



## LEGISLATIVE HISTORY *HEALTH CARE*

The following legislative history offers a brief overview of key state and federal legislation that has defined the health care field. In addition, it highlights health care legislation signed in 2002.

### FEDERAL LEGISLATION

#### *Signed into Law*

**1965**

#### **The Social Security Act of 1965 (Public Law 89-97)**

President Lyndon B. Johnson signed this bill to provide health insurance for the elderly, via Medicare, and the poor, via Medicaid.

**1983**

#### **Social Security Amendments of 1983 (Public Law 98-21)**

This legislation established the hospital prospective payment system, based on diagnosis-related groups (DRGs), to replace cost-based payment.

**1996**

#### **Health Insurance Portability and Accountability Act, HIPAA (Public Law 104-191)**

This measure was enacted to protect the privacy of personal health care information.

#### **Personal Responsibility and Work Opportunity Reconciliation Act (Public Law 104-193)**

This bill de-linked the Medicaid and welfare programs.

**1997**

#### **Balanced Budget Act of 1997 (Public Law 105-33)**

This bill created the State Children's Health Insurance Program (S-CHIP), a federal-state program to provide health insurance for low-income children who do not qualify for Medicaid.

#### *Pending Legislation*

**2002**

#### **Medicare Modernization and Prescription Drug Act (HR 4954)**

#### **Patients' Bill of Rights Legislation (S 1052, HR 2563)**

## STATE LEGISLATION

### *Signed into Law*

#### 1997

##### **SB 719 (Johnston) – Chapter 665, Statutes of 1997**

Enacts the California Continuation Benefits Replacement Act (Cal-COBRA) requiring every group health care and group disability insurance plan contract or policy providing coverage to employers with 2 to 19 eligible employees to offer continuation coverage to a qualified beneficiary.

##### **AB 1126 (Villaraigosa) – Chapter 623, Statutes of 1997**

Establishes the Healthy Families Program (HFP) to provide access to health, dental and vision care for children ages 7 to 18 residing in families with incomes between 100-200% of the federal poverty level (FPL) and children ages 2 to 6 between 133-200% of the FPL.

#### 1998

##### **Proposition 10**

Created the California Children and Families First Program to fund early childhood developmental programs from revenues generated by increases in the state excise tax on cigarettes and other tobacco products.

##### **AB 7 (Brown) – Chapter 787, Statutes of 1998**

Requires health care plans and disability insurance policies that provide coverage for mastectomies and lymph node dissections to allow the attending physician and surgeon, in consultation with the patient, to determine the appropriate length of hospital stay. Also requires coverage for prosthetic devices or reconstructive surgery and all complications from a mastectomy.

##### **AB 12 (Davis) – Chapter 22, Statutes of 1998**

Allows health plan enrollees and subscribers to seek ob-gyn services directly from an ob-gyn without prior approval from another physician, provider, or the insurer.

##### **AB 1181 (Escutia) — Chapter 31, Statutes of 1998**

Requires health care service plans, except specialized plans, to establish and implement procedures under which enrollees may receive a standing referral to a specialist. Also provides that enrollees with a life-threatening, degenerative, or disabling condition or disease that requires specialized care over a prolonged period of time may receive a referral to a specialist or care center with expertise in treating the condition or disease for coordination of their care.

#### 1999

##### **SB 480 (Solis) – Chapter 990, Statutes of 1999**

This bill requires the Secretary of the California Health and Human Services Agency to submit a report to the Legislature concerning the results of the process established to examine the options for providing universal health care coverage.

##### **AB 39 (Hertzberg) – Chapter 532, Statutes of 1999**

Requires health plan coverage for a variety of FDA-approved contraceptive methods in prescription benefit packages, subject to specified exemptions for religious employers.

**AB 78 (Gallegos) – Chapter 525, Statutes of 1999**

Establishes a new Department of Managed Care in the Business, Transportation and Housing Agency, and transfers responsibility for oversight of health care service plans from the Department of Corporations to the new Department.

**AB 88 (Thomson) — Chapter 534, Statutes of 1999**

Requires certain managed care plans and health insurers to provide coverage for specified mental illness treatment.

**AB 155 (Migden) — Chapter 820, Statutes of 1999**

Requires Department of Health Services (DHS), subject to federal financial participation, to adopt the federal option to provide Medi-Cal to working disabled persons with income (excluding disability benefits) up to 250% of the federal poverty level.

**AB 416 (Machado) — Chapter 527, Statutes of 1999**

Strengthens confidentiality protections, particularly with regard to health insurers, for persons who receive outpatient psychotherapy.

**AB 892 (Alquist) — Chapter 528, Statutes of 1999**

Requires certain managed care and health insurers to cover hospice care.

**AB 1107 (Cedillo) — Chapter 146, Statutes of 1999**

Requires DHS and Managed Risk Medical Insurance Board (MRMIB) to distribute funds to community-based organizations (CBOs) for education, outreach and enrollment of children in Healthy Families and Medi-Cal. Expands Medi-Cal eligibility and requires simplification of the application and reporting requirements for Medi-Cal.

**2000**

**SB 87 (Escutia) – Chapter 1088, Statutes of 2000**

Sets forth requirements and procedures for providing uninterrupted health coverage through the Medi-Cal program and for reviewing Medi-Cal eligibility for specified beneficiaries when CalWORKs benefits have been terminated.

**AB 1015 (Gallegos) – Chapter 946, Statutes of 2000**

Extends eligibility under the Healthy Families Program and Medi-Cal to the uninsured parents of HFP and Medi-Cal eligible children.

**AB 2415 (Migden) – Chapter 944, Statutes of 2000**

Makes legal immigrant children eligible for the Healthy Families Program without regard to the availability of federal financial participation and, instead, subject to the availability of funds for that purpose in the annual state Budget Act.

**AB 2877 (Thomson) – Chapter 93, Statutes of 2000**

This budget trailer bill contained several important health access, managed care, and public health provisions, including significant rate increases for providers participating in health and human services programs; important eligibility streamlining changes in the Medi-Cal program; increased funding for the Department of Managed Care; expansion of efforts to reduce fraud by Medi-Cal providers; and funding for the state's breast, gynecological, and prostate cancer treatment program for low-income residents.

**AB 2901 (Committee on Health) – Chapter 48, Statutes of 2000**

Establishes a formula for an equitable distribution of Disproportionate Share Hospital payments between public and private DSH hospitals. Maximizes California’s federal DSH share and takes into account potential federal legislation that would lessen or eliminate scheduled federal reductions. Provides distribution adjustments to the DSH payment methodology if the administrative fee is reduced or eliminated.

**2001**

**SB 37 (Speier) – Chapter 172, Statutes of 2001**

Requires health-care service plans and certain disability insurers to provide coverage for all health-care services related to the treatment of an enrollee or insured in a clinical trial meeting specified requirements.

**SB 456 (Speier) – Chapter 635, Statutes of 2001**

Establishes a statutory framework to meet the federal requirements of the Health Insurance Portability and Accountability Act (HIPAA) of 1996, and specifies the responsibilities of the statewide Office of HIPAA Implementation within the State Health and Human Services Agency to ensure statewide HIPAA compliance.

**SB 493 (Sher) – Chapter 897, Statutes of 2001**

This “Express Lane Eligibility” bill requires county welfare agencies to match up their databases to identify households receiving food stamp benefits that are not currently enrolled in Medi-Cal or the Healthy Families health insurance programs. Using the regular food stamp re-determination process, the agencies would then ask these families for their consent to use their food stamp file information to determine whether they are eligible for either of the two state-sponsored insurance programs.

**SB 1169 (Alpert) – Chapter 900, Statutes of 2001**

Permits a pharmacist to initiate emergency contraception drug therapy in accordance with standardized procedures or protocols developed by the pharmacist and an authorized physician.

**AB 25 (Migden) – Chapter 893, Statutes of 2001**

Confers on domestic partners several new health-care rights, including the right to make health-care decisions for an incapacitated partner, the right to nominate and be nominated as conservators, the right to use employee sick leave to attend to an illness of a partner or a partner’s child, and the right to receive continued health-care coverage as a surviving beneficiary of a deceased employee.

**AB 59 (Cedillo) – Chapter 894, Statutes of 2001**

Establishes a statewide pilot project to expedite Medi-Cal enrollment for children receiving free lunches through the National School Lunch Program, effective July 1, 2002.

**AB 495 (Diaz) – Chapter 648, Statutes of 2001**

Establishes the Children’s Health Initiative Matching Fund and authorizes county agencies, local initiatives, and county organized health systems to seek and obtain funds to provide comprehensive health-insurance coverage to children in families whose incomes do not exceed 300 percent of the federal poverty level and who do not qualify for either Medi-Cal or the Healthy Families program.

**AB 1657 (Hertzberg) – Chapter 195, Statutes of 2001**

Requires the state auditor to evaluate the financial capacity of the Los Angeles County Department of Health Services to render necessary health care services to the residents of Los Angeles County.

**2002**

**SB 59 (Escutia) – Chapter 800, Statutes of 2002**

Requires the Managed Risk Medical Insurance Board (MRMIB) to report to the Legislature recommendations on innovative methods for addressing health needs of vulnerable children. Requires MRMIB to seek input from the Healthy Families Advisory Panel and stakeholder organizations. Requires federal financial participation for implementation.

**SB 253 (Ortiz) – Chapter 789, Statutes of 2002**

Declares state policy to require that research involving the derivation and use of human embryonic stem cells, human embryonic germ cells, and human adult stem cells, including somatic cell nuclear transplants, shall be permitted and that full consideration of the ethical and medical implications of this research be given.

**SB 406 (Ortiz) – Chapter 393, Statutes of 2002**

Establishes the procedures by which federal funding may be allocated and expended by local health jurisdictions for the prevention of, and response to, bioterrorist attacks and other public health emergencies, pursuant to the federally approved collaborative state-local plan.

**SB 1230 (Alpert) – Chapter 821, Statutes of 2002**

Makes the temporary ban on human cloning, due to expire on January 1, 2003, permanent and extends the ban to human reproductive cloning. Creates a committee to advise the Legislature and the governor on human cloning and related human biotechnology issues.

**SB 1278 (Speier) – Chapter 542, Statutes of 2002**

Makes permanent a provision in existing law relating to prescription discounts for Medicare recipients.

**ACR 202 (Corbett) – Resolution Chapter 119, Statutes of 2002**

Resolves that the goal of the Legislature is to assure that every senior in California receive the best health care possible, and specifies various health care rights for seniors to this end.

**AB 1401 (Thomson) – Chapter 794, Statutes of 2002**

Creates a four-year pilot program to provide coverage to the medically uninsurable by both implementing changes in the Major Risk Medical Insurance Program and through market reforms in health care insurance policy.

**AB 2364 (Negrete-McLeod) – Chapter 452, Statutes of 2002**

Establishes the Legislature's intent to determine ways to simplify the administration of Medi-Cal to encourage health-care service plans and health care providers to participate in the program.

## *Pending Legislation*

### **2003**

#### **SB 2 (Speier)**

This bill would declare the intent of the Legislature to develop an employer-based health care coverage system that provides health insurance to every employee in California.

#### **SB 24 (Figueroa)**

This program would create the Cal-Health Program. Cal-Health would provide coordination of the Healthy Families and Medi-Cal programs by the board and the DHS. DHS would be required, on or before January 1, 2005, to implement a program that would enable participating providers to screen and initiate an accelerated enrollment process for eligible individuals, as defined, into the Medi-Cal program or the Healthy Families Program upon receipt by the individual of medical services by a provider. It would require the department to exercise its option under federal law and submit the necessary federal waiver to allow providers to engage in this process.

#### **AB 10 (Firebaugh)**

This bill would authorize the County of Los Angeles to establish the Los Angeles County Health Authority that would exercise prescribed powers with respect to the provision of health services in the county.

#### **AB 30 (Richman)**

This bill would expand Healthy Families to cover childless adults, in order to provide coverage to employed childless adults who are uninsured for health care coverage and who meet certain household income requirements, subject to approval of a federal waiver and appropriation of state matching funds.

*Prepared with assistance from  
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