

**Legislation Analyzed by the Department of Managed Health Care  
2008 Assembly and Senate Bills (AB and SB) Signed by the Governor**

**AB 1150 (Lieu—Chap. 188, Stats. of 2008): Health care coverage: underwriting practices.**

This bill would prohibit the compensation of a person or entity employed by, or contracting with, a health care service plan or disability insurer from being based on, or related to, the number of health care service plan or health insurance contracts, policies, or certificates that the person has caused or recommended to be rescinded, canceled, or limited, or the resulting cost savings to the plan or insurer. The bill would also prohibit a plan or insurer from setting performance goals or quotas, or providing compensation to any person or entity employed by or contracted with the plan or insurer, based on the number of persons whose health coverage is rescinded or any financial savings to the plan or insurer associated with rescission of coverage. This bill contains other related provisions.

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**AB 1203 (Salas—Chap. 603, Stats. of 2008): Health care service plans: noncontracting hospitals: poststabilization care.**

This bill would require a noncontracting hospital to obtain information from a patient covered by a health care service plan and provide that information to the patient's health plan or contracting medical group, as specified, following a medical emergency, but prior to providing poststabilization care. The bill would prohibit the noncontracting hospital from billing the patient for poststabilization care, except for applicable copayments, coinsurance, and deductibles, unless the patient or the patient's spouse or guardian assumes financial responsibility for care, as specified, or the hospital is unable to obtain the health plan's name and contact information, as specified. The bill would also enact other related provisions.

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**AB 1894 (Krekorian—Chap. 631, Stats. of 2008): Health care coverage: HIV testing.**

This bill would require health care service plans and health insurers, on or after January 1, 2009, to provide human immunodeficiency virus (HIV) testing, regardless of whether the testing is related to a primary diagnosis. This bill contains other related provisions.

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**AB 2569 (De Leon—Chap. 604, Stats. of 2008): Health care coverage: rescission.**

This bill would specifically require a health care service plan or health insurer to permit an individual, when that individual's plan contract has been rescinded, to transfer within 60 days, without medical underwriting, to any other individual plan contract offered by that same health plan and providing similar benefits, as specified. The bill would also authorize a health care service plan or health insurer to permit these individuals to remain covered under that individual plan contract or individual health benefit plan, with a specified revised premium rate. The bill would also require an agent, broker, or solicitor assisting an applicant with an application, to make a specified attestation on the written application, under penalty of perjury.

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**AB 2589 (Solorio—Chap. 604, Stats. of 2008): Health care coverage: public agencies.**

This bill would require a health plan or a health insurer to annually disclose health insurance policy specified information, including any fees or commissions paid to any agent, broker, or other individual. This disclosure is required to be made to the governing board of a public agency that is the subscriber of a group contract, or the policyholder of a group.

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**AB 2842 (Berg—Chap. 744, Stats. of 2008): Solicitation: unfair business practices.**

This bill would provide that it is an unfair business practice for health insurance agents or brokers and various parties engaged in the solicitation of health care service plans to engage in cold lead advertising, as defined, when marketing a Medicare product, or to use an appointment made to discuss a particular Medicare product to solicit the sale of another Medicare product or other health care coverage or health insurance products, except as specified. This bill contains other related provisions.

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**SB 697(Yee—Chap. 606, Stats. of 2008): Health care coverage: provider charges.**

This bill would prohibit, as specified, a health care provider from seeking reimbursement for covered services furnished to a person enrolled in the Healthy Families Program or the Access for Infants and Mothers Program from other than the participating health plan covering that person. The bill would also make findings and declarations in that regard.

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**SB 1168 (Runner—Chap. 390, Stats. of 2008): Health care coverage: dependent children.**

This bill would provide that if a plan or insurance policy provides coverage for a dependent child who is over 18 years of age and enrolled at a secondary or postsecondary educational institution, the plan or policy may not terminate that coverage if the child takes a medical leave of absence, as specified. This bill contains other related provisions.

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**SB 1379 (Ducheny—Chap. 607, Stats. of 2008): Physician and surgeon loan repayment: health care service plans: California Major Risk Medical Insurance Program.**

This bill would require fines and administrative penalties assessed by the Department of Managed Health Care under the Knox-Keene Health Care Service Plan Act of 1975 to be placed in the Managed Care Administrative Fines and Penalties Fund. The bill would also require these monies to be used for the Steven M. Thompson Physician Corps Loan Repayment Program and for the Major Risk Medical Insurance Program, as specified. SB 1379 would also make other related changes. This bill took effect as an urgency measure on September 30, 2008.

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**SB 1387 (Padilla—Chap. 403, Stats. of 2008): Dental coverage: provider overpayments.**

This bill would enact various provisions regarding overpayments by plans and health insurers providing dental coverage. The bill would require that the overpayment notice sent by the plan or insurer contain specified information. This bill contains other related provisions.

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**SB 1503 (Steinberg—Chap. 409, Stats. of 2008): Public health: Lou Gehrig's disease.**

This bill would declare that an ALS Association Certified Center is a specialty care center for purposes of treating patients that have received referrals for this specialized care. This bill contains other related provisions.

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**SB 1553 (Lowenthal—Chap. 722, Stats. of 2008): Health care service plans: mental health services.**

This bill would prohibit a health care service plan (health plan) from basing decisions to deny requests by providers for authorization or to deny claims reimbursement on whether the admission was voluntary or involuntary or the method of transportation to the health care facility. The bill would also require a health plan Web site to include useful information for subscribers and providers on accessing mental health services.

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NOTE: Unless indicated otherwise, all bills become effective on January 1, 2009. Copies of bills are available on the Legislative Counsel Webpage at [www.leginfo.ca.gov](http://www.leginfo.ca.gov).