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**AB-2472 Health care coverage.** (2017-2018)

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**Assembly Bill No. 2472**

**CHAPTER 677**

An act to add Section 1002.5 to the Health and Safety Code, relating to health care coverage.

[ Approved by Governor September 22, 2018. Filed with Secretary of State September 22, 2018. ]

**LEGISLATIVE COUNSEL'S DIGEST**

AB 2472, Wood. Health care coverage.

Existing federal law, the federal Patient Protection and Affordable Care Act (PPACA), enacts various health care coverage market reforms that took effect January 1, 2014. Among other things, PPACA required each state to establish an American Health Benefit Exchange to facilitate the purchase of qualified health plans by qualified individuals and qualified small employers.

Existing state law establishes the Council on Health Care Delivery Systems as an independent body to develop a plan that includes options for advancing progress toward achieving a health care delivery system in California that provides coverage and access through a unified financing system for all Californians. Existing law requires the council, on or before October 1, 2021, to submit to the Legislature and the Governor a plan with options that include a timeline of the benchmarks and steps necessary to implement health care delivery system changes, including steps necessary to achieve a unified financing system.

This bill would also require the council to prepare an analysis and evaluation, known as a feasibility analysis, to determine the feasibility of a public health insurance plan option to increase competition and choice for health care consumers. The bill would require the feasibility analysis to contain, among other things, an actuarial and economic analysis of a public health insurance plan and an analysis of the extent to which a new public health insurance plan option could address the underlying factors that limit health plan choices in some regions. The bill would require the council to submit the feasibility analysis to the Legislature and the Governor on or before October 1, 2021.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

**THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:**

**SECTION 1.** (a) The Legislature finds and declares all of the following:

(1) A review of health plans contracted through Covered California in 2018 by ZIP Code indicates that there are approximately 213 ZIP Codes or portions of ZIP Codes, constituting 8 percent of ZIP Codes or portions of ZIP Codes in California, in which consumers have only one choice for a health plan, and approximately 635 ZIP Codes or portions of ZIP Codes, constituting 24 percent of ZIP Codes or portions of Zip Codes in California, in which consumers are limited to two health plan choices.

(2) Consumers have only one health plan choice in the Counties of Monterey, San Benito, San Luis Obispo, Santa Barbara, Inyo, and Mono, and in most of Kings County.

(3) Twenty-two additional counties have two or fewer health plan choices in all the ZIP Codes or portions of ZIP Codes in those counties. For approximately one-third of the ZIP Codes in California, consumers are limited to two or fewer health plan choices in their regions.

(b) It is the intent of the Legislature to look at options to improve competition in areas with limited health plan choices.

**SEC. 2.** Section 1002.5 is added to the Health and Safety Code, to read:

**1002.5.** (a) The council shall prepare an analysis and evaluation, known as a feasibility analysis, to determine the feasibility of a public health insurance plan option to increase competition and choice for health care consumers.

(b) At a minimum, the feasibility analysis shall include all of the following:

(1) An actuarial and economic analysis of a public health insurance plan.

(2) A plan to expand the participation of public health plans, including state-licensed county organized health systems and local health plans.

(3) A state developed public health insurance plan.

(4) A list of necessary federal waivers for a state-developed public health insurance plan.

(5) A discussion of potential funding and state costs for a public health insurance plan.

(6) An analysis of the extent to which a new public health insurance plan option could address the underlying factors that limit health plan choices in some regions.

(c) In developing the feasibility analysis, the council shall consult with key stakeholders, including, but not limited to, consumer advocates, health care providers, and health plans, including, but not limited to, county organized health systems and local health plans.

(d) (1) The council shall submit the feasibility analysis to the Legislature and the Governor on or before October 1, 2021. The feasibility analysis shall be submitted in compliance with Section 9795 of the Government Code.

(2) The council shall provide an update detailing its progress in developing the feasibility analysis to the Governor and the health committees of the Senate and the Assembly on or before January 1, 2020, and shall update those committees every six months thereafter.

(e) This section does not authorize the council to apply for a waiver under Section 1332 of the federal Patient Protection and Affordable Care Act (Public Law 111-148), as amended by the federal Health Care and Education Reconciliation Act of 2010 (Public Law 111-152), and any amendments to, or regulations or guidance issued under, those acts.