

Introduced by Senator Allen

February 21, 2025

An act to amend Section 1374.722 of the Health and Safety Code, and to amend Section 10144.53 of the Insurance Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

SB 812, as introduced, Allen. Qualified youth drop-in center health care coverage.

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 provides for the regulation of health insurers by the Department of Insurance. Existing law requires a health care service plan contract or health insurance policy issued, amended, renewed, or delivered on or after January 1, 2024, that provides coverage for medically necessary treatment of mental health and substance use disorders to cover the provision of those services to an individual 25 years of age or younger when delivered at a schoolsite.

This bill would additionally require a contract or policy that provides coverage for medically necessary treatment of mental health and substance use disorders to cover the provision of those services to an individual 25 years of age or younger when delivered at a qualified youth drop-in center. Because a violation of this requirement relative to health care service plans would be a crime, the bill would create 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 1374.722 of the Health and Safety Code
2 is amended to read:

3 1374.722. (a) (1) A health care service plan contract issued,
4 amended, renewed or delivered on or after January 1, 2024, that
5 is required to provide coverage for medically necessary treatment
6 of mental health and substance use disorders pursuant to Sections
7 1374.72, 1374.721, and 1374.73 shall cover the provision of the
8 services identified in the fee-for-service reimbursement schedule
9 published by the State Department of Health Care Services, as
10 described in subparagraph (B) of paragraph (5) of subdivision (c),
11 when those services are delivered at schoolsites *or qualified youth*
12 *drop-in centers* pursuant to this section, regardless of the network
13 status of the local educational agency, institution of higher
14 education, or health care provider.

15 (2) This section does not relieve a local educational agency or
16 institution of higher education from requirements to accommodate
17 or provide services to students with disabilities pursuant to any
18 applicable state and federal law, including, but not limited to, the
19 federal Individuals with Disabilities Education Act (20 U.S.C. Sec.
20 1400 et seq.), Part 30 (commencing with Section 56000) of
21 Division 4 of Title 2 of the Education Code, Chapter 26.5
22 (commencing with Section 7570) of Division 7 of Title 1 of the
23 Government Code, and Chapter 3 (commencing with Section 3000)
24 of Division 1 of Title 5 of the California Code of Regulations.

25 (b) The following definitions apply for purposes of this section:

26 (1) “Health care provider” has the same meaning as defined in
27 paragraph (4) of subdivision (a) of Section 1374.72 and paragraph
28 (5) of subdivision (c) of Section 1374.73.

29 (2) “Institution of higher education” means the California
30 Community Colleges, the California State University, or the
31 University of California.

(3) “Local educational agency” means a school district, county office of education, charter school, the California Schools for the Deaf, and the California School for the Blind.

(4) “Medically necessary treatment of a mental health or substance use disorder” has the same meaning as defined in paragraph (3) of subdivision (a) of Section 1374.72.

(5) “Mental health and substance use disorder” has the same meaning as defined in paragraph (2) of subdivision (a) of Section 1374.72.

(6) *“Qualified youth drop-in center” means a center providing mental or primary health and wellness services to youth 12 to 25 years of age, inclusive, with the capacity to provide services before and after school hours, that received funding through the Children and Youth Behavioral Health Initiative by January 1, 2025, or a center that has been approved by the local educational agency for the purposes of this section.*

~~(6) “School site”~~

(7) “Schoolsite” means a facility or location used for public kindergarten, elementary, secondary, or postsecondary purposes. ~~“School site”~~ “Schoolsite” also includes a location not owned or operated by a public school, or public school district, if the school or school district provides or arranges for the provision of medically necessary treatment of a mental health or substance use disorder to its students at that location, including off-campus clinics, mobile counseling services, and similar locations.

~~(7)~~

(8) “Utilization review” has the same meaning as defined in paragraph (3) of subdivision (f) of Section 1374.721.

~~(c) When~~ If a local educational agency or agency, institution of higher education, or qualified youth drop-in center provides or arranges for the provision of treatment of a mental health or substance use disorder services subject to this section by a health care provider for an individual 25 years of age or younger at a ~~school site~~, schoolsite or qualified youth drop-in center, the student’s health care service plan shall reimburse the local educational agency or agency, institution of higher education, or qualified youth drop-in center for those services.

(1) A health care service plan shall not require prior authorization for services provided pursuant to this section.

(2) A health care service plan may conduct a postclaim review to determine appropriate payment of the claim. Payment for services subject to this section may be denied only if the health care service plan reasonably determines that the services were provided to a student not enrolled in the health plan, were never performed, or were not provided by a health care provider appropriately licensed or authorized to provide the services.

(3) Notwithstanding paragraph (1), a health plan may require prior authorization for services as authorized by the department pursuant to subdivision (d).

(4) A local educational agency, community college district, the California State University system, or the Regents of the University of California may consolidate claims for purposes of submitting the claims to a health care service plan.

(5) A health care service plan shall provide reimbursement for services provided to students pursuant to this section at the greater of either of the following amounts:

(A) The health plan's contracted rate with the local educational agency, institution of higher education, or health care provider, if any.

(B) The fee-for-service reimbursement rate published by the State Department of Health Care Services for the same or similar services provided in an outpatient setting, pursuant to Section 5961.4 of the Welfare and Institutions Code.

(6) A health care service plan shall provide reimbursement for services provided pursuant to this section in compliance with the requirements for timely payment of claims, as required by this chapter.

(7) Services provided pursuant to this section shall not be subject to copayment, coinsurance, deductible, or any other form of cost sharing.

(8) An individual or entity shall not bill the enrollee or subscriber, nor seek reimbursement from the enrollee or subscriber, for services provided pursuant to this section.

(d) No later than December 31, 2023, the director shall issue guidance to health care service plans regarding compliance with this section. This guidance shall not be subject to the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code). Any guidance issued pursuant to this subdivision shall be

1 effective only until the director adopts regulations pursuant to the
2 Administrative Procedure Act.

3 (e) This section does not apply to contracts entered into pursuant
4 to Chapter 7 (commencing with Section 14000) or Chapter 8
5 (commencing with Section 14200) of Part 3 of Division 9 of the
6 Welfare and Institutions Code, between the State Department of
7 Health Care Services and a health care service plan for enrolled
8 Medi-Cal beneficiaries.

9 SEC. 2. Section 10144.53 of the Insurance Code is amended
10 to read:

11 10144.53. (a) (1) A disability insurance policy issued,
12 amended, renewed, or delivered on or after January 1, 2024, that
13 is required to provide coverage for medically necessary treatment
14 of mental health and substance use disorders pursuant to Sections
15 10144.5, 10144.51, and 10144.52 shall cover the provision of the
16 services identified in the fee-for-service reimbursement schedule
17 published by the State Department of Health Care Services, as
18 described in subparagraph (B) of paragraph (5) of subdivision (c),
19 when those services are delivered at schoolsites *or qualified youth*
20 *drop-in centers* pursuant to this section, regardless of the network
21 status of the local educational agency, institution of higher
22 education, or health care provider.

23 (2) This section does not relieve a local educational agency or
24 institution of higher education from requirements to accommodate
25 or provide services to students with disabilities pursuant to any
26 applicable state and federal law, including, but not limited to, the
27 federal Individuals with Disabilities Education Act (20 U.S.C. Sec.
28 1400 et seq.), Part 30 (commencing with Section 56000) of
29 Division 4 of Title 2 of the Education Code, Chapter 26.5
30 (commencing with Section 7570) of Division 7 of Title 1 of the
31 Government Code, and Chapter 3 (commencing with Section 3000)
32 of Division 1 of Title 5 of the California Code of Regulations.

33 (b) The following definitions apply for purposes of this section:

34 (1) “Health care provider” has the same meaning as defined in
35 paragraph (4) of subdivision (a) of Section 10144.5 and paragraph
36 (5) of subdivision (c) of Section 10144.51.

37 (2) “Institution of higher education” means the California
38 Community Colleges, the California State University, or the
39 University of California.

(3) “Local educational agency” means a school district, county office of education, charter school, the California Schools for the Deaf, and the California School for the Blind.

(4) “Medically necessary treatment of a mental health or substance use disorder” has the same meaning as defined in paragraph (3) of subdivision (a) of Section 10144.5.

(5) “Mental health and substance use disorders” has the same meaning as defined in paragraph (2) of subdivision (a) of Section 10144.5.

(6) *“Qualified youth drop-in center” means a center providing mental or primary health and wellness services to youth 12 to 25 years of age, inclusive, with the capacity to provide services before and after school hours, that received funding through the Children and Youth Behavioral Health Initiative by January 1, 2025, or a center that has been approved by the local educational agency for the purposes of this section.*

~~(6)~~
(7) “Schoolsite” means a facility or location used for public kindergarten, elementary, secondary, or postsecondary purposes. “Schoolsite” also includes a location not owned or operated by a public school, or public school district if the school or school district provides or arranges for the provision of medically necessary treatment of a mental health or substance use disorder to its students at that location, including off-campus clinics, mobile counseling services, and similar locations.

~~(7)~~
(8) “Utilization review” has the same meaning as defined in paragraph (3) of subdivision (f) of Section 10144.52.

(c) ~~If a local educational agency or agency, institution of higher education~~ *education, or qualified youth drop-in center* provides or arranges for the provision of treatment of a mental health or substance use disorder services subject to this section by a health care provider at a *schoolsite or qualified youth drop-in center* for an individual 25 years of age or younger, the student’s disability insurer shall reimburse the local educational ~~agency or agency,~~ *institution of higher education, or qualified youth drop-in center* for those services.

(1) A disability insurer shall not require prior authorization for services provided pursuant to this section.

1 (2) A disability insurer may conduct a postclaim review to
2 determine appropriate payment of the claim. Payment for services
3 subject to this section may be denied only if the disability insurer
4 reasonably determines that the services were provided to a student
5 not covered by the insurer, were never performed, or were not
6 provided by a health care provider appropriately licensed or
7 authorized to provide the services.

8 (3) Notwithstanding paragraph (1), a disability insurer may
9 require prior authorization for services as authorized by the
10 commissioner, pursuant to subdivision (d).

11 (4) A local educational agency, community college district, the
12 California State University system, or the Regents of the University
13 of California may consolidate claims for purposes of submission
14 to a disability insurer.

15 (5) A disability insurer shall provide reimbursement for services
16 provided to students pursuant to this section at the greater of either
17 of the following amounts:

18 (A) The disability insurer's contracted rate with the local
19 educational agency, institution of higher education, or health care
20 provider, if any.

21 (B) The fee-for-service reimbursement rate published by the
22 State Department of Health Care Services for the same or similar
23 services provided in an outpatient setting, pursuant to Section
24 5961.4 of the Welfare and Institutions Code.

25 (6) A disability insurer shall provide reimbursement for services
26 provided pursuant to this section in compliance with the
27 requirements for timely payment of claims as required by this
28 chapter.

29 (7) Services provided pursuant to this section shall not be subject
30 to copayment, coinsurance, deductible, or any other form of cost
31 sharing.

32 (8) An individual or entity shall not bill the policyholder or
33 insured, nor seek reimbursement from the policyholder or insured,
34 for services provided pursuant to this section.

35 (d) The commissioner shall issue guidance to disability insurers
36 regarding compliance with this section, as well as requirements
37 necessary to comply with Section 5961.4 of the Welfare and
38 Institutions Code. This guidance shall not be subject to the
39 Administrative Procedure Act (Chapter 3.5 (commencing with
40 Section 11340) of Part 1 of Division 3 of Title 2 of the Government

1 Code). Guidance issued pursuant to this subdivision shall be
2 effective only until the commissioner adopts regulations pursuant
3 to the Administrative Procedure Act.

4 SEC. 3. No reimbursement is required by this act pursuant to
5 Section 6 of Article XIII B of the California Constitution because
6 the only costs that may be incurred by a local agency or school
7 district will be incurred because this act creates a new crime or
8 infraction, eliminates a crime or infraction, or changes the penalty
9 for a crime or infraction, within the meaning of Section 17556 of
10 the Government Code, or changes the definition of a crime within
11 the meaning of Section 6 of Article XIII B of the California
12 Constitution.