

Introduced by Senator PavleyFebruary 13, 2013

An act to add Article 11.9 (commencing with Section 1399.850) to Chapter 2.2 of Division 2 of the Health and Safety Code, relating to accountable care organizations.

LEGISLATIVE COUNSEL'S DIGEST

SB 264, as introduced, Pavley. Accountable care organizations.

Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and 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, the federal Patient Protection and Affordable Care Act (PPACA), enacts various health care coverage market reforms that take effect on January 1, 2014. The PPACA, among other things, allows for the establishment of provider-based accountable care organizations to promote accountability for a patient population and coordinate items and services, as provided under federal law.

This bill would require an accountable care organization, as defined, operating in the state to have a clinical laboratory testing advisory board, as specified, to recommend testing guidelines that the accountable care organization may adopt. Because a willful violation of that requirement by an accountable care organization would be a crime, the bill 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. Article 11.9 (commencing with Section 1399.850)
2 is added to Chapter 2.2 of Division 2 of the Health and Safety
3 Code, to read:

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5 Article 11.9. Accountable Care Organizations
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7 1399.850. “Accountable care organization” or “ACO” means
8 the same as defined in Section 3022 of the federal Patient
9 Protection and Affordable Care Act (Public Law 111-148).

10 1399.858. (a) An accountable care organization operating in
11 the state shall have a clinical laboratory testing advisory board that
12 considers and recommends guidelines for clinical laboratory
13 testing.

14 (1) The advisory board may make recommendations to the ACO
15 related to, but not limited to, diagnostics, disease management,
16 pathology, and appropriate use of testing.

17 (2) The advisory board shall have at least one physician and
18 surgeon who is legally affiliated with the ACO, and is a director
19 of a clinical laboratory providing services to the ACO.

20 (b) This section does not require an ACO to adopt a
21 recommendation of the advisory board.

22 SEC. 2. 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 penalty
27 for a crime or infraction, within the meaning of Section 17556 of
28 the Government Code, or changes the definition of a crime within
29 the meaning of Section 6 of Article XIII B of the California
30 Constitution.

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