

# WESTERN CENTER ON LAW & POVERTY

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## Health Care Legislation Affecting Low-Income Consumers as of March 16, 2009

The deadline to introduce bills for the regular 2009-10 legislative session was February 27, 2009. Some bills are still in “spot bill” form – without specific language. Following is a summary of some of the legislation affecting low-income health consumers.

### Medi-Cal

#### [AB 23](#)([Jones](#)) **Medi-Cal: continuous eligibility.**

**Summary:** This bill would rescind Medi-Cal mid-year status reports for children and reinstate the Continuous Eligibility for Children (CEC) Medi-Cal Program.

#### [AB 334](#)([Fuentes](#)) **Medi-Cal: eligibility: inmates.**

**Summary:** As already happens for children, this bill would require an adult on Medi-Cal have their benefits suspended rather than terminated when they become an inmate of a public institution.

#### [AB 342](#)([Bass](#)) **Medi-Cal: hospital demonstration project.**

**Summary:** Spot bill re: Medi-Cal hospital waiver.

#### [AB 367](#)([Galgiani](#)) **Medi-Cal: skilled nursing facilities and intermediate care facilities for persons with developmental disabilities.**

**Summary:** Spot bill to ensure that facilities serving the elderly and persons with developmental disabilities receive the uninterrupted Medi-Cal payments necessary to ensure continuous services for those who rely on their care.

#### [AB 613](#)([Beall](#)) **Medi-Cal: treatment authorization requests.**

**Summary:** This bill would require the department to streamline the TAR process, including reducing the number of TARs required and reducing the number of days within which TARs shall be authorized.

#### [AB 754](#)([Chesbro](#)) **Medi-Cal mental health managed care contracts.**

**Summary:** Broad bill re: obligations of and payments to county Medi-Cal mental health managed care plans.

**[AB 839\(Emmerson\)](#) Medi-Cal service providers: judicial remedies.**

**Summary:** If a Medi-Cal provider files a complaint or grievance about payment by Medi-Cal but is not satisfied with the decision regarding that claim may seek appropriate judicial remedies within a specified time period. This bill would, instead, specify that the provider who has complied with these procedures may seek either a writ of mandate or, if the claim meets the jurisdictional requirements, file a claim in small claims court.

**[AB 963\(Ammiano\)](#) Medi-Cal eligibility.**

**Summary:** This bill, co-sponsored by Western Center, would require the Department of Health Care Services (DHCS), in consultation with the Department of Social Services (DSS), to make necessary technological and policy changes to update the data sharing, computer programming, and administrative procedures to ensure the continuation of Medi-Cal benefits when a beneficiary reports a change in circumstances to the Food Stamp Program.

**[AB 1076\(Jones\)](#) Medi-Cal Fee-For-Service.**

**Summary:** This bill would require DHCS, in consultation with the Legislature, to develop and implement a program to improve the Medi-Cal fee-for-service health care delivery system to better coordinate and manage health care services, emphasize timely primary and preventive care and management of chronic diseases, and reduce the use and overuse of high cost emergency and hospital inpatient services.

**[AB 1142\(Price\)](#) Medi-Cal: proof of eligibility.**

**Summary:** This bill would require hospitals to give patient Medi-Cal eligibility to other hospital-based providers.

**[AB 1174\(Hernandez\)](#) Medi-Cal: ambulance transportation services.**

**Summary:** This bill would enact the Ambulance Payment Reform Act of 2009 which would provide that emergency basic life support and advanced life support services are covered under the Medi-Cal program when a patient could reasonably expect that an absence of immediate medical attention would result in significant adverse health effects, as provided. The bill would require the department to develop rates for specified ambulance transportation services and adjust them yearly.

**[AB 1269\(Brownley\)](#) Medi-Cal: 250% Working Disabled Program.**

**Summary:** This bill would make a number of changes to the 250% Working Disabled Program, including: (1) authorize individuals who are otherwise eligible under this program but who are temporarily unemployed to remain on Medi-Cal for up to 26 weeks, (2) provide additional resource exemptions, (3) extend specified resource exemptions to apply for the beneficiary under any other ABD Medi-Cal programs (4) set monthly premiums at 5% of countable income, within specified minimum and maximum premiums.

**[AB 1445\(Chesbro\)](#) Medi-Cal.**

**Summary:** This bill would provide that more than one encounter between a patient and the same health care professional on the same day and at a single location may each be separately reimbursed in specified circumstances. The bill would also provide that visits with different health care professionals on the same day of service may be billed as separate visits.

**[AB 1541\(Committee on Health\)](#) Healthy Families Program.**

*Western Center Health Legislation Summary March 16, 2009*

**Summary:** Spot bill to implement changes that affect the Healthy Families Program, in the federal stimulus bill and the Children's Health Insurance Program reauthorization Act (CHIPRA).

**[ABX3 25\(Jones\)](#) Medi-Cal.**

**Summary:** Special session spot bill to implement Medi-Cal portions of federal stimulus.

**[SB 92\(Aanestad\)](#) Health care reform.**

**Summary:** Omnibus health reform bill which would: transition Medi-Cal from a defined-benefit program to a defined-contribution system where MC enrollees would purchase private coverage; establish a Healthy Action Incentives Reward Program in MC; modify MC utilization controls; establish a computer modeling program to identify MC fraud; allow hospitals to garnish tax refunds or lottery winnings for unpaid hospital bills owed by uninsured persons; redirect DSH funds to clinics; allow sales of health plans from other states without applying California law requirements to them; allow plans to be sold to people with income below 350% FPL without currently-mandated benefits if the individual waives them; encourage the design of HDHPs used with HSAs; allow association health plans; narrow the definition of medical necessity; increase MC provider rates to 80% of Medicare; impose disclosure on the Internet of Medi-Cal expenditures; provide for electronic health records for MC beneficiaries; and other provisions.

**[SB 114\(Liu\)](#) Medi-Cal: independent foster care adolescents.**

**Summary:** This bill, co-sponsored by Western Center, would institute a passive annual renewal process for the Former Foster Care Child Medi-Cal Program to ensure they stay enrolled in the program until the age of 21.

**[SB 208\(Steinberg\)](#) Medi-Cal: demonstration project waiver.**

**Summary:** Spot bill re: Medi-Cal hospital waiver.

**[SB 337\(Alquist\)](#) Medi-Cal: continuous eligibility: semiannual status reports.**

**Summary:** This bill would rescind mid-year status reports for children in the Medi-Cal program and reinstate the Continuous Eligibility for Children (CEC) Medi-Cal Program.

**[SB 438\(Yee\)](#) Health care coverage: Cal-Health Act.**

**Summary:** This bill would make a number of changes to the Medi-Cal and Healthy Families eligibility rules and application processes including having counties determine HF eligibility, eliminating the MC assets test, allowing counties to grant Accelerated Enrollment in MC to children and pregnant women, imposing outreach requirements on schools and hospitals, and consolidating MC and HF into "Cal-Health."

## **Medi-Cal Managed Care**

**[AB 1037\(Lowenthal, Bonnie\)](#) Medi-Cal: managed care.**

**Summary:** This bill would establish the Medi-Cal Managed Care Pilot Program in Riverside and San Bernardino counties. Seniors and persons with disabilities who are not expressly excluded would be enrolled in a Medi-Cal managed care plans unless they affirmatively chose to be fee-for-service. The bill would impose various requirements on managed care plans participating in the program.

**[AB 1309\(Emmerson\)](#) Medi-Cal.**

**Summary:** Spot bill regarding defaulting into Medi-Cal managed care plans.

**[SB 311\(Alquist\)](#) Medi-Cal: managed care.**

**Summary:** This bill would require the department to establish minimum quality standards for Medi-Cal managed health plans based on HEIDIS measures. It would permit the department to impose penalties for violation of the standards, and would require that any savings derived from these penalties be allocated to plans demonstrating superior performance.

**[SB 750\(Strickland\)](#) Medi-Cal: prepaid health plans.**

**Summary:** Spot bill re: Medi-Cal managed care plans.

## **Medical Debt**

**[AB 171\(Jones\)](#) Dental services: credit.**

**Summary:** This bill, sponsored by Western Center, would require dentists, before arranging credit cards or loans for services that the consumer has not yet received, to give a list of that treatment to the consumer. It would require dentists to provide consumers with a simple, clear notice about credit cards and loans as well as a proposed treatment plan. For consumers who do not speak English whom the dental office is serving in the consumer's language, the notice must be provided in that language. The bill would prohibit a dentist from arranging a credit card or loan when the patient is under general anesthesia, nitrous oxide or conscious sedation.

**[AB 326\(Garrick\)](#) Income tax: health savings accounts.**

**Summary:** This bill would allow a tax deduction for health savings accounts used with high deductible health plans.

**AB 1142(Price) Medi-Cal: proof of eligibility.**

**Summary:** This bill would require hospitals to give patient Medi-Cal eligibility to other hospital-based providers.

**AB 1503(Lieu) Emergency medical care: billing.**

**Summary:** This bill would provide that uninsured patients or patients with high medical costs who are at or below 350% of the federal poverty level are eligible to apply to a physician and surgeon who provides emergency medical services in a general acute care hospital for a discount payment. Those providers could only charge qualifying patients the amount they could get from a public health program. They would have to give notice about their discount policy when they billed. The bill would limit the collection practices that doctors could use for qualifying patients. Doctors who were paid by the Maddy Fund could not bill patients further.

**SB 353(Dutton) Income tax: health savings account.**

**Summary:** This bill would allow a tax deduction for health savings accounts used with high deductible health plans.

## **Coverage Expansion**

**AB 29(Price) Health care coverage.**

**Summary:** This bill would require health plans and insurers to allow coverage of dependents up to 27 years of age.

**AB 115(Beall) Adult Health Coverage Expansion Program.**

**Summary:** Existing law provides for the creation of the Adult Health Coverage Expansion Program as a pilot program in Santa Clara County to be administered by a local initiative in the county, at the option of the local initiative. The program provides health care coverage to eligible employees, as specified, of a small business, as defined, that participates in the program, not to exceed 5,000 employees in the county unless authorized by the Department of Managed Health Care. This bill would authorize the local initiative to provide complementary products, as defined, to provide health care services coverage to the spouses or domestic partners or eligible dependent children of program enrollees. This bill contains other related provisions and other existing laws.

**AB 1314(Jones) Medi-Cal: health care coverage.**

**Summary:** This bill would require DHCS, in consultation with the Legislature, to submit a waiver to expand coverage for low- and moderate-income children and adults.

**SB 1(Steinberg) Health care coverage: children.**

**Summary:** This bill would extend coverage under the Medi-Cal and Healthy Families Programs to all children with countable family incomes up to 300% of the poverty level and make a number of program simplifications.

**SB 56(Alquist) Health care.**

**Summary:** Spot bill for health reform.

**SB 810(Leno) Single-payer health care coverage.**

**Summary:** This bill would establish a new-single payer health care system for all Californians.

## **Healthy Families**

**[AB 1541](#)(Committee on Health) Healthy Families Program.**

**Summary:** Spot bill to implement changes that affect the Healthy Families Program, in the federal stimulus bill and the Children's Health Insurance Program reauthorization Act (CHIPRA).

**[ABX3 24](#)(Jones) The Healthy Families Program.**

**Summary:** Special session spot bill to implement changes that affect the Healthy Families Program in the federal stimulus bill and the Children's Health Insurance Program reauthorization Act (CHIPRA).

**[SBX3 24](#)(Alquist) CHIPRA.**

**Summary:** Special session spot bill to implement CHIPRA.

## **Insurance Market Reforms**

**[AB 119](#)(Jones) Health care coverage: pricing.**

**Summary:** This bill would prohibit health insurers from charging a premium, price, or charge differential because of the sex of specified individuals, even if the premium, price, or charge differential is based on statistical and actuarial data or sound underwriting practices.

**[AB 722](#)(Lowenthal, Bonnie) Preexisting conditions.**

**Summary:** This bill would provide that a person with a history of seeking mental health treatment shall not be determined to have a preexisting condition or otherwise be denied coverage by a health plan or insurer.

**[AB 786](#)(Jones) Individual health care coverage: coverage choice categories.**

**Summary:** This bill would eliminate "junk insurance" by develop minimum benefit standards and requiring maximum out-of-pocket limits. The bill would require the DMHC and DOI to jointly develop a system to categorize health plan and health insurance policies in the individual market into five categories to allow consumers to compare.

**[AB 1218](#)(Jones) Health care coverage: rate approval.**

**Summary:** This bill would require approval by the Department of Managed Health Care or the Department of Insurance of an increase in the amount of the premium, copayment, coinsurance, deductible, and other charges under a health plan or health insurance policy. The bill would require a plan or insurer to submit an application for a rate increase and public notice of a rate application.

**[AB 1521](#)(Jones) Health care coverage: solicitation.**

**Summary:** This bill would specify that brokers have a fiduciary duty to the purchaser of health coverage and would require brokers to disclose their compensation.

**[SB 54](#)(Leno) Health care coverage: pricing.**

**Summary:** This bill would prohibit health plans from charging different premiums based on gender.

**[SB 316](#)(Alquist) Health care coverage: benefits.**

**Summary:** This bill would set a minimum medical loss ratio - requiring full service health plans and insurers to spend at least 85% of premiums on health care benefits.

## **Managed Care**

**[AB 214\(Chesbro\)](#) Health care coverage: durable medical equipment.**

**Summary:** This bill would require health plans and insurers to provide coverage for durable medical equipment.

**[AB 244\(Beall\)](#) Health care coverage: mental health services.**

**Summary:** This bill would require health plans to provide parity coverage for all mental illnesses.

**[AB 513\(De Leon\)](#) Health care coverage: breast-feeding.**

**Summary:** This bill would require health plans and insurers to include coverage for lactation consultation and for the rental of breast pumps for plans that provide maternity coverage.

**[AB 1210\(Krekorian\)](#) Health care service plans.**

**Summary:** Spot bill re: Knox-Keene Act.

**[SB 525\(Padilla\)](#) Department of Managed Health Care: rulemaking.**

**Summary:** The director of the Department of Managed Health Care has broad discretion to exempt plans from Knox-Keene provisions. This bill would subject the making of those exemptions and waivers to the administrative rulemaking provisions of the Administrative Procedure Act.

**[SB 529\(Wyland\)](#) Health care service plans.**

**Summary:** Spot bill re: Knox-Keene Act.

## **MRMIP**

**[SB 57\(Aanestad\)](#) California Major Risk Medical Insurance Program.**

**Summary:** This MRMIP reform bill would require individual health plans and insurers to pay a surcharge per life covered to fund MRMP; allow plans and insurers to exclude coverage of pre-existing conditions through "riders;" create a "rider" pool; require that at least 4 plan designs be offered including at least one Health Savings Account-compatible option; eliminate the maximum deductible and out-of-pocket amounts; require applicants to have been turned down by three plans or have a specified condition; allow the Board to establish a sliding scale; increase the maximum benefit; and increase the tobacco funds directed to MRMIP.

**[SB 227\(Alquist\)](#) Health care coverage.**

**Summary:** This bill would require health plans and insurers to either participate in MRMIP or pay a fee set by MRMIB based on its market share and medical loss ratio. The bill would require MRMIB to establish a voluntary reenrollment program for persons enrolled in the former pilot program, would implement benefit changes for MRMIP and would establish limits on MRMIP subscriber contribution amounts. The bill would increase tobacco funds directed to MRMIP.

*Western Center Health Legislation Summary March 16, 2009*

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