

ASSEMBLY BILL

No. 1246

Introduced by Assembly Member Limón

February 21, 2019

An act to add Section 10112.285 to the Insurance Code, relating to healthcare coverage.

LEGISLATIVE COUNSEL'S DIGEST

AB 1246, as introduced, Limón. Healthcare coverage: basic health care services.

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. Existing law also provides for the regulation of health insurers by the Department of Insurance.

Existing law requires all health care service plan contracts, and, if applicable, specialized health care service plan contracts, to provide subscribers and enrollees with certain basic health care services, as defined, including physician services and hospital inpatient services, except as specified. Existing law affirms the authority of the Department of Managed Health Care to regulate the provision of medically necessary prescription drug benefits by a health care service plan to the extent the plan provides coverage for those benefits.

Existing law requires individual or small group health insurance policies issued, amended, or renewed on or after January 1, 2017, to include coverage for essential health benefits, as defined, including medically necessary basic health care services.

This bill would require large group health insurance policies, except certain specialized health insurance policies, issued, amended, or renewed on or after January 1, 2020, to include coverage for medically

necessary basic health care services and, to the extent the policy covers prescription drugs, coverage for medically necessary prescription drugs.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

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

- 1 SECTION 1. Section 10112.285 is added to the Insurance
- 2 Code, immediately following Section 10112.28, to read:
- 3 10112.285. (a) A large group health insurance policy issued,
- 4 amended, or renewed on or after January 1, 2020, shall include
- 5 coverage for medically necessary basic health care services, as
- 6 defined in subdivision (b) of Section 1345 of the Health and Safety
- 7 Code and Section 1300.67 of Title 28 of the California Code of
- 8 Regulations.
- 9 (b) To the extent a large group health insurance policy covers
- 10 prescription drugs, a large group health insurance policy issued,
- 11 amended, or renewed on or after January 1, 2020, shall cover
- 12 medically necessary prescription drugs, as described in Section
- 13 1342.7 of the Health and Safety Code.
- 14 (c) This section does not prohibit a large group health insurance
- 15 policy from covering additional benefits.
- 16 (d) This section does not apply to a specialized health insurance
- 17 policy that covers only dental or vision services.