

AMENDED IN SENATE MARCH 18, 2013

SENATE BILL

No. 266

Introduced by Senator Lieu

February 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 amended, 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

This 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 or provider network, or the provider group acknowledges to the patient in writing or verbally that individual providers within the provider group may be outside the patient's plan network or provider network and the provider group recommends that the patient contact his or her health care service plan or health insurer for information about providers who are within the patient's plan network or provider network. Those provisions would not apply to emergency services and care. 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~~ *patient's* plan network or ~~the~~
 11 ~~insured's~~ *provider network and the provider group recommends*
 12 *that the patient contact his or her health care service plan or health*
 13 *insurer for information about providers who are within the*
 14 *patient's plan network or provider network.*

15 (b) For purposes of this section, ~~“provider”~~ *the following*
 16 *definitions shall apply:*

17 (1) *“Hold itself out” means advertise, refer to, use materials*
 18 *to indicate, let itself be known, assume the appearance of, act as*
 19 *if it is by claiming or presenting to accept payments from, or*
 20 *represent itself as continuing to be in.*

21 (2) *“Plan network” means any entity, group of providers, or*
 22 *individual providers contracted with a preferred provider*
 23 *organization plan contract or point-of-service plan contract.*

24 (3) *“Provider network” means any entity, group of providers, or*
 25 *provider contacted with a preferred provider organization health*
 26 *insurance policy.*

27 (4) *“Provider group” means a medical group, independent*
 28 *practice association, or any other similar organization.*

29 (c) *This section shall not apply to emergency services and care.*

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

3 1250.04. (a) A health facility 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 within the
7 health facility are within that plan network or provider network.

8 (2) The health facility acknowledges to the patient in writing
9 or verbally that individual providers providing services within the
10 health facility may be outside the ~~enrollee's~~ *patient's* plan network
11 *or provider network and the health facility recommends that the*
12 *patient contact his or her health care service plan or health insurer*
13 *for information about providers who are within the patient's plan*
14 *network or provider network.*

15 (b) For purposes of this section, ~~health~~ *the following definitions*
16 *shall apply:*

17 (1) *"Health facility"* means a health facility as defined in
18 subdivision (a) of Section 1250.

19 (2) *"Hold itself out"* means *advertise, refer to, use materials*
20 *to indicate, let itself be known, assume the appearance of, act as*
21 *if it is by claiming or presenting to accept payments from, or*
22 *represent itself as continuing to be in.*

23 (3) *"Plan network"* means *any entity, group of providers, or*
24 *individual providers contracted with a preferred provider*
25 *organization plan contract or point-of-service plan contract.*

26 (4) *Provider network"* means *any entity, group of providers, or*
27 *provider contacted with a preferred provider organization health*
28 *insurance policy.*

29 (c) *This section shall not apply to emergency services and care.*

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

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