

AMENDED IN SENATE JULY 11, 2019

AMENDED IN ASSEMBLY MAY 16, 2019

CALIFORNIA LEGISLATURE—2019–20 REGULAR SESSION

ASSEMBLY BILL

No. 1246

Introduced by Assembly Member Limón

February 21, 2019

An act to add Section 10112.285 to the Insurance Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

AB 1246, as amended, Limón. Health care coverage: basic health care services.

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 the regulation of health insurers by the Department of Insurance.

Existing law requires all health care service plan contracts, and, if applicable, specialized health care service plan contracts, to provide subscribers and enrollees with certain basic health care services, as defined, including physician services and hospital inpatient services, except as specified. Existing law affirms the authority of the Department of Managed Health Care to regulate the provision of medically necessary prescription drug benefits by a health care service plan to the extent the plan provides coverage for those benefits.

Existing law requires individual or small group health insurance policies issued, amended, or renewed on or after January 1, 2017, to include coverage for essential health benefits, as defined, including medically necessary basic health care services.

This bill would require large group health insurance policies, except certain specialized health insurance policies, issued, amended, or renewed on or after July 1, 2020, to include coverage for medically necessary basic health care services and, to the extent the policy covers prescription drugs, coverage for medically necessary prescription drugs. *services, as defined, and would prohibit those large group health insurance policies from imposing annual or lifetime dollar limits on basic health care services or medically necessary prescription drugs.*

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

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

1 SECTION 1. Section 10112.285 is added to the Insurance
2 Code, immediately following Section 10112.28, to read:
3 10112.285. (a) A large group health insurance policy issued,
4 amended, or renewed on or after July 1, 2020, shall include
5 coverage for medically necessary basic health care ~~services, as~~
6 ~~defined in subdivision (b) of Section 1345 of the Health and Safety~~
7 ~~Code and Section 1300.67 of Title 28 of the California Code of~~
8 ~~Regulations:~~ *services. “Basic health care services” means all of*
9 *the following:*
10 (b) ~~To the extent a large group health insurance policy covers~~
11 ~~prescription drugs, a large group health insurance policy issued,~~
12 ~~amended, or renewed on or after July 1, 2020, shall cover medically~~
13 ~~necessary prescription drugs, as described in Section 1342.7 of~~
14 ~~the Health and Safety Code.~~
15 (1) *Physician services, including consultation and referral.*
16 (2) *Hospital inpatient services and ambulatory care services.*
17 (3) *Diagnostic laboratory and diagnostic and therapeutic*
18 *radiologic services.*
19 (4) *Home health services.*
20 (5) *Preventive health services.*
21 (6) *Emergency health care services, including ambulance and*
22 *ambulance transport services and out-of-area coverage. “Basic*
23 *health care services” includes ambulance and ambulance transport*
24 *services provided through the “911” emergency response system.*
25 (7) *Hospice care that is, at a minimum, equivalent to hospice*
26 *care provided by the federal Medicare Program pursuant to Title*
27 *XVIII of the Social Security Act (42 U.S.C. Sec. 1395 et seq.) and*

1 *implementing regulations adopted for hospice care under Title*
2 *XVIII of the Social Security Act in Part 418 of Chapter IV of Title*
3 *42 of the Code of Federal Regulations except Subparts A, B, G,*
4 *and H, and any amendments or successor provisions.*

5 *(b) A large group health insurance policy issued, amended, or*
6 *renewed on or after July 1, 2020, shall not impose annual or*
7 *lifetime dollar limits on basic health care services or medically*
8 *necessary prescription drugs covered pursuant to Section*
9 *10123.201.*

10 *(c) This section does not prohibit a large group health insurance*
11 *policy from covering additional benefits.*

12 *(d) This section does not apply to a specialized health insurance*
13 *policy that covers only dental or vision services.*

14 *(e) The department may adopt regulations pursuant to the*
15 *Administrative Procedure Act (Chapter 3.5 (commencing with*
16 *Section 11340) of Part 1 of Division 3 of Title 2 of the Government*
17 *Code) to implement this section. The department shall consult with*
18 *the Department of Managed Health Care to develop the regulations*
19 *implementing this section.*

20 *(f) It is the intent of the Legislature that, in implementing this*
21 *section, the department shall harmonize its implementation with*
22 *that of the Department of Managed Health Care and relevant case*
23 *law to the extent practical.*