

Assembly Bill No. 2581

CHAPTER 533

An act to add Section 1374.197 to the Health and Safety Code, and to add Section 10144.56 to the Insurance Code, relating to health care coverage.

[Approved by Governor September 25, 2022. Filed with Secretary of State September 25, 2022.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2581, Salas. Health care coverage: mental health and substance use disorders: provider credentials.

Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care, and makes a willful violation of the act a crime. Existing law also provides for the regulation of disability insurers by the Department of Insurance. Existing law requires a health care service plan contract or disability insurance policy issued, amended, or renewed on or after January 1, 2021, that provides hospital, medical, or surgical coverage to provide coverage for medically necessary treatment of mental health and substance use disorders, under the same terms and conditions applied to other medical conditions, as specified.

For provider contracts issued, amended, or renewed on and after January 1, 2023, this bill would require a health care service plan or disability insurer that provides coverage for mental health and substance use disorders and credentials health care providers of those services for the health care service plan's or disability insurer's networks, to assess and verify the qualifications of a health care provider within 60 days after receiving a completed provider credentialing application. Because a violation of the bill's requirements by a health care service plan would be a crime, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

The people of the State of California do enact as follows:

SECTION 1. Section 1374.197 is added to the Health and Safety Code, to read:

1374.197. (a) For provider contracts issued, amended, or renewed on and after January 1, 2023, a health care service plan that provides coverage

for mental health and substance use disorders and that credentials health care providers of those services for its networks shall assess and verify the qualifications of a health care provider within 60 days after receiving a completed provider credentialing application. Upon receipt of the application by the credentialing department, the health care service plan shall notify the applicant within seven business days, to verify receipt and inform the applicant whether the application is complete. The 60-day timeline shall apply only to the credentialing process and does not include contracting completion.

(b) For the purposes of this section, “mental health and substance use disorder” and “health care provider” have the same meanings as defined in Section 1374.72.

SEC. 2. Section 10144.56 is added to the Insurance Code, to read:

10144.56. (a) For provider contracts issued, amended, or renewed on and after January 1, 2023, a disability insurer that provides coverage for mental health and substance use disorders and that credentials health care providers of those services for its networks shall assess and verify the qualifications of a health care provider within 60 days after receiving a completed provider credentialing application. Upon receipt of the application by the credentialing department, the disability insurer shall notify the applicant within seven business days, to verify receipt and inform the applicant whether the application is complete. The 60-day timeline shall apply only to the credentialing process and does not include contracting completion.

(b) For the purposes of this section, “mental health and substance use disorder” and “health care provider” have the same meanings as defined in Section 10144.5.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.