Legislative Update

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SB 137 Implementation Timeline

Date	Description
November 29, 2016	Public meeting
December 30, 2016	Uniform provider directory standards released
January 1, 2018	Plans required to comply with provider directory standards
January 2017 – January 1, 2021	Two revisions of provider directory standards and development of regulations
January 1, 2021	Final regulations promulgated

SB 546 (Leno)
Large Group Aggregate Rates

- Beginning October 1, 2016, health plans are required to file detailed information regarding aggregate rate changes in the large group market on an annual basis.
- Requires plans to include information in the notices about premium rate increases with comparisons to Covered CA and CalPERS average rate increases.
- Requires the DMHC to conduct an annual meeting regarding health plans' large group rate changes 3 months after posting plans' aggregate information.
  - Meeting scheduled for February 1, 2017 in San Francisco.

AB 72 (Bonta)
Surprise Balance Billing

- Effective July 1, 2017
- Prohibits Surprise Balance Billing
- Establishes Reimbursement Rate for Non-contracting Providers
  - Rate shall be the greater of the average contracted rate or 125 percent of the applicable Medicare rate.
- Preserves Out-of-Network Benefits with Written Consent

AB 72 (Bonta)

Prior to July 1, 2017:

- Plans must provide the DMHC with the data, methodology, and policies and procedures to determine average contracted rates, and
- The DMHC must hold first stakeholder meeting to develop standards for average contracted rate methodology.

AB 72 (Bonta)

- For services rendered after July 1, 2017, the plans will base the average contracted rate on the 2015 rate.
- For services rendered after January 1, 2018, the plans will base the average contracted rate on the 2015 rate adjusted by the Consumer Price Index for Medical Care Services.
- For services rendered after January 1, 2019, the plans will calculate the average contracted rate using the DMHC standardized methodology to be developed by OFR through the regulatory process.

AB 72 (Bonta)

- Independent Dispute Resolution Process (IDRP)
  - Must be established by September,1 2017
  - Applies to all services provided by a non-contracted physician at an in-network facility
  - Participation is mandatory
  - Binding administrative decision
  - IDRP reimbursement amount can be any appropriate amount
  - Both parties share the cost

SB 908 (Hernandez) Unreasonable Rates

- Effective January 1, 2017
- Extends the time period required for health plans and insurers to file premium rate changes for individual or small group coverage.
- Specifies when the DMHC must make a determination that a rate is unreasonable or not justified.
- Requires a health plan or a health insurer to provide written notice to contractholders, policyholders, or applicants if the DMHC determines a premium rate increase is unreasonable or not justified.

Questions