

As you know, energy issues in California have affected the normal flow of business for the State and for the Legislature. Many non-energy-related bills that would have moved toward the Governor's office this year have made limited progress, and will be with us for the entire two-year session. The cost of the energy problem will also significantly affect the State budget, which is also behind schedule. Many pending bills with even a minor fiscal impact will be delayed because of the fiscal uncertainty created by the huge and ultimately unknown cost of energy through the summer.

The Department of Managed Health Care has been studying the issue of discount plans and released draft regulations earlier this month. We have been involved in this issue on behalf of CADP for the past nine months and are currently reviewing the draft regulations in order to comment to the Department.

In addition, the following is an update of measures followed on behalf of CADP.

SB 686 (Ortiz) – Health Care Service Plans: Fees. CADP supports this bill to address the current inequity between the fees charged by DMHC to full service and specialty health plans. Every year the specialty plans pay more than they should pay to run the Department. This bill would require a new and potentially more equitable fee schedule for the specialized plans as well as a new fee schedule for full service plans. We continue to build bipartisan support and hopefully momentum for some fee adjustment. It was the hope of the specialized plans that the Department would agree to draft a new fee schedule without the need for a bill. The full service plans are unhappy about this bill and opposed to the most recent amendments. Proponents intend to continue discussions with the full-service plans to reach accommodation on this issue. Update: The bill passed the Senate on a 33-1 vote on June 4, and is now in Assembly Health.

SB 103 (Speier) – Health Coverage: Continuity of Care. This bill was amended to require a plan to provide care to an enrollee of a terminated provider for 180 days following termination, or until the next open enrollment period, whichever comes first. These time periods can be extended for enrollees with certain medical conditions. This bill would also require that a contract between a plan and a provider must describe the provider's obligations for continuity of care if the relationship between the plan and the provider is terminated, and that this information must be provided to enrollees upon request. If the bill passes, affected provider contracts must be modified to reflect this new requirement. The bill has passed the Senate and will be heard in the Assembly Health Committee. **AB 1522 (Thomson)** is the Assembly continuity of care bill, also moving, despite opposition, to the Senate. The bill extends the termination notice that plans must give enrollees from 30 to 90 days, and broadens the notice to include instructions on how to find a new provider. It also extends the continuity of care provision to 180 days or the next open enrollment period. CAHP is supportive of this bill. Amendments are likely, as is some coordination between these two efforts as they move through their respective houses.

SB 149 (Figueroa) – Healing Arts: Liability. Currently, if a licentiate is a "bad actor," an 805 report must be filed with the relevant agency. This measure would require that if an individual within a defined organization has the responsibility to file an 805 report, and recklessly fails to do so, AND another patient is harmed in the same or similar way by the "bad actor," the organization that failed to file the 805 report would be liable for damages suffered by the new

victim. Update: due to heavy opposition, the author removed the bill from its scheduled Senate Judiciary Committee hearing; it is a two-year bill.

SB 1037 (Polanco) – Health Care Service Plans. This is a spot bill that was supposed to have been the vehicle dealing with discount plans. It has not been amended and remains in spot form; it has missed its policy deadline and would need a rule waiver to move forward.

SB 1092 (Sher) – Health Care Service Plans. Existing law requires each plan to establish and maintain a system for enrollees to submit their grievances to the plan. This bill would now define "grievance" and "complaint," and would require plans to maintain a log of all complaints. This bill is sponsored by the Western Center on Law and Poverty, and opposed by the full service plans. Update: Passed the Senate and is scheduled to be heard in the Assembly Health Committee, where additional amendments may be expected.

AB 275 (Aroner) – Medi-Cal: Emergency Dental Care. This bill would require the Department of Health Services to quickly process all dental service treatment authorizations for Medi-Cal members. The bill would ensure that no plan member who needs emergency care is delayed in getting that care. At this writing the bill is not set for hearing. Update: two-year bill.

AB 798 (Shelley) – Health Care Service Plans. This is a bill sponsored by the California Senior Legislature and supported by various senior lobbyists, including AARP. It would require all health care service plans to refer a plan member over 60 to any specialist the member would like to see. The bill will not move this year.

AB 1379 (Thomson) – Health Care. This is the vehicle that would study the ramifications of folding insurers, currently regulated by the Department of Insurance, into the Department of Managed Health Care. At this point it is not set for hearing. Update: two-year bill.

AB 1600 (Keeley) – Health Care Service Plans: Provider Contracts. Sponsored by CMA, this would allow providers, including dentists, to negotiate collectively. It is an effort to give provider groups more leverage over the plans in the arbitration of disputes involving managed care contracts. It is heavily opposed by the health plans. Update: passed the Assembly and awaits assignment to a Senate committee.

We will continue to monitor bills and amendments as they churn out during the remainder of the legislative session. Please call if you have questions about issues raised in this report; (916) 442-8888.