

Introduced by Senator Hernandez

February 1, 2016

An act relating to health care.

LEGISLATIVE COUNSEL'S DIGEST

SB 932, as introduced, Hernandez. Health care mergers and acquisitions.

Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care and makes a willful violation of the act a crime. Existing law requires every nonprofit health care service plan applying to restructure, as defined, or convert its activities to secure the approval of the Director of the Department of Managed Health Care. Existing law requires the Director of the Department of Managed Health Care to provide the public notice of, reasonable access to, and an opportunity to comment on, public records relating to the restructure or conversion of a health care service plan. Existing law requires any nonprofit health care service plan that is formed under, or subject to, either the Nonprofit Public Benefit Corporation Law or the Nonprofit Mutual Benefit Corporation Law to secure the written consent of the Director of the Department of Managed Health Care prior to any merger.

This bill would declare the intent of the Legislature to enact legislation that would require a review of health care mergers and acquisitions for impacts on health care costs, access, and quality of care.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

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

- 1 SECTION 1. It is the intent of the Legislature to enact
- 2 legislation that would require a review of health care mergers and
- 3 acquisitions for impacts on health care costs, access, and quality
- 4 of care.

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