

The 5 Most Important New Health Insurance Laws From the 2022 California Legislative Session

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[these new laws take effect on January 1, 2023 - unless otherwise noted]

During this year's State Legislative Session, the CAHU Legislative Committee closely tracked 16 Priority healthcare bills....of which:

3 bills which CAHIP either supported or was neutral on were signed into law. The 3 bills take effect January 1, 2023.

13 either failed to pass out of Legislature OR were Vetoed by Governor....of these, CAHIP supported 7, Opposed 4 and Watched 2

Uniquely in my experience, 2 of these bills which CAHIP supported but which died in committees were still put into effect by being incorporated into the State Budget !

SB 967 - Hertzberg - Optional Taxpayer Disclosure on State Tax Returns for Interest in Low-Cost Health Insurance & Information Sharing of Such Interest

CAHIP Position: Support if Amended

Requires the FTB, for tax years beginning on or after January 1, 2023, to include a checkbox for a taxpayer to indicate on their individual income tax return the taxpayer's interest in no-cost or low-cost health care coverage. Requires the FTB to share with Covered California, through information sharing agreements or data interfaces, the information of a taxpayer indicating interest in no-cost or low-cost healthcare coverage, and limits the information that may be shared to the taxpayer's name (or taxpayers' names, in the case of a joint return), full mailing address, number and age of household dependents, and gross income. Requires Covered California to conduct outreach and enrollment efforts to taxpayers who indicate on their income tax return their interest in no- or low-cost healthcare coverage.

Per the author, SB 967 continues California's mission to close the healthcare gap by providing a way for taxpayers to indicate their interest in learning about low- or no-cost healthcare coverage on their individual tax returns. This will allow Covered California to expand their outreach efforts to uninsured residents, thereby improving health equity and responding to the health and socio-economic challenges of the COVID-19 pandemic and beyond.

CAHIP was in support of this bill if amended to require FTB to include an additional checkbox for a taxpayer to indicate if they are currently offered health coverage by an employer, so Californians are not inadvertently saddled with substantial tax penalties. But this amendment was not taken by author.

SB 1242 - Committee on Insurance - Insurance Fraud, Agent License # On E-Mails & More

CAHIP Position: Support

This is the Senate Insurance Committee's bi-annual omnibus bill containing several changes that are con-controversial, technical or classified as code cleanup. Besides a change to bail bond law, this bill does several things. It says a life or disability income insurer may not decline an application or an enrollment request for life or disability income insurance coverage based solely on a positive HIV test, as specified. It requires insurance licensees to print their license numbers on e-mails the licensees send, which involve an activity for which a license is required, as specified.

Effective March 1, 2023, this law requires the twelve-hour ethics course that is required in connection with the pre-licensing education of specified new license applicants and the three-hour ethics course that is required as a condition of license renewal to each include one hour of study on insurance fraud.

It requires any agent or broker who, after placing an insurance application with an insurance company, reasonably suspects or knows that a fraudulent insurance application is being made, to submit details about that application to CDI's fraud division within 60 days after concluding the application is fraudulent, and also to report that information directly to the insurance company's special fraud investigative unit. It relieves agents and brokers who furnish such information deom civil liability when acting in good faith, as specified.

SB 1473 - Pan - Health Insurance Clean-Up Bill

According to the author, this bill is clean up to health insurance provisions related to coverage for testing and services related to COVID-19 and to clarify information about open enrollment periods. This bill aligns state law with federal law with regard to open enrollment periods for individuals purchasing health insurance through Covered California.

It requires an individual health benefit plan offered through Covered California for policy years beginning on or after January 1, 2023, to provide an annual enrollment period of November 1 of the preceding calendar year to January 31 of the benefit year, inclusive. It makes the effective dates of coverage for plans purchased through and outside of Covered California to be as follows:

a) No later than January 1 of the benefit year for plan selection made from November 1 to December 31 of the preceding calendar year, inclusive; and, b) No later than February 1 of the benefit year for plan selection made from January 1 to January 31 of the benefit year, inclusive.

This bill is also needed to ensure that people diagnosed with COVID-19 can obtain therapeutics at their testing site or very soon after according to the standard of care. It makes several improvements in aspects of insurer coverage for Covid-19 therapeutics, and it requires a plan or insurer to reimburse a provider at the specifically negotiated rate for thos therapeutics, if the plan and provider have negotiated a rate, and if not, permits the plan or insurer to negotiate a rate with the provider. Requires for an out-of-network provider, the health plan or insurer to reimburse an amount that is reasonable, as determined in comparison to prevailing market rates for the therapeutics in the geographic in which the therapeutic was delivered. Requires the provider to accept this payment as payment in full, and not seek remuneration from an enrollee or insured.

The following 2 Bills were not passed or signed into law exactly, but rather their specifics were added to the approved new California State Budget.

AB 4 - Arambula - Medi-Cal Eligibility

CAHIP Position: Support

SB 56 - Durazo - Medi-Cal Eligibility

CAHIP Position: Support

AB 4 proposed , beginning January 1, 2022, to extend eligibility for full scope Medi-Cal benefits to anyone regardless of age, and who is otherwise eligible for thos benefits but for their immigration status.

SB 56 proposed to extend eligibility for full scope Medi-Cal benefits to undocumentd adults age 60 and older who are otherwise eligible for those benefits but for their immigration status, effective July 1, 2022, contingent upon an appropriation in the annual Budget Act.

CAHIP SUPPORTED both measures which would bring California close to universal healthcare access by providing access to basic coverage to all income-eligible residents. This would also lower the costs of unreimbursed medical treatment which is subsidized by our client's insurance premiums.

Though these two bills failed to meet respective legislative deadlines so they failed to pass, the contents of the bills were included in the state budget that was signed into law. Beginning May 1, 2022 undocumented adults over 50 years of age became eligible for full scope Medi-Cal. Coverage for income eligible adults of any age is expected by January 1, 2024.