

Introduced by Senator Figueroa

February 23, 2000

An act to amend Section 1373.65 of the Health and Safety Code, relating to health care service plans.

LEGISLATIVE COUNSEL'S DIGEST

SB 1746, as introduced, Figueroa. Health care service plan: termination of provider: notification: enrollee.

Existing law provides for the regulation and licensing of health care service plans by the Department of Managed Care, effective no later than July 1, 2000, or earlier pursuant to an executive order of the Governor. A willful violation of the provisions governing health care service plans is a crime.

Existing law requires a health care service plan 30 days prior to termination of a contract with a medical group or individual practice association to provide affected enrollees with a written notice of the change. Existing law permits the plan when terminating a contractual arrangement with an individual provider within a medical group or individual practice association to have that group or association notify the enrollees who are patients of that provider.

This bill would require the health care service plan to notify enrollees when terminating the contractual arrangement with an individual provider, and would specify the method for delivering written notice, and the procedure to follow if the written notice is returned as undeliverable. The bill would require the notice to provide instructions for enrollees to choose a new "gatekeeper" and would define that term. The bill would permit an enrollee to self-refer under specified



conditions. The bill would require the waiver by the plan of enrollee copayments for emergency treatment under specified conditions.

Because a violation of this bill’s requirements with respect to a health care service plan would be a crime, this bill would impose a state-mandated local program by creating a new crime.

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 1373.65 of the Health and Safety
2 Code is amended to read:

3 1373.65. (a) Thirty days prior to terminating, *for any*
4 *reason*, a contract with ~~an entire~~ a medical group ~~or,~~
5 individual practice association, *or individual provider,*
6 the plan shall provide written notice of the termination
7 to enrollees who are at that time receiving a course of
8 treatment from a provider of that medical group ~~or,~~
9 individual practice association, *or individual provider,* or
10 are designated as having selected that medical group ~~or,~~
11 individual practice association, *or individual provider* for
12 their care. *The notice shall include instructions on*
13 *selecting a new gatekeeper.*

14 (b) ~~When a plan terminates a contractual~~
15 ~~arrangement with an individual provider within a~~
16 ~~medical group or individual practice association, the plan~~
17 ~~may request that the medical group or individual practice~~
18 ~~association notify the enrollees who are patients of that~~
19 ~~provider of the termination.~~

20 (e) A plan shall disclose the reasons for the termination
21 of a contract with a provider to the provider only when
22 the termination occurs during the contract year.



1 ~~(d)~~
2 (c) Notwithstanding subdivision ~~(e)~~ (b), whenever a
3 plan indicates that a provider's contract is being
4 terminated for quality of care reasons, it shall state
5 specifically what those reasons are.

6 (d) (1) *An enrollee shall not be required to have the*
7 *approval of a gatekeeper; and all self-referrals within the*
8 *health care service plan shall be approved until a*
9 *gatekeeper is assigned or chosen, if either of the following*
10 *occur:*

11 (A) *The enrollee has not been notified pursuant to*
12 *subdivision (a) that his or her gatekeeper has ceased to*
13 *be affiliated with the health care service plan.*

14 (B) *The enrollee has not chosen a gatekeeper after*
15 *receiving the notice required by subdivision (a) and the*
16 *health plan has not assigned the enrollee a gatekeeper*
17 *within 30 days of that notice.*

18 (3) *If an enrollee is not required to have the approval*
19 *of a gatekeeper pursuant to paragraph (2), copayments*
20 *which would appear reasonable to a prudent person for*
21 *emergency treatment provided in or out of the health*
22 *care service plan shall be waived by the health care*
23 *service plan.*

24 (e) *All notifications required by this section shall be by*
25 *United States mail. If an enrollee's premiums are paid in*
26 *full or in part by the enrollee's employer, notice shall be*
27 *mailed to the employer at the same time it is mailed to the*
28 *enrollee. If the notice to the enrollee is returned as*
29 *undeliverable, the person responsible for providing the*
30 *notice shall telephone the enrollee. If telephone contact*
31 *cannot be completed, the health care service plan shall*
32 *notify the enrollee upon the first subsequent contact that*
33 *the enrollee has with the health care service plan.*

34 (f) *For purposes of this section "gatekeeper" means a*
35 *primary care provider whose initiation or approval of a*
36 *referral of an enrollee to a specialist or for procedures not*
37 *performed by the primary care provider is required by*
38 *the health care service plan before the plan will authorize*
39 *the referral.*



1 SEC. 2. No reimbursement is required by this act
2 pursuant to Section 6 of Article XIII B of the California
3 Constitution because the only costs that may be incurred
4 by a local agency or school district will be incurred
5 because this act creates a new crime or infraction,
6 eliminates a crime or infraction, or changes the penalty
7 for a crime or infraction, within the meaning of Section
8 17556 of the Government Code, or changes the definition
9 of a crime within the meaning of Section 6 of Article
10 XIII B of the California Constitution.

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