



AB 952 (D-Krekorian) Health Plan Disclosures

A better L.A. is our business

Chamber Committee

Health Care Committee

Summary

AB 952 seeks to permit a health plan to disclose summary health information and PHI to a health plan's third party administrator or another health plan in order to facilitate better coordination of care and services.

Background

The stated goal of AB 952 (Krekorian) is to make healthcare more affordable for Californians by permitting a health plan to disclose summary health information and PHI to a health plan's third party administrator or to another health plan. This information sharing would only be allowed to the extent authorized by, and in a manner consistent with HIPAA.

AB 952 would provide uniformity in law by permitting California's privacy law to have the same legal application for Taft-Hartley health plans as currently exists for California DOI and health plans.

Under AB 952, California's laws, rules and regulations would conform to federal HIPAA law in regards to permitting the sharing of administrative and protected health information between health plans and the health plan's business associate (third party administrator).

In California, the regulation and oversight of health plans is split between one federal and two state agencies:

1. U.S. Department of Labor (DOL) - ERISA/Taft-Hartley Plans
2. CA Department of Managed Health Care (DMHC) – HMO Plans
3. CA Department of Insurance (DOI) – PPO and Insurance Plans

In a 2008 analysis, the Legislative Counsel for the California Assembly wrote: "California law may...provide an additional obstacle to a Taft-Hartley Trust [DOL health plan] or the Trust Administrator's ability to receive protected health information."

Posted on the Department of Health and Human Services' (HHS) website is the following statement in summary of the key elements of the privacy rule: "State laws that are contrary to the Privacy Rule are preempted by the federal requirements, which means that the federal requirements will apply. 'Contrary' means that it would be impossible for a covered entity to comply with both the state and federal requirements, or that the provision of state law is an obstacle to accomplishing the full purposes and objectives of the administrative simplification provisions of HIPAA." (HHS Office of Civil Rights, "Summary of the HIPAA Privacy Rule" document; 45 C.F.R. §160.203).

Status

May 5, 2009 – Hearing (Assembly Health Committee)

Proponents

Pacific Federal Insurance Corporation (Sponsor), CA State Council of Laborer's and coalition of DOL Taft-Hartley Health Plans representing the following Industries and Union members: Entertainment, Machinists, Professional Musicians, Public Employees, Teamsters, United Auto Workers, United Food & Commercial Workers Union.

Opponents

None on record