

ASSEMBLY BILL

No. 41

Introduced by Assembly Member Chau

December 1, 2014

An act to add Section 1373.15 to the Health and Safety Code, and to add Section 10177.15 to the Insurance Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

AB 41, as introduced, Chau. Health care coverage: discrimination.

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 and makes a willful violation of the act a crime. Existing law provides for the regulation of health insurers by the Department of Insurance. Existing law prohibits certain discriminatory acts by health care service plans and health insurers. Existing federal law, beginning January 1, 2014, prohibits a group health plan and a health insurance issuer offering group or individual health insurance coverage from discriminating with respect to participation under the plan or coverage against any health care provider who is acting within the scope of that provider's license or certification under applicable state law.

Beginning January 1, 2016, this bill would prohibit a health care service plan or health insurer from discriminating against any health care provider who is acting within the scope of that provider's license or certification, as specified.

Because a willful violation of the bill's provisions relative to health care service plans would be a crime, this 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 1373.15 is added to the Health and Safety
2 Code, to read:

3 1373.15. (a) Beginning January 1, 2016, no health care service
4 plan shall discriminate with respect to provider participation or
5 coverage under the plan against any health care provider who is
6 acting within the scope of that provider's license or certification
7 under applicable state law, including an initiative act.

8 (b) Notwithstanding subdivision (a), this section shall not be
9 construed to require that a health care service plan contract with
10 any health care provider willing to abide by the terms and
11 conditions for participation established by the plan or issuer.

12 (c) Nothing in this section shall be construed as preventing a
13 health care service plan from establishing varying reimbursement
14 rates based on quality or performance measures.

15 (d) This section shall be implemented only to the extent required
16 by the provider nondiscrimination provisions established in Section
17 2706 of the federal Public Health Service Act (42 U.S.C. Sec.
18 300gg-5), and any federal rules or regulations issued under that
19 section.

20 SEC. 2. Section 10177.15 is added to the Insurance Code, to
21 read:

22 10177.15. (a) Beginning January 1, 2016, no health insurer
23 shall discriminate with respect to provider participation or coverage
24 under the policy against any health care provider who is acting
25 within the scope of that provider's license or certification under
26 applicable state law, including an initiative act.

27 (b) Notwithstanding subdivision (a), this section shall not be
28 construed to require that a health insurer contract with any health
29 care provider willing to abide by the terms and conditions for
30 participation established by the insurer or issuer.

1 (c) Nothing in this section shall be construed as preventing a
2 health insurer from establishing varying reimbursement rates based
3 on quality or performance measures.

4 (d) This section shall be implemented only to the extent required
5 by the provider nondiscrimination provisions established in Section
6 2706 of the federal Public Health Service Act (42 U.S.C. Sec.
7 300gg-5), and any federal rules or regulations issued under that
8 section.

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