

ASSEMBLY BILL

No. 2012

Introduced by Assembly Member Emmerson

February 9, 2006

An act to amend Section 1367.18 of the Health and Safety Code, and to amend Section 10123.7 of the Insurance Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

AB 2012, as introduced, Emmerson. Orthotic and prosthetic devices.

Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the regulation of health care service plans by the Department of Managed Health Care, and makes a willful violation of the act a crime. Existing law provides for the regulation of health insurers by the Department of Insurance. Existing law requires health care service plans and health insurers to provide coverage for orthotic and prosthetic devices under terms and conditions that may be agreed upon between the subscriber and plan or policyholder and insurer, and requires that the device be prescribed by a physician or ordered by a licensed health care provider acting within the scope of his or her license.

This bill specifies that a doctor of podiatric medicine may prescribe the orthotic or prosthetic devices covered by the plan or insurer, and would also require the device to be furnished by specified practitioners, including an orthotist or prosthetist who is certified, as specified. The bill would delete the requirement that coverage be provided only under terms and conditions that may be agreed upon between the policyholder and insurer or subscriber and plan.

Because a violation of this bill’s provisions relating to health care service plans would be a crime, it would impose a state-mandated local program.

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 1367.18 of the Health and Safety Code
2 is amended to read:

3 1367.18. Every health care service plan, except a specialized
4 health care service plan, that covers hospital, medical, or surgical
5 expenses on a group basis shall offer coverage for orthotic and
6 prosthetic devices and services ~~under the terms and conditions~~
7 ~~that may be agreed upon between the group subscriber and the~~
8 ~~plan.~~ Every plan shall communicate the availability of that
9 coverage to all group contractholders and to all prospective group
10 ~~contract holders~~ *contractholders* with whom they are negotiating.
11 Any coverage for prosthetic devices shall include original and
12 replacement devices, as prescribed by a physician *and surgeon or*
13 *doctor of podiatric medicine*. Any coverage for orthotic devices
14 shall provide for coverage when the device, including original
15 and replacement devices, is prescribed by a physician *and*
16 *surgeon or doctor of podiatric medicine*, or is ordered by a
17 licensed health care provider acting within the scope of his or her
18 license, *and is furnished by a physician and surgeon, an orthotist*
19 *or prosthetist who is certified pursuant to Section 14132.63 of the*
20 *Welfare and Institutions Code, or a licensed health care provider*
21 *acting within the scope of his or her license*. Every plan shall
22 have the right to conduct a utilization review to determine
23 medical necessity prior to authorizing these services.

24 SEC. 2. Section 10123.7 of the Insurance Code is amended to
25 read:

1 10123.7. On or after January 1, 1986, every insurer issuing
2 group disability insurance ~~which~~ *that* covers hospital, medical, or
3 surgical expenses shall offer coverage for orthotic and prosthetic
4 devices and services ~~under such terms and conditions as may be~~
5 ~~agreed upon between the group policyholder and the insurer.~~
6 Every insurer shall communicate the availability of that coverage
7 to all group policyholders and to all prospective group
8 policyholders with whom they are negotiating. Any coverage for
9 prosthetic devices shall include original and replacement devices,
10 as prescribed by a physician *and surgeon or doctor of podiatric*
11 *medicine*. Any coverage for orthotic devices shall provide for
12 coverage when the device, including original and replacement
13 devices, is prescribed by a physician *and surgeon or doctor of*
14 *podiatric medicine*, or is ordered by a licensed health care
15 provider acting within the scope of his or her license, *and is*
16 *furnished by a physician and surgeon, an orthotist or prosthetist*
17 *who is certified pursuant to Section 14132.63 of the Welfare and*
18 *Institutions Code, or a licensed health care provider acting*
19 *within the scope of his or her license*. Every insurer shall have
20 the right to conduct a utilization review to determine medical
21 necessity prior to authorizing these services.

22 SEC. 3. No reimbursement is required by this act pursuant to
23 Section 6 of Article XIII B of the California Constitution because
24 the only costs that may be incurred by a local agency or school
25 district will be incurred because this act creates a new crime or
26 infraction, eliminates a crime or infraction, or changes the
27 penalty for a crime or infraction, within the meaning of Section
28 17556 of the Government Code, or changes the definition of a
29 crime within the meaning of Section 6 of Article XIII B of the
30 California Constitution.

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