



CAHP LEGISLATIVE INFORMATION

AB 1309 (Bauer-Kahan) Chapter 828, Statutes of 2019

As a service to our members, the California Association of Health Plans produces guidelines designed to assist in the interpretation and implementation of new laws, and to promote full compliance with those laws. This document, however, is not intended to be authoritative. Any questions about official interpretations of the law should be directed to the appropriate state regulatory agency such as the Department of Managed Health Care or the Department of Health Care Services, as well as your legal counsel.

HEALTH CARE COVERAGE: ENROLLMENT PERIODS

BACKGROUND

Assembly Bill 1309 was authored by Assemblymember Rebecca Bauer-Kahan and sponsored by Health Access, California. AB 1309 was introduced because the law establishing the open-enrollment periods inside and outside of the Exchange market is scheduled to sunset. The bill, however, does more than extend the sunset; it also changes the enrollment period. The sponsor states that this change is necessary to give consumers additional time to sign up for coverage.

CAHP took an “oppose unless amended” position on AB 1309 because while the bill changed the open enrollment period, it correspondingly changed the effective date of coverage in law from February 1st to March 1st. CAHP contended that more months of premium collection and coverage is better for market stability and was concerned that the change in the effectiveness of coverage would lead to adverse selection and increase uncertainty.

CAHP removed its opposition to the bill when amendments were taken to state that the effective date of coverage shall be February 1 of the benefit year for individual health benefit plans.

The bill passed the Legislature with almost unanimous support.

REQUIREMENTS

AB 1309 adds Section 1399.848 to the Health and Safety Code, relating to health care coverage.

Specifically, AB 1309 does the following:

1399.848. (a) Revises the annual open enrollment period for individual health benefit plans offered outside of Covered California, for policy years beginning on or after January 1, 2020, from November 1 of the preceding calendar year to January 31 of the benefit year, inclusive.

1399.848. (b) Establishes a special enrollment period for individual health benefit plans offered through Covered California, for policy years after January 1, 2020, from December 16 of the preceding calendar year, to January 31 of the benefit year, inclusive. Requires an application for a health benefit plan submitted during this special enrollment period to be treated the same as an application submitted during the annual open enrollment period.

1399.848. (c) Makes the effective date of coverage for plan selection made from December 16 to January 31, inclusive, February 1 of the benefit year for individual health benefit plans offered outside and through Covered California.

COMPLIANCE DATES

This bill will be effective for Open Enrollment beginning in October 2019 for the 2020 plan benefit year.

IMPLEMENTATION ISSUES

This law extends the annual open enrollment period to January 31 for each benefit year with a February 1 effectuation date.

Covered California is in the process of updating the workflow to ensure that this new requirement will be operationalized appropriately. This new open enrollment period does not supersede an individual's right to a Special Enrollment Period for a qualifying event. Carriers may need to do some programming updates to open enrollment marketing materials and customer service trainings to ensure that current and prospective enrollees receive this updated information.