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**AB-2127 Health care coverage: dependent adults.** (2021-2022)

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**Assembly Bill No. 2127**

**CHAPTER 118**

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

[ Approved by Governor July 19, 2022. Filed with Secretary of State July 19, 2022. ]

**LEGISLATIVE COUNSEL'S DIGEST**

AB 2127, Santiago. Health care coverage: dependent adults.

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. 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 requires 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. Existing law requires 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 at the time of solicitation and on the application.

This bill would clarify that a health care service plan, a health insurer, or a solicitor is required to provide an individual with the name, address, and telephone number of the local HICAP program and the statewide HICAP telephone number at the time of solicitation and, for a plan or insurer, on the application. Because a violation of these provisions by a health care service plan would be a crime, the bill would impose a state-mandated local program. The bill would state the intent of the Legislature to ensure an individual is informed of and understands their specific rights and health care options before enrolling a Medicare-eligible or enrolled dependent parent or stepparent in individual health care coverage.

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 of the Health and Safety Code is amended 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) It is the intent of the Legislature to ensure that an individual who is seeking to add to their contract a dependent parent or stepparent who is eligible for or enrolled in Medicare is informed of and understands their specific rights and health care options before enrolling the dependent parent or stepparent in an individual health care service plan contract, including the potential benefits, financial assistance, and tax liability under those options.

(c) If an applicant is seeking to add to their contract a dependent parent or stepparent who is eligible for or enrolled in Medicare:

(1) A health care service plan shall provide, at the time of solicitation and on the application, 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, including the name, address, and telephone number of the local HICAP program and the statewide HICAP telephone number, 1-800-434-0222.

(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, including the name, address, and telephone number of the local HICAP program and the statewide HICAP telephone number, 1-800-434-0222.

(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, at the time of solicitation.

(d) 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 10278.1 of the Insurance Code is amended 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) It is the intent of the Legislature to ensure that individuals who are seeking to add to their policy a dependent parent or stepparent who is eligible for or enrolled in Medicare are informed of and understand their specific rights and health care options before enrolling them in an individual health insurance policy, including the potential benefits, financial assistance, and tax liability under those options.

(c) If an applicant is seeking to add to their policy a dependent parent or stepparent who is eligible for or enrolled in Medicare:

(1) A health insurer shall provide, at the time of solicitation and on the application, 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, including the name, address, and telephone number of the local HICAP program and the statewide HICAP telephone number, 1-800-434-0222.

(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, including the name, address, and telephone number of the local HICAP program and the statewide HICAP telephone number, 1-800-434-0222.

(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, at the time of solicitation.

(d) 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. 3.** 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.