



## CAHP LEGISLATIVE INFORMATION

### SB 260 (Hurtado) Chapter 845, Statutes of 2019

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*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.*

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#### **AUTOMATIC HEALTH CARE COVERAGE ENROLLMENT**

##### **BACKGROUND**

Senate Bill 260 was authored by Senator Melissa Hurtado a first year legislator from the Central Valley. SB 260 was sponsored by Health Access, California. The intent of the bill is to ensure that when people leave Medi-Cal those people can seamlessly enroll in Covered California without gaps in coverage.

CAHP took a Concerns position on SB 260. The health plans stated early on that enacting polices to help consumers avoid coverage gaps is a worthy endeavor as California strives to cover more people and keep them covered. CAHP's members did, however, identify a number of operational and policy issues in the bill that needed to be addressed.

While some questions related to the auto-assignment provisions were answered, some administrative requirements on the health plans will require attention from a compliance perspective. As one example, SB 260 requires a health plan to provide Covered California the name, address, and other contact information of an enrollee, subscriber, policyholder, or certificate holder who ceased to be enrolled in individual or group coverage and who did not opt out of the information transfer. This, and other provisions of the bill, are not effective until January 2021.

SB 260 received strong bi-partisan support in the Legislature.

##### **REQUIREMENTS**

SB 260 adds Section 100503.4 to the Government Code, to amend Section 1366.50 of the Health and Safety Code, relating to health care coverage.

Specifically, SB 260 does the following:

100503.4. (a) Requires Covered California to use the available information in the individual's electronic Medi-Cal and CHIP accounts, to enroll the individual or individuals in the lowest cost silver plan available, unless Covered California has information from the county, DHCS, managed care plan, or another plan as determined by Covered California that enables Covered California to enroll the individual with the individual's previous managed care plan within the timeframe required.

100503.4. (b) Requires Covered California plan enrollment to occur before the termination of coverage through the insurance affordability program. Makes the plan's premium due date no sooner than the last day of the first month of enrollment.

1366.50. (a) (1) Requires as part of the existing notice from health plans when enrollees cease to be covered to also include information that individuals eligible for Medicare should examine their options carefully as delaying Medicare enrollment may result in substantial financial implications, as well as information on how to find enrollment advice or assistance.

100503.4. (d) Requires Covered California to provide an individual who is enrolled in a plan with a notice that includes the following information:

- (1) The plan in which the individual is enrolled;
- (2) The individual's right to select another available plan and any relevant deadlines for that selection;
- (3) How to receive assistance to select a plan;
- (4) The individual's right not to enroll in the plan;
- (5) A statement that services received during the first month of enrollment will only be covered if the premium is paid by the due date; and,
- (6) Information for an individual appealing their previous coverage through an insurance affordability program.

100503.4. (e) Requires all above to be implemented no later than July 1, 2021.

1366.50. (b) (1) Requires a health plan providing individual or group health care coverage to annually notify an enrollee that if the enrollee ceases to be enrolled in coverage, the health plan will provide information, including the enrollee's address, and other contact information, such as email address, to Covered California so that the enrollee may obtain other coverage. Permits an enrollee to opt out of this transfer of information to Covered California.

1366.50. (a) (2) Permits the health plan notice described above to be incorporated into or sent simultaneously with other notices sent by the plan.

1366.50. (b) (2) Requires, beginning January 1, 2021, a health plan providing individual or group health care coverage that has notified its enrollees holders pursuant to 1366.50. (b) (1) above to provide to Covered California the name, address, and other contact information of an enrollee who ceased to be enrolled in coverage and who did not opt out of the information transfer. Requires the information to be provided in a manner prescribed by Covered California.

1366.50. (b) (3) Permits Covered California to use any contact method to communicate with and inform an enrollee, subscriber, policyholder, or certificate holder who ceases to be enrolled in coverage of available coverage options.

## COMPLIANCE DATES

July 1, 2020 – auto-enrollment into the lowest cost silver plan begins.

## IMPLEMENTATION ISSUES

This law imposes new requirements for plan notices for disenrolled members and will require health plans to include a new disclaimer about delaying Medicare enrollment. Health plans may need to make changes to existing letters to disenrolled subscribers or enrollees to include this disclaimer. The notice may be included in existing health plan communications to enrollees.

Disenrolled subscribers or enrollees will also be given the option to opt out of the requirement to transfer their information to Covered California in these notices. Since this is a new requirement, health plans must create a new option for collecting and tracking the requests to opt out of this information transfer.

Additionally, health plans will be required to provide the contact information for any disenrolled subscriber or enrollee to Covered California for the purposes of obtaining coverage. This is a new requirement and plans will be required to transmit this information in a manner prescribed by Covered California.