SENATE BILL No. XXXX

Introduced by Senator \_\_\_\_\_\_\_\_

January XX, 2019

An Act to add Sections to the Health and Safety Code and to add Sections to the Insurance Code, relating to insurance,

Legislative counsel’s digest

SB XXXX 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 health care service plan contracts or health insurance policies issued, amended, or renewed on or after July 1, 2000, to provide coverage for the diagnosis and medically necessary treatment of severe mental illnesses, as defined, and of serious emotional disturbances of a child, as specified, under the same terms and conditions applied to other medical conditions.

Existing federal law, the federal Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008 (MHPAEA) requires group health plans and health insurance issuers to ensure that financial requirements and treatment limitations applicable to mental health or substance use disorder benefits are no more restrictive than the predominant requirements or limitations applied to substantially all medical and surgical benefits. Existing state law requires individual and small group health care service plan contracts and health insurance policies issued, amended, or renewed on or after January 1, 2014, to comply with MHPAEA.

This bill would require every health care service plan that provides hospital, medical, or surgical coverage, every specialized mental health care service plan that contracts with a health care service plan to provide mental health services, and every health insurer to establish certain coverage requirements for medications used for the treatment of substance use disorders.

*The people of California do enact as follows:*

SECTION 1. 1374.80 is added to the Health and Safety Code to read:

1374.80. (a) All health care service plans that provide prescription drug benefits for the treatment of substance use disorders shall:

(1) Not impose any prior authorization requirements on any prescription medication approved by the federal Food and Drug Administration (FDA) for the treatment of substance use disorders.

(2) Not impose any step therapy requirements before the health care service plan will authorize coverage for a prescription medication approved by the FDA for the treatment of substance use disorders.

(3) Place all prescription medications approved by the FDA for the treatment of substance use disorders on the lowest tier of the drug formulary developed and maintained by the health care service plan.

(4) Not exclude coverage for any prescription medication approved by the FDA for the treatment of substance use disorders and any associated counseling or wraparound services on the grounds that such medications and services were court ordered.

SEC. 2. 10144.57 is added to the Insurance Code to read:

10144.57. (a) All health insurers that provide prescription drug benefits for the treatment of substance use disorders shall:

(1) Not impose any prior authorization requirements on any prescription medication approved by the federal Food and Drug Administration (FDA) for the treatment of substance use disorders.

(2) Not impose any step therapy requirements before the health insurer will authorize coverage for a prescription medication approved by the FDA for the treatment of substance use disorders.

(3) Place all prescription medications approved by the FDA for the treatment of substance use disorders on the lowest tier of the drug formulary developed and maintained by the health insurer.

(4) Not exclude coverage for any prescription medication approved by the FDA for the treatment of substance use disorders and any associated counseling or wraparound services on the grounds that such medications and services were court ordered.