

AMENDED IN SENATE APRIL 24, 2013
AMENDED IN SENATE APRIL 3, 2013
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.

This bill would prohibit a ~~provider~~ *medical* group or clinic, as defined, from stating, verbally or in writing, that it is within a plan network or a provider network unless all of the individual providers providing services with the ~~provider~~ *medical* group or clinic are within the plan network or provider network. The bill would require a provider group or clinic to recommend 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~~ *medical* network *if any of the providers in that medical group or clinic are not within the plan*

network or provider network. Those provisions would not apply to emergency services and care.

This bill would also require a hospital, before providing nonemergency services and care, to provide a specified written notice to the patient stating that individual providers providing services within the hospital may not be in the patient’s plan network or provider network, except as specified. 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) (1) A ~~provider~~ *medical* group or clinic shall not state,
4 verbally or in writing, that it is within a patient’s plan network or
5 provider network unless all of the individual providers providing
6 services with the ~~provider~~ *medical* group or clinic are within that
7 plan network or provider network.

8 (2) ~~The provider~~ *If any of the providers are not within the plan*
9 *network or provider network, then the medical* group or clinic shall
10 recommend that the patient contact his or her health care service
11 plan or health insurer for information about providers who are
12 within the patient’s plan network or ~~provider~~ *medical* network.

13 (b) For purposes of this section, the following definitions shall
14 apply:

15 (1) “Clinic” means a surgical center as defined in paragraph (1)
16 of subdivision (b) of Section 1204 of the Health and Safety Code,
17 an outpatient setting as defined in paragraph (1) of subdivision (b)
18 of Section 1248 of the Health and Safety Code, or an ambulatory
19 surgical center certified to participate in the Medicare Program
20 under Title XVIII of the federal Social Security Act (42 U.S.C.
21 Sec. 1395 et seq.).

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

4 (3) “Provider network” means any entity, group of providers,
5 or provider contracted with a preferred provider organization health
6 insurance policy.

7 (4) ~~“Provider—~~“Medical group” means ~~a medical group,~~
8 ~~independent practice association;~~ *any entity, group of providers,*
9 *or any other similar organization that contracts with a preferred*
10 *provider organization.*

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

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

14 1250.04. (a) (1) Prior to providing nonemergency services
15 and care to a patient, a hospital shall provide a written notice to
16 the patient stating that individual providers providing services
17 within the hospital may not be in the patient’s plan network or
18 provider network.

19 (2) The hospital notice shall recommend that the patient contact
20 his or her health care service plan or health insurer for information
21 about providers who are within the patient’s plan network or
22 provider network.

23 (b) For purposes of this section, the following definitions shall
24 apply:

25 (1) “Hospital” means a general acute care hospital as defined
26 in subdivision (a) of Section 1250.

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

30 (3) “Provider network” means any entity, group of providers,
31 or provider contracted with a preferred provider organization health
32 insurance policy.

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

34 (d) This section shall not apply if all of the providers providing
35 services within the hospital are within the same plan network or
36 provider network as the hospital.

37 SEC. 3. No reimbursement is required by this act pursuant to
38 Section 6 of Article XIII B of the California Constitution because
39 the only costs that may be incurred by a local agency or school
40 district will be incurred because this act creates a new crime or

1 infraction, eliminates a crime or infraction, or changes the penalty
2 for a crime or infraction, within the meaning of Section 17556 of
3 the Government Code, or changes the definition of a crime within
4 the meaning of Section 6 of Article XIII B of the California
5 Constitution.

O