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AB-570 Dependent parent health care coverage. (2021-2022)

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Assembly Bill No. 570

CHAPTER 468

An act to amend Section 1399.845 of, and to add Section 1374.1 to, the Health and Safety Code, and to amend Section 10965 of, and to add Section 10278.1 to, the Insurance Code, relating to health care coverage.

[Approved by Governor October 04, 2021. Filed with Secretary of State October 04, 2021.]

LEGISLATIVE COUNSEL'S DIGEST

AB 570, Santiago. Dependent parent health care coverage.

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 provides for the regulation of health insurers by the Department of Insurance. Existing law authorizes an individual to add a dependent to their health care service plan contract or health insurance policy, including adding a dependent outside of an initial enrollment period if certain criteria are met. Existing law defines "dependent" for the purpose of an individual contract or policy to mean the spouse, registered domestic partner, or child of an individual.

Existing law establishes the Health Insurance Counseling and Advocacy Program (HICAP) in the California Department of Aging to provide Medicare beneficiaries and those imminently eligible for Medicare with counseling and advocacy regarding health care coverage options.

This bill would require an individual health care service plan contract or health insurance policy issued, amended, or renewed on or after January 1, 2023, that provides dependent coverage to make dependent coverage available to a qualified dependent parent or stepparent. The bill would require a plan, an insurer, or the California Health Benefit Exchange to provide an applicant seeking to add a dependent parent or stepparent with written notice about HICAP and would require a solicitor or agent to provide specified HICAP contact information, as specified. The bill would expand the definition of "dependent" for an individual health care service plan contract or health insurance policy to include a qualified dependent parent or stepparent. Because a willful violation of these provisions 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.

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

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

SECTION 1. Section 1374.1 is added to the Health and Safety Code, to read:

1374.1. (a) An individual health care service plan contract issued, amended, or renewed on or after January 1, 2023, that provides dependent coverage shall make dependent coverage available to a parent or stepparent who meets the definition of a qualifying relative under Section 152(d) of Title 26 of the United States Code and who lives or resides within the health care service plan's service area.

(b) If an applicant is seeking to add to their contract a dependent parent or stepparent who is eligible for or enrolled in Medicare, at the time of solicitation and on the application:

(1) A health care service plan shall provide to an applicant who does not apply through the California Health Benefit Exchange written notice that the Health Insurance Counseling and Advocacy Program (HICAP) provides health insurance counseling to senior California residents free of charge.

(2) The California Health Benefit Exchange shall provide to an applicant who applies through the California Health Benefit Exchange written notice that HICAP provides health insurance counseling to senior California residents free of charge.

(3) A solicitor shall provide the name, address, and telephone number of the local HICAP program and the statewide HICAP telephone number, 1-800-434-0222.

(c) This section does not apply to specialized health care service plans, Medicare supplement insurance, CHAMPUS supplement insurance, or TRICARE supplement insurance, or to hospital-only, accident-only, or specified disease insurance policies that reimburse for hospital, medical, or surgical benefits.

SEC. 2. Section 1399.845 of the Health and Safety Code is amended to read:

1399.845. For purposes of this article, the following definitions shall apply:

(a) "Child" means a child described in Section 22775 of the Government Code and subdivisions (n) to (p), inclusive, of Section 599.500 of Title 2 of the California Code of Regulations.

(b) "Dependent" means the spouse or registered domestic partner, child, or parent or stepparent pursuant to Section 1374.1, of an individual, subject to applicable terms of the health benefit plan.

(c) "Exchange" means the California Health Benefit Exchange created by Section 100500 of the Government Code.

(d) "Family" means the subscriber and their dependent or dependents.

(e) "Grandfathered health plan" has the same meaning as defined in Section 1251 of PPACA.

(f) "Health benefit plan" means an individual or group health care service plan contract that provides medical, hospital, and surgical benefits. The term does not include a specialized health care service plan contract, a health care service plan contract provided in the Medi-Cal program (Chapter 7 (commencing with Section 14000) of Part 3 of Division 9 of the Welfare and Institutions Code), the Healthy Families Program (Part 6.2 (commencing with Section 12693) of Division 2 of the Insurance Code), the Access for Infants and Mothers Program (Part 6.3 (commencing with Section 12695) of Division 2 of the Insurance Code), or the program under Part 6.4 (commencing with Section 12699.50) of Division 2 of the Insurance Code, or Medicare supplement coverage, to the extent consistent with PPACA.

(g) "Policy year" means the period from January 1 to December 31, inclusive.

(h) "PPACA" means 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 rules, regulations, or guidance issued pursuant to that law.

(i) "Preexisting condition provision" means a contract provision that excludes coverage for charges or expenses incurred during a specified period following the enrollee's effective date of coverage, as to a condition for which medical advice, diagnosis, care, or treatment was recommended or received during a specified period immediately preceding the effective date of coverage.

(j) "Rating period" means the calendar year for which premium rates are in effect pursuant to subdivision (d) of Section 1399.855.

(k) "Registered domestic partner" means a person who has established a domestic partnership as described in Section 297 of the Family Code.

SEC. 3. Section 10278.1 is added to the Insurance Code, to read:

10278.1. (a) An individual health insurance policy issued, amended, or renewed on or after January 1, 2023, that provides dependent coverage shall make dependent coverage available to a parent or stepparent who meets the definition of a qualifying

relative under Section 152(d) of Title 26 of the United States Code and who lives or resides within the health insurer's service area.

(b) If an applicant is seeking to add to their policy a dependent parent or stepparent who is eligible for or enrolled in Medicare, at the time of solicitation and on the application:

(1) A health insurer shall provide to an applicant who does not apply through the California Health Benefit Exchange written notice that the Health Insurance Counseling and Advocacy Program (HICAP) provides health insurance counseling to senior California residents free of charge.

(2) The California Health Benefit Exchange shall provide to an applicant who applies through the California Health Benefit Exchange written notice that HICAP provides health insurance counseling to senior California residents free of charge.

(3) An agent shall provide the name, address, and telephone number of the local HICAP program and the statewide HICAP telephone number, 1-800-434-0222.

(c) This section does not apply to specialized health insurance, Medicare supplement insurance, CHAMPUS supplement insurance, or TRICARE supplement insurance, or to hospital-only, accident-only, or specified disease insurance policies that reimburse for hospital, medical, or surgical benefits.

SEC. 4. Section 10965 of the Insurance Code is amended to read:

10965. For purposes of this chapter, the following definitions shall apply:

(a) "Child" means a child described in Section 22775 of the Government Code and subdivisions (n) to (p), inclusive, of Section 599.500 of Title 2 of the California Code of Regulations.

(b) "Dependent" means the spouse or registered domestic partner, child, or parent or stepparent pursuant to Section 10278.1, of an individual, subject to applicable terms of the health benefit plan.

(c) "Exchange" means the California Health Benefit Exchange created by Section 100500 of the Government Code.

(d) "Family" means the policyholder and dependent or dependents.

(e) "Grandfathered health plan" has the same meaning as defined in Section 1251 of PPACA.

(f) "Health benefit plan" means an individual or group policy of health insurance, as defined in Section 106. The term does not include a health insurance policy that provides excepted benefits, as described in Sections 2722 and 2791 of the federal Public Health Service Act (42 U.S.C. Sec. 300gg-21; 42 U.S.C. Sec. 300gg-91), subject to Section 10965.01 a health insurance policy provided in the Medi-Cal program (Chapter 7 (commencing with Section 14000) of Part 3 of Division 9 of the Welfare and Institutions Code), the Healthy Families Program (Part 6.2 (commencing with Section 12693) of Division 2), the Access for Infants and Mothers Program (Part 6.3 (commencing with Section 12695) of Division 2), or the program under Part 6.4 (commencing with Section 12699.50) of Division 2, or Medicare supplement coverage, to the extent consistent with PPACA or a specified disease or hospital indemnity policy, subject to Section 10965.01.

(g) "Policy year" means the period from January 1 to December 31, inclusive.

(h) "PPACA" means 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 rules, regulations, or guidance issued pursuant to that law.

(i) "Preexisting condition provision" means a policy provision that excludes coverage for charges or expenses incurred during a specified period following the insured's effective date of coverage, as to a condition for which medical advice, diagnosis, care, or treatment was recommended or received during a specified period immediately preceding the effective date of coverage.

(j) "Rating period" means the calendar year for which premium rates are in effect pursuant to subdivision (d) of Section 10965.9.

(k) "Registered domestic partner" means a person who has established a domestic partnership as described in Section 297 of the Family Code.

SEC. 5. 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.