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LEGISLATIVE COUNSEL'S DIGEST

Bill No. **266**

as introduced, Lieu.

General Subject: Health care coverage: out-of-network coverage.

Existing law provides for the licensure and regulation of health care practitioners by various healing arts boards within the Department of Consumer Affairs. Existing law also provides for the licensure and regulation of health facilities by the State Department of Public Health. A violation of these provisions is a crime.

The bill would prohibit a health facility or a provider group from holding itself out as being within a plan network or a provider network unless all of the individual providers providing services at the facility or with the provider group are within the plan network. By expanding the scope of 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.



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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.



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An act to add Section 687 to the Business and Professions Code, and to add Section 1250.04 to the Health and Safety Code, relating to health care coverage.



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THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 687 is added to the Business and Professions Code, to read:

687. (a) A provider group shall not hold itself out as being within a plan network or a provider network unless one of the following applies:

(1) All of the individual providers providing services with the provider group are within that plan network or provider network.

(2) The provider group acknowledges to the patient in writing or verbally that individual providers within the provider group may be outside the enrollee’s plan network or the insured’s provider network.

(b) For purposes of this section, “provider group” means a medical group, independent practice association, or any other similar organization.

SEC. 2. Section 1250.04 is added to the Health and Safety Code, to read:

1250.04. (a) A health facility shall not hold itself out as being within a plan network or a provider network unless one of the following applies:

(1) All of the individual providers providing services within the health facility are within that plan network or provider network.

(2) The health facility acknowledges to the patient in writing or verbally that individual providers providing services within the health facility may be outside the enrollee’s plan network.

(b) For purposes of this section, “health facility” means a health facility as defined in subdivision (a) of Section 1250.



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

