

ASSEMBLY BILL

No. 578

Introduced by Assembly Member Dickinson

February 20, 2013

An act to amend Section 1353 of the Health and Safety Code, relating to health care.

LEGISLATIVE COUNSEL'S DIGEST

AB 578, as introduced, Dickinson. Health care.

Existing law, the Knox-Keene Health Care Service Plan Act of 1975, the willful violation of which is a crime, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care. Existing law requires each application for licensure as a health care service plan or specialized health care service plan under these provisions to be accompanied by specified information. Existing law requires the Director of the Department of Managed Care to issue a license to an individual filing an application if the director determines that the applicant has satisfied certain requirements.

This bill would require that the director publish a notice, upon receiving an application, that would include information regarding the applicant and nature of the application, as specified. This bill would also require that the director require the plan to publish a written notice concerning the application pursuant to conditions imposed by rule or order. By expanding the scope of an existing crime, the bill would impose a state-mandated local program. This bill would require that the director solicit public comments, as specified, prior to approving an application.

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.
 State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 1353 of the Health and Safety Code is
 2 amended to read:

3 1353. (a) The director shall issue a license to any person filing
 4 an application pursuant to this article, if the director, upon due
 5 consideration of the application and of the information obtained
 6 in any investigation, including, if necessary, an onsite inspection,
 7 determines that the applicant has satisfied the provisions of this
 8 chapter and that, in the judgment of the director, a disciplinary
 9 action pursuant to Section 1386 would not be warranted against
 10 ~~such~~ *the* applicant. Otherwise, the director shall deny the
 11 application.

12 (b) *The director shall publish a notice, upon receiving an*
 13 *application, in one or more newspapers of general circulation in*
 14 *the proposed plan's service area, describing the name of the*
 15 *applicant, the nature of the application, and the date of receipt of*
 16 *the application. The notice shall indicate that the director will be*
 17 *soliciting public comments and will hold a public hearing on the*
 18 *application. The director shall require the plan to publish a written*
 19 *notice concerning the application pursuant to conditions imposed*
 20 *by rule or order.*

21 (c) *Prior to approving the application, the director shall solicit*
 22 *public comments in written form and shall hold at least one public*
 23 *hearing concerning the application.*

24 SEC. 2. No reimbursement is required by this act pursuant to
 25 Section 6 of Article XIII B of the California Constitution because
 26 the only costs that may be incurred by a local agency or school
 27 district will be incurred because this act creates a new crime or
 28 infraction, eliminates a crime or infraction, or changes the penalty
 29 for a crime or infraction, within the meaning of Section 17556 of
 30 the Government Code, or changes the definition of a crime within

1 the meaning of Section 6 of Article XIII B of the California
2 Constitution.

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