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WELFARE AND INSTITUTIONS CODE - WIC

DIVISION 9. PUBLIC SOCIAL SERVICES [10000 - 18999.98] (Division 9 added by Stats. 1965, Ch. 1784.)

PART 3. AID AND MEDICAL ASSISTANCE [11000 - 15771] (Part 3 added by Stats. 1965, Ch. 1784.)

CHAPTER 8. Prepaid Plans [14200 - 14499.77] (Chapter 8 added by Stats. 1972, Ch. 1366.)

ARTICLE 1. General Provisions [14200 - 14206] (Article 1 added by Stats. 1972, Ch. 1366.)

14200. This chapter shall be known and may be cited as the Waxman-Duffy Prepaid Health Plan Act.

(Added by Stats. 1972, Ch. 1366.)

14200.1. The purpose of this chapter is to afford persons eligible to receive benefits under Chapter 7 (commencing with Section 14000) of this part the opportunity to enroll as regular subscribers in prepaid health plans, without reference to marital status or any characteristic listed or defined in Section 11135 of the Government Code.

(Amended by Stats. 2008, Ch. 682, Sec. 11. Effective January 1, 2009.)

14201. The intent of the Legislature is to provide, to the extent feasible, through the provisions of this chapter and the necessarily related provisions of Chapter 7 (commencing with Section 14000) of this part, recipients of public assistance and medically indigent aged and other persons with the opportunity to enroll in prepaid health plans. It is further intended that this legislation is to benefit the people of the State of California by:

- (a) Encouraging the development of more efficient delivery of health care to Medi-Cal recipients.
- (b) Reducing the inflationary costs of health care.
- (c) Improving the quality of medical services rendered to those eligible enrollees as defined in this chapter and Chapter 7 (commencing with Section 14000) of this part.
- (d) Reducing administrative costs of operating the Medi-Cal Act by allowing prepaid health plans to assume substantial costs of administration and utilization controls that are now assumed by the State Department of Health Services.

(Amended by Stats. 1977, Ch. 1252.)

14203. (a) For purposes of administering this chapter and Chapter 7 (commencing with Section 14000) of this part, the department is hereby designated as the single or appropriate state agency with full power to administer and adopt regulations in order to secure full compliance with applicable provisions of state and federal laws.

(b) The department may adopt regulations implementing this chapter as emergency regulations in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. Initial regulations to implement this chapter may be adopted as emergency regulations. The adoption of these initial emergency regulations shall be considered by the Office of Administrative Law as necessary for the immediate preservation of the public peace, health, and safety, or general welfare. Initial emergency regulations adopted pursuant to this section shall remain in effect for no more than 180 days.

(c) This section shall become operative on January 1, 1995.

(Repealed (in Sec. 5) and added by Stats. 1993, Ch. 573, Sec. 6. Effective September 28, 1993. Section operative January 1, 1995, by its own provisions.)

14204. (a) Pursuant to the provisions of this chapter, the department may contract with one or more prepaid health plans in order to provide the benefits authorized under this chapter and Chapter 7 (commencing with Section 14000) of this part. The department may contract with one or more children's hospitals on an exclusive basis for a specified population in a specified geographic area. Contracts entered into pursuant to this chapter may be awarded on a bid or nonbid basis.

(b) In order to achieve maximum cost savings the Legislature hereby determines that expedited contract process for contracts under this chapter is necessary. Therefore, contracts under this chapter shall be exempt from Chapter 2 (commencing with Section 10290) of Part 2 of Division 2 of the Public Contract Code.

(c) The department shall amend contracts with dental health plans in effect on the date the act that added this subdivision and Section 14459.6 become effective to provide Medi-Cal dental services authorized under this chapter and Chapter 7 (commencing with Section 14000) to Medi-Cal beneficiaries who reside in a specified geographic area to meet the requirements of Sections 14089.09 and 14459.6.

(Amended by Stats. 2012, Ch. 23, Sec. 112. (AB 1467) Effective June 27, 2012.)

14205. Except where the context otherwise requires, or where specific exceptions are authorized, all provisions of Chapter 7 (commencing with Section 14000) of this part shall be applicable to the provisions of this chapter and the violation of the provisions of this chapter or any rule or regulation adopted pursuant thereto shall be deemed to be a violation of Chapter 7.

(Added by Stats. 1977, Ch. 1036.)

14206. (a) No prepaid health plan or pilot program shall be deemed to transact insurance or to be subject to any provision of the Insurance Code by virtue of negotiating, executing, or performing a prepaid health plan or pilot program contract under this chapter, or by virtue of compliance with the provisions of such a prepaid health plan or pilot program contract, including, but not limited to, creation, segregation, or maintenance of security to protect or safeguard the performance of such a prepaid health plan or pilot program contract. The director may require such security in respect to any such contract including, but not limited to, securities, surety bonds, or evidences of governmental debt, of the kinds, in the manner, and to the extent provided by the prepaid health plan or pilot program contract.

(b) Prepaid health plans or pilot programs to which the state is a party under the provisions of this chapter, and contracts and arrangements embodying such plans or programs shall not be subject to the provisions of law prescribing the forms of hospital or medical service or insurance contracts or requiring approval thereof or of the form thereof, by any state officer or agency except the director or the department.

This exemption applies, but is not limited to: (1) Chapter 4 (commencing with Section 10270) of Part 2 of Division 2 of the Insurance Code, (2) Section 11069 of the Insurance Code, and (3) Section 11513 of the Insurance Code. However, the exemption provided for in this section shall not exempt any insurer subject to taxation under Part 7 (commencing with Section 12001) of Division 2 of the Revenue and Taxation Code from the tax imposed under such part on gross premiums derived from contracts under this chapter.

(Added by Stats. 1977, Ch. 1036.)