Senate Bill No. 1411

CHAPTER 880

An act to amend, repeal, and add Section 1373.4 of the Health and Safety Code, and to amend, repeal, and add Section 10119.5 of the Insurance Code, relating to health care coverage.

[Approved by Governor September 25, 2002. Filed with Secretary of State September 26, 2002.]

LEGISLATIVE COUNSEL'S DIGEST

SB 1411, Speier. Health care coverage: maternity services.

Existing law provides for the regulation of health care service plans by the Department of Managed Health Care and for the regulation of disability insurers by the Department of Insurance. Under existing law, a violation of the provisions governing health care service plans is punishable as a crime. Existing law prohibits a health care service plan and a disability insurer from imposing certain restrictions with respect to maternity benefits provided, respectively, under its plan contract or policy.

This bill would, effective July 1, 2003, prohibit a health care service plan and a disability insurer from imposing a copayment or deductible for health care or health insurance for specified maternity services that exceeds the most common amount of the copayment or deductible imposed for services provided for other covered medical conditions.

Because the bill would impose additional requirements on health care service plans, the violation of which would be punishable as a criminal offense, it would expand the scope of an existing crime, thereby imposing 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.

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

SECTION 1. This act shall be known and may be cited as the Maternity Parity Act.

SEC. 2. Section 1373.4 of the Health and Safety Code is amended to read:

1373.4. (a) No health care service plan which provides maternity benefits for a person covered continuously from conception shall be issued, amended, delivered, or renewed in this state on or after July 1, 1976, if it contains any exclusion, reduction, or other limitations as to coverage, deductibles, or coinsurance provisions as to involuntary complications of pregnancy, unless the provisions apply generally to all benefits paid under the plan. If a fixed amount is specified in the plan for surgery, the fixed amounts for surgical procedures involving involuntary complications of pregnancy shall be commensurate with other fixed amounts payable for procedures of comparable difficulty and severity. In a case where a fixed amount is payable for maternity benefits, involuntary complications of pregnancy shall be deemed an illness and entitled to benefits otherwise provided by the plan. Where the plan contains a maternity deductible, the maternity deductible shall apply only to expenses resulting from normal delivery and cesarean section delivery; however, expenses for cesarean section delivery in excess of the deductible shall be treated as expenses for any other illness under the plan.

(b) Where a plan which provides or arranges direct health care services for its members contains a maternity deductible, the maternity deductible shall apply only to expenses resulting from prenatal care and delivery. However, expenses resulting from any delivery in excess of the deductible amount shall be treated as expenses for any other illness under the plan. If the pregnancy is interrupted, the maternity deductible charged for prenatal care and delivery shall be based on the value of the medical services received, providing that it is never more than two-thirds of the plan's maternity deductible.

(c) This section shall apply to all health care service plans except any group health service plan made subject to an applicable collective-bargaining agreement in effect before July 1, 1976.

(d) For purposes of this section, involuntary complications of pregnancy shall include, but not be limited to, puerperal infection, eclampsia, cesarean section delivery, ectopic pregnancy, and toxemia.

(e) All health care service plans subject to this section and issued, amended, delivered, or renewed in this state on or after July 1, 1976, shall be construed to be in compliance with this section, and any provision in any such plan which is in conflict with this section shall be of no force or effect.

(f) This section shall remain in effect only until July 1, 2003, and, as of January 1, 2004, is repealed, unless a later enacted statute, which is enacted on or before July 1, 2003, deletes or extends those dates.

SEC. 3. Section 1373.4 is added to the Health and Safety Code, to read:

1373.4. (a) No health care service plan contract that is issued, amended, renewed, or delivered on or after July 1, 2003, that provides maternity coverage shall do either of the following:

(1) Contain a copayment or deductible for inpatient hospital maternity services that exceeds the most common amount of the copayment or deductible contained in the contract for inpatient services provided for other covered medical conditions.

(2) Contain a copayment or deductible for ambulatory care maternity services that exceeds the most common amount of the copayment or deductible contained in the contract for ambulatory care services provided for other covered medical conditions.

(b) No health care service plan that provides maternity benefits for a person covered continuously from conception shall be issued, amended, delivered, or renewed in this state if it contains any exclusion, reduction, or other limitations as to coverage, deductibles, or coinsurance provisions as to involuntary complications of pregnancy, unless the provisions apply generally to all benefits paid under the plan.

(c) If the pregnancy is interrupted, the maternity deductible charged for prenatal care and delivery shall be based on the value of the medical services received, providing it is never more than two-thirds of the plan's maternity deductible.

(d) For purposes of this section, involuntary complications of pregnancy shall include, but not be limited to, puerperal infection, eclampsia, cesarean section delivery, ectopic pregnancy, and toxemia.

(e) This section shall not permit copayments or deductibles in the Medi-Cal program that are not otherwise authorized under state or federal law.

(f) This section shall become operative on July 1, 2003.

SEC. 4. Section 10119.5 of the Insurance Code is amended to read:

10119.5. (a) No group or blanket policy of disability insurance which provides maternity benefits for a person covered continuously from conception shall be issued, amended, delivered, or renewed in this state on or after July 1, 1976, if it contains any exclusion, reduction, or other limitations as to coverage, deductibles, or coinsurance provisions, as to involuntary complications of pregnancy, unless the provisions apply generally to all benefits paid under the policy. If a fixed amount is specified in the policy for surgery, the fixed amounts for surgical procedures involving involuntary complications of pregnancy shall be commensurate with other fixed amounts payable for procedures of comparable difficulty and severity. In a case where a fixed amount is payable for maternity benefits, involuntary complications of pregnancy shall be deemed an illness and entitled to benefits otherwise provided by the policy. Where the policy contains a maternity deductible, the

maternity deductible shall apply only to expenses resulting from normal delivery and cesarean section delivery; however, expenses for cesarean section delivery in excess of the deductible shall be treated as expenses for any other illness under the policy. This section shall apply to all group or blanket disability policies except any group disability policy made subject to an applicable collective-bargaining agreement in effect before July 1, 1976.

(b) For purposes of this section, involuntary complications of pregnancy shall include, but not be limited to, puerperal infection, eclampsia, cesarean section delivery, ectopic pregnancy, and toxemia.

(c) All policies subject to this section and issued, amended, delivered, or renewed in this state on or after July 1, 1976, shall be construed to be in compliance with this section, and any provision in any such policy which is in conflict with this section shall be of no force or effect.

(d) This section shall remain in effect only until July 1, 2003, and, as of January 1, 2004, is repealed, unless a later enacted statute, which is enacted on or before July 1, 2003, deletes or extends those dates.

SEC. 5. Section 10119.5 is added to the Insurance Code, to read:

10119.5. (a) No individual or group policy of health insurance that is issued, amended, renewed, or delivered on or after July 1, 2003, that provides maternity coverage shall contain a copayment or deductible for inpatient hospital maternity services that exceeds the most common amount of the copayment or deductible contained in the policy for inpatient services provided for other covered medical conditions or contain a copayment or deductible for ambulatory care maternity services that exceeds the most common amount of the copayment or deductible contained in the policy for ambulatory care services provided for other covered medical conditions.

(b) No group or blanket policy of health insurance that provides maternity benefits for a person covered continuously from conception shall be issued, amended, delivered, or renewed in this state if it contains any exclusion, reduction, or other limitations as to coverage, deductibles, or coinsurance provisions, as to involuntary complications of pregnancy, unless the provisions apply generally to all benefits paid under the policy.

(c) For purposes of this section, involuntary complications of pregnancy shall include, but not be limited to, puerperal infection, eclampsia, cesarean section delivery, ectopic pregnancy, and toxemia.

(d) This section shall not apply to Medicare supplement, vision-only, or Champus-supplement insurance, or to hospital indemnity, accident-only, and specified disease insurance that does not pay benefits on a fixed benefit, cash payment only basis.

(e) This section shall not permit copayments or deductibles in the Medi-Cal program that are not otherwise authorized under state or federal law.

(f) This section shall become operative on July 1, 2003.

SEC. 6. 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.

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