

§ 1389.7. Issuance of new individual plan contract where contract rescinded; Premium rate; Preexisting condition provision; Notice; Contract effective date; Applicability (Operative term contingent)

(a) Every health care service plan that offers, issues, or renews individual plan contracts shall offer to any individual, who was covered by the plan under

an individual plan contract that was rescinded, a new individual plan contract that provides the most equivalent benefits.

(b) A health care service plan that offers, issues, or renews individual plan contracts inside or outside the California Health Benefit Exchange may also permit an individual, who was covered by the plan under an individual plan contract that was rescinded, to remain covered under that individual plan contract, with a revised premium rate that reflects the number of persons remaining on the individual plan contract consistent with Section 1399.855.

(c) The plan shall notify in writing all enrollees of the right to coverage under an individual plan contract pursuant to this section, at a minimum, when the plan rescinds the individual plan contract. The notice shall adequately inform enrollees of the right to coverage provided under this section.

(d) The plan shall provide 60 days for enrollees to accept the offered new individual plan contract under subdivision (a), and this contract shall be effective as of the effective date of the original plan contract and there shall be no lapse in coverage.

(e) This section does not apply to any individual whose information in the application for coverage and related communications led to the rescission.

(f) This section applies notwithstanding subdivision (a) or (d) of Section 1399.849.

(g)(1) This section shall become operative on January 1, 2014, or the 91st calendar day following the adjournment of the 2013–14 First Extraordinary Session, whichever date is later.

(2) If Section 5000A of the Internal Revenue Code, as added by Section 1501 of PPACA, is repealed or amended to no longer apply to the individual market, as defined in Section 2791 of the federal Public Health Service Act (42 U.S.C. Sec. 300gg-91), this section shall become inoperative 12 months after the date of that repeal or amendment.

HISTORY:

Added Stats 2013 1st Ex Sess 2013-2014 ch 2 § 13 (SBX1-2), effective September 30, 2013, operative January 1, 2014, operative term con-

tingent. Amended Stats 2015 ch 303 § 265 (AB 731), effective January 1, 2016, operative term contingent.