

Introduced by Senator LieuFebruary 13, 2013

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.

LEGISLATIVE COUNSEL'S DIGEST

SB 266, as introduced, Lieu. 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.

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 687 is added to the Business and
2 Professions Code, to read:

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

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

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

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

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

17 1250.04. (a) A health facility shall not hold itself out as being
18 within a plan network or a provider network unless one of the
19 following applies:

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

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

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

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

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