

**§ 1366.6. Sale of products by health care service plans; Levels of coverage  
[Operative date contingent]**

(a) For purposes of this section, the following definitions shall apply:

(1) “Exchange” means the California Health Benefit Exchange established in Title 22 (commencing with Section 100500) of the Government Code.

(2) “Federal act” 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 amendments to, or regulations or guidance issued under, those acts.

(3) “Qualified health plan” has the same meaning as that term is defined in Section 1301 of the federal act.

(4) “Small employer” has the same meaning as that term is defined in Section 1357.500.

(b)(1) Health care service plans participating in the individual market of the Exchange shall fairly and affirmatively offer, market, and sell in the individual market of the Exchange at least one product within each of the five levels of coverage contained in subsections (d) and (e) of Section 1302 of the federal act. Health care service plans participating in the Small Business Health Options Program (SHOP Program) of the Exchange, established pursuant to subdivision (m) of Section 100504 of the Government Code, shall fairly and affirmatively offer, market, and sell in the SHOP Program at least one product within each of the four levels of coverage contained in subsection (d) of Section 1302 of the federal act.

(2) The board established under Section 100500 of the Government Code may require plans to sell additional products within each of the levels of coverage identified in paragraph (1).

(3) This subdivision shall not apply to a plan that solely offers supplemental coverage in the Exchange under paragraph (10) of subdivision (a) of Section 100504 of the Government Code.

(c)(1) Health care service plans participating in the Exchange that sell any products outside the Exchange shall do both of the following:

(A) Fairly and affirmatively offer, market, and sell all products made

available to individuals in the Exchange to individuals purchasing coverage outside the Exchange.

(B) Fairly and affirmatively offer, market, and sell all products made available to small employers in the Exchange to small employers purchasing coverage outside the Exchange.

(2) For purposes of this subdivision, “product” does not include contracts entered into pursuant to Part 6.2 (commencing with Section 12693) of Division 2 of the Insurance Code between the Managed Risk Medical Insurance Board and health care service plans for enrolled Healthy Families beneficiaries or to contracts entered into pursuant to Chapter 7 (commencing with Section 14000) of, or Chapter 8 (commencing with Section 14200) of, Part 3 of Division 9 of the Welfare and Institutions Code between the State Department of Health Care Services and health care service plans for enrolled Medi-Cal beneficiaries.

(d)(1) Commencing January 1, 2014, a health care service plan shall, with respect to individual plan contracts that cover hospital, medical, or surgical benefits, only sell the five levels of coverage contained in subsections (d) and (e) of Section 1302 of the federal act, except that a health care service plan that does not participate in the Exchange shall, with respect to individual plan contracts that cover hospital, medical, or surgical benefits, only sell the four levels of coverage contained in subsection (d) of Section 1302 of the federal act.

(2) Commencing January 1, 2014, a health care service plan shall, with respect to small employer plan contracts that cover hospital, medical, or surgical expenses, only sell the four levels of coverage contained in subsection (d) of Section 1302 of the federal act.

(e) Commencing January 1, 2014, a health care service plan that does not participate in the Exchange shall, with respect to individual or small employer plan contracts that cover hospital, medical, or surgical benefits, offer at least one standardized product that has been designated by the Exchange in each of the four levels of coverage contained in subdivision (d) of Section 1302 of the federal act. This subdivision shall only apply if the board of the Exchange exercises its authority under subdivision (c) of Section 100504 of the Government Code. Nothing in this subdivision shall require a plan that does not participate in the Exchange to offer standardized products in the small employer market if the plan only sells products in the individual market. Nothing in this subdivision shall require a plan that does not participate in the Exchange to offer standardized products in the individual market if the plan only sells products in the small employer market. This subdivision shall not be construed to prohibit the plan from offering other products provided that it complies with subdivision (d).

(f) This section shall become operative only if Section 8 of the act that added this section becomes inoperative pursuant to subdivision (g) of that Section 8.

**HISTORY:**

Added Stats 2013 1st Ex Sess 2013-2014 ch 5  
§ 9 (SBX1-3), effective September 30, 2013,

operative date contingent. Amended Stats 2014  
ch 572 § 6 (SB 959), effective January 1, 2015,  
operative date contingent.

## ARTICLE 4.5

### California COBRA Program

#### Section

- 1366.20. Citation; Intent; Adoption of emergency regulations.
- 1366.21. Definitions governing article.
- 1366.22. Inapplicability of requirements.
- 1366.23. Requirement to offer continuation coverage.
- 1366.24. Disclosures.
- 1366.25. Notification requirements; Contract with employer or administrator to perform administrative obligation; Coverage under American Recovery and Reinvestment Act of 2009.
- 1366.26. Rate limits.
- 1366.27. Termination of continuation coverage.
- 1366.28. Failures to comply.
- 1366.29. Continuing coverage for enrollees who have exhausted continuation coverage under COBRA.

**HISTORY:** Added Stats 1997 ch 665 § 1 (SB 719).