

### **§ 1357.19. Applicability**

This article shall not apply to a health care service plan contract that is subject to Article 3.16 (commencing with Section 1357.500) or Article 3.17 (commencing with Section 1357.600), except as otherwise provided in those articles.

#### **HISTORY:**

Added Stats 2012 ch 852 § 2 (AB 1083), effective January 1, 2013.

## **ARTICLE 3.11**

### **Insurance Market Reform (Inoperative)**

#### Section

1357.20. Contingent operative term of article (Inoperative).

1357.21. Application of requirements in Article 3.1 (Inoperative).

1357.22. Requirements of health care plan contracts for certain large and medium employers (Inoperative).

1357.23. Reasonable efforts to contract with county hospital systems and clinics (Inoperative).

**HISTORY:** Added Stats 2003 ch 673 § 3 (SB 2).

### **§ 1357.20. Contingent operative term of article (Inoperative)**

If the provisions of Part 8.7 (commencing with Section 2120) of Division 2 of the Labor Code are held invalid, then the provisions of this article shall become inoperative.

#### **HISTORY:**

Added Stats 2003 ch 673 § 3 (SB 2).

### **§ 1357.21. Application of requirements in Article 3.1 (Inoperative)**

(a) Notwithstanding any other provision of law, on and after January 1, 2006, except as specified in subdivision (b), all requirements in Article 3.1 (commencing with Section 1357) applicable to offering, marketing, and selling health care service plan contracts to small employers as defined in that article, including, but not limited to, the obligation to fairly and affirmatively offer, market, and sell all of the plan's contracts to all employers, guaranteed renewal of all health care service plan contracts, use of the risk adjustment factor, and the restriction of risk categories to age, geographic region, and family composition as described in that article, shall be applicable to all health care service plan contracts offered to all small and medium employers providing coverage to employees pursuant to Part 8.7 (commencing with Section 2120) of Division 2 of the Labor Code, except as follows:

(1) For small and medium employers with two to 50 eligible employees, all requirements in that article shall apply. As used in this article, "small employer" shall have the meaning as defined in Section 2122.5 of the Labor Code and "medium employer" shall have the meaning as defined in Section 2122.4 of the Labor Code, unless the context otherwise requires.

(2) For medium employers with 51 or more eligible employees, all requirements in that article shall apply, except that the health care service plan may develop health care coverage benefit plan designs to fairly and affirma-

tively market only to medium employer groups of 51 to 199 eligible employees, and apply a risk adjustment factor of no more than 115 percent and no less than 85 percent of the standard employee risk rate.

(b) Health care service plans shall be required to comply with this section only beginning with the date when coverage begins to be offered through the State Health Purchasing Program pursuant to Part 8.7 (commencing with Section 2120 of Division 2 of the Labor Code.

**HISTORY:**

Added Stats 2003 ch 673 § 3 (SB 2).