund (BHP Trust Fund) for this purpose. The bill would require the MRMIB to negotiate contracts with health plans to provide, or pay for, benefits under the BHP. The bill contains other related provisions of the MRMIB regarding this program. The bill would also require the MRMIB to begin enrollment in the program on January 1, 2014, and would create the Basic Health Program Trust Fund (BHP Trust Fund) or this purpose. The bill would require the MRMIB to negotiate contracts with health plans to provide, or pay for, benefits under the BHP. The bill contains other related provisions.	Location (4/23/2012): Assembly-Appropriations Hearing Date: None scheduled

Proposed Legislation: Senate Bills	**SUMMARY**	**BILL STATUS**
SB 728 (Hernandez) **Version:** As amended, May 31, 2011	**California Health Benefit Exchange: risk adjustment system** As amended, this bill would require that the Board of the Exchange, to the extent required by federal law, work with the Office of Statewide Health Planning and Development (OSHPD), the CDI, and the DMHC to develop a risk adjustment system for health plans and insurers selling health coverage in the individual and small group market, both inside and outside of the Exchange. The risk adjustment system is designed to move funds from health plans and insurers with lower-actuarial-risk enrollees and insureds to health plans and insurers with higher-actuarial-risk enrollees and insureds in order to minimize adverse selection against health coverage provided in the Exchange.	Location (4/23/2012): Assembly-Health Hearing Date: None scheduled
SB 951 (Hernandez) **Version: As amended, April 16, 2012**	**Health care coverage: essential health benefits: benchmark plan, Kaiser** This bill would require individual and small group health plans and health insurance policy contracts, both inside and outside of the Exchange, to cover EHBs, as defined. This bill would also designate the Kaiser Small Group HMO as California's benchmark plan to serve as the EHB standard, as required by the ACA. This bill is related to AB 1453 (Monning).	Location (4/23/2012): Senate-Appropriations Hearing Date: **April 30, 2012**
SB 961 (Hernandez) **Version: As amended, April 9, 2012**	**Individual Market Reform** This bill would prohibit a health plan contract or health insurance policy from imposing any preexisting condition provision upon any individual, except as specified. The bill would require a plan or insurer, on and after January 1, 2014, to offer, market, and sell all of the plan's health benefit plans that are sold in the individual market to all individuals in each service area in which the plan provides or arranges for the provision of health care services, but would require plans and insurers to limit enrollment to specified open enrollment and special enrollment periods. Commencing January 1, 2014, the bill would prohibit a plan or insurer from conditioning the issuance or offering of individual health benefit plans on any health status-related factor, as specified, and would authorize plans and insurers to use only age, geographic region, and family size for purposes of establishing rates for individual health benefit plans. The bill would enact other related provisions and make related conforming changes.	Location (4/23/2012): Senate-Appropriations Hearing Date: None scheduled

Proposed Legislation: Senate Bills	SUMMARY	BILL STATUS
SB 970 (De Leon) **Version: As amended, April 17, 2012**	**CalHEERS Planning Act** This bill would require, by December 31, 2015, that the initial application for or renewal of health coverage using the single state application allow an individual to consent to have his or her application information be used to initiate a simultaneous application for CalWORKs and CalFresh and by other state or local departments for human services. The bill would require the California Health and Human Services Agency to convene a workgroup of human services and health care advocates, legislative staff, and other specified representatives, to identify other human services and work support programs that might be integrated into this cross-application process. This bill would require the DHCS, in cooperation with other specified entities and representatives, to adopt regulations to implement the bill, as specified. Implementation of the process created by the bill would be required by December 31, 2015, except as specified.	Location (4/23/2012): Senate-Appropriations Hearing Date: **April 30, 2012**
SB 1313 (Lieu) **Version:** As amended, April 18, 2012	**Health care coverage: advertising and solicitation** Among other provisions, this bill would prohibit any person, including a health plan, from making statements that are known to be, or should be known to be, misrepresentations of the ACA, as specified. From January 1, 2013 to December 31, 2019, the bill would prohibit a health plan from publishing/distributing an advertisement unless 1) a copy is filed with the DMHC at least 60 days prior to such use, or a shorter time period if the DMHC issues a rule or order, and 2) the DMHC does not find the advertisement to be misleading, deceptive, or untrue. Health plans and agents/solicitors would be required to comply with language assistance requirements when marketing or selling plan contracts, and would provide specified remedies to consumers impacted by fraud, deceptive marketing or failure to provide language assistance. Beginning January 1, 2014, this bill would prohibit a health plan, including a specialized health plan, from issuing a contract that does not cover basic health care services, unless the enrollee has proof of existing coverage that meets EHB standards; and would require the health plan to disclose in marketing materials that a contract does not meet EHB standards.	Location (4/23/2012): Senate-Health Hearing Date: **April 25, 2012**

Proposed Legislation: Senate Bills	**SUMMARY**	**BILL STATUS**
SB 1321 (Harmon) **Version:** As amended, April 9, 2012	**Exchange; essential health benefits: benchmark plan** This bill would require the board of the Exchange to determine the total cost of benefits for each health plan listed as an essential health benefits benchmark plan option in regulations adopted pursuant to the ACA. The bill would require that the plan with the lowest total cost of benefits set the benchmark for items and services to be included in the definition of essential health benefits under the ACA. The bill would also specify that its provisions shall only be implemented to the extent consistent with regulations adopted pursuant to the ACA.	Location (4/23/2012): Senate-Health Hearing Date: None scheduled
SB 1431 (De Leon) **Version: As amended, April 9, 2012**	**Health insurance: stop loss coverage** This bill would require a stop-loss carrier, as defined, to offer coverage to all employees and dependents of a small employer to which it issues a stop-loss insurance policy, and would prohibit the carrier from excluding any employee or dependent on the basis of actual or expected health status-related factors, as specified. Except as specified, the bill would require a stop-loss carrier to renew, at the option of the small employer, all stop-loss insurance policies. The bill would prohibit a stop-loss carrier from issuing a stop-loss insurance policy to a small employer that contains certain individual or aggregate attachment points for a policy year or provides direct coverage, as defined, of an employee's health claims. The bill would make a stop-loss carrier in violation of these provisions subject to administrative penalties and would direct those fine and penalty moneys received to the General Fund to be available upon appropriation by the Legislature.	Location (4/23/2012): Senate-Health Hearing Date: **April 25, 2012**
SB 1487 (Hernandez) **Version: As amended, April 17, 2012**	**Health Reform: Intent to implement Affordable Care Act provisions.** States legislative intent to enact into state law any provision of the Affordable Care Act that may be struck down by the United States Supreme court and is necessary to ensure that all Californians receive the full promise of the act.	Location (4/23/2012) Senate-Health Hearing Date: **April 25, 2012**