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**SB-421 Health care coverage: cancer treatment.** (2023-2024)

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**Senate Bill No. 421**

**CHAPTER 607**

An act to amend Section 1367.656 of the Health and Safety Code, and to amend Section 10123.206 of the Insurance Code, relating to health care coverage.

[ Approved by Governor October 08, 2023. Filed with Secretary of State October 08, 2023. ]

**LEGISLATIVE COUNSEL'S DIGEST**

SB 421, Limón. Health care coverage: cancer treatment.

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 prohibits, until January 1, 2024, an individual or group health care service plan contract or health insurance policy issued, amended, or renewed on or after January 1, 2015, that provides coverage for prescribed, orally administered anticancer medications used to kill or slow the growth of cancerous cells from requiring an enrollee or insured to pay a total amount of copayments and coinsurance that exceeds \$250 for an individual prescription of up to a 30-day supply of a prescribed orally administered anticancer medication, as specified.

This bill would extend the duration of that prohibition indefinitely. By indefinitely extending the operation of the prohibition, and thus indefinitely extending the applicability of a crime for a willful violation by a health care service plan, 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 Local Program: yes

**THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:**

**SECTION 1.** Section 1367.656 of the Health and Safety Code is amended to read:

**1367.656.** (a) Notwithstanding any other law, an individual or group health care service plan contract issued, amended, or renewed on or after January 1, 2015, that provides coverage for prescribed, orally administered anticancer medications used to kill or slow the growth of cancerous cells shall comply with all of the following:

(1) Notwithstanding any deductible, the total amount of copayments and coinsurance an enrollee is required to pay shall not exceed two hundred fifty dollars (\$250) for an individual prescription of up to a 30-day supply of a prescribed orally

administered anticancer medication covered by the contract.

(2) For a health care service plan contract that meets the definition of a "high deductible health plan" set forth in Section 223(c)(2) of Title 26 of the United States Code, paragraph (1) shall only apply once an enrollee's deductible has been satisfied for the year.

(3) An orally administered anticancer medication shall be provided consistent with the appropriate standard of care for that medication.

(b) This section shall not apply to a specialized health care service plan contract that covers only dental or vision benefits or any coverage under a health care service plan contract for the Medicare Program pursuant to Title XVIII of the federal Social Security Act (42 U.S.C. Sec. 1395 et seq.).

**SEC. 2.** Section 10123.206 of the Insurance Code is amended to read:

**10123.206.** (a) Notwithstanding any other law, an individual or group health insurance policy issued, amended, or renewed on or after January 1, 2015, that provides coverage for prescribed, orally administered anticancer medications used to kill or slow the growth of cancerous cells shall comply with all of the following:

(1) Notwithstanding any deductible, the total amount of copayments and coinsurance an insured is required to pay shall not exceed two hundred fifty dollars (\$250) for an individual prescription of up to a 30-day supply of a prescribed orally administered anticancer medication covered by the policy.

(2) For a health insurance policy that meets the definition of a "high deductible health plan" set forth in Section 223(c)(2) of Title 26 of the United States Code, paragraph (1) shall only apply once an insured's deductible has been satisfied for the year.

(3) An orally administered anticancer medication shall be provided consistent with the appropriate standard of care for that medication.

(b) This section shall not apply to a specialized health insurance policy that covers only dental or vision benefits or any coverage under a health insurance policy for the Medicare Program pursuant to Title XVIII of the federal Social Security Act (42 U.S.C. Sec. 1395 et seq.).

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