

From: [Chechi, Munir@DMHC](mailto:Chechi.Munir@DMHC)
Cc: [Wong, Nancy@DMHC](mailto:Wong.Nancy@DMHC); [Mapile, Kristene@DMHC](mailto:Mapile.Kristene@DMHC); [Phillips, Jenny@DMHC](mailto:Phillips.Jenny@DMHC)
Bcc:



Subject: All Plan Letter AB 1305
Date: Monday, November 16, 2015 1:49:00 PM
Attachments: [All Plan Letter AB 1305 Final.doc](#)

Dear Health Plan Reviewer:

This e-mail is being sent to all applicable health care service plans in order to provide information regarding AB 1305.

Attached you will find an All Plan Letter dated November 16, 2015.

Thank you for your attention to this matter.

Regards,

Nancy Wong
Deputy Director
Office of Plan Licensing
916-323-1228
Nancy.Wong@dmhc.ca.gov

ALL PLAN LETTER

DATE: November 16, 2015

TO: Full Service Health Plans

FROM: Nancy P. Wong
Deputy Director, Office of Plan Licensing

SUBJECT: AB 1305 Compliance

Under the Knox-Keene Health Care Service Plan Act of 1975 (the Act), as amended by AB 1305 (Bonta, 2015), California Health and Safety Code section 1367.006, subdivision (c)(3), requires all commercial full-service health care service plans (“plans”) that issue individual or group health care service contracts to ensure, as of January 1, 2016, that an individual within a family shall not have a maximum out-of-pocket limit greater than the maximum out-of-pocket limit for individual coverage for that product. Section 1367.006, subdivision (g), further requires plans that issue individual or small group health care service contracts to limit an individual’s deductible under family coverage, as of January 1, 2016, as specified. Pursuant to Health and Safety Code section 1343, subdivision (b), the Director has authority to exempt individual and group health care service contracts from compliance with California Health and Safety Code section 1367.006, subdivisions (c)(3) and (g), as amended by AB 1305, as of January 1, 2016, upon a showing by the plan that compliance with these provisions would be disruptive for enrollees and would cause unexpected cost share increases or health care service contract withdrawals.

The Director’s exemption will be made on a product by product, case by case, basis, and will extend until December 31, 2016, requiring health care service contracts issued, amended or renewed on and after January 1, 2017 to comply with AB 1305.

To request an Order exempting a plan’s compliance with California Health and Safety Code section 1367.006, subdivisions (c)(3) and (g), as amended by AB 1305, as of January 1, 2016, plans must submit, for each health care service product, a single filing entitled “AB 1305 Exemption” to the E-filing system containing the following information:

- A Notice of Material Modification (a single Notice of Material Modification is sufficient for each plan);
- A list of the specific products for which the plan seeks an exemption;
- Contract type(s) (e.g., small group or large group);
- Whether the product is a high deductible health plan, as defined by Section 223(c)(2) of Title 26 of the United States Code;
- The out of pocket maximums and deductible applicable for each product;
- The issued, amended or renew date for each product;
- Estimated enrollment for each product; and
- A clear explanation for each product that describes how the plan’s compliance with AB 1305 would cause disruption for enrollees that would result in higher cost shares and/or unanticipated product withdrawals.

If you have any questions about submitting your health plan’s filing, please contact me at 916-323-1228.

From: [Chechi, Munir@DMHC](mailto:Chechi.Munir@DMHC)
Cc: [Wong, Nancy@DMHC](mailto:Wong.Nancy@DMHC); [Mapile, Kristene@DMHC](mailto:Mapile,Kristene@DMHC); [Phillips, Jenny@DMHC](mailto:Phillips,Jenny@DMHC)
Bcc:



Subject: Revised All Plan Letter AB 1305
Date: Monday, November 16, 2015 2:45:00 PM
Attachments: [All Plan Letter AB 1305 \(Revised with Date\).doc](#)

The All Plan Letter (APL) dated November 16, 2015, is being re-sent to clarify that all E-filing submissions related to the attached APL must be received by the Department no later than November 23, 2015.

Thank you for your attention to this matter.

Regards,

Nancy Wong
Deputy Director
Office of Plan Licensing
916-323-1228
Nancy.Wong@dmhc.ca.gov

ALL PLAN LETTER

DATE: November 16, 2015

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- A Notice of Material Modification (a single Notice of Material Modification is sufficient for each plan);
- A list of the specific products for which the plan seeks an exemption;
- Contract type(s) (e.g., small group or large group);
- Whether the product is a high deductible health plan, as defined by Section 223(c)(2) of Title 26 of the United States Code;
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- The issued, amended or renew date for each product;
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