

Assembly Bill No. 1000

Passed the Assembly August 22, 2012

Chief Clerk of the Assembly

Passed the Senate August 20, 2012

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 2012, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to add Section 1367.655 to the Health and Safety Code, and to add Section 10123.205 to the Insurance Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

AB 1000, Perea. 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 also provides for the regulation of health insurers by the Department of Insurance. Existing law requires health care service plan contracts and health insurance policies to provide coverage for all generally medically accepted cancer screening tests and requires those contracts and policies to also provide coverage for the treatment of breast cancer. Existing law imposes various requirements on contracts and policies that cover prescription drug benefits.

This bill would prohibit a health care service plan contract and a health insurance policy issued, amended, or renewed on or after July 1, 2013, that provides coverage for cancer chemotherapy treatment from requiring a higher copayment, deductible, or coinsurance amount for a prescribed, orally administered anticancer medication than the health care service plan or health insurer requires for an intravenously administered or injected cancer medication, as specified. The bill would prohibit a health care service plan or a health insurer from being deemed to have complied with these provisions by increasing the copayment, deductible, or coinsurance amount for an intravenously administered or injected cancer chemotherapy agent. The bill would specify that its provisions do not apply to a health care service plan contract or health insurance policy that does not provide outpatient prescription drug coverage or to a health care benefit plan, contract, or policy with the Board of Administration of the Public Employees' Retirement System. The bill would also provide that no benefits are required to be provided under its provisions

that exceed the essential health benefits that will be required under specified federal law.

Because a willful violation of the bill's requirements relative to health care service plans 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.

The people of the State of California do enact as follows:

SECTION 1. Section 1367.655 is added to the Health and Safety Code, to read:

1367.655. (a) Notwithstanding any other provision of law, a health care service plan contract issued, amended, or renewed on or after July 1, 2013, that provides coverage for cancer chemotherapy treatment shall not require a higher copayment, deductible, or coinsurance amount for a prescribed, orally administered anticancer medication that is used to kill or slow the growth of cancerous cells than the health care service plan requires for an intravenously administered or injected cancer medication, regardless of formulation or benefit category determination by the health care service plan.

(b) A health care service plan shall not be deemed to have complied with this section by increasing the copayment, deductible, or coinsurance amount for an intravenously administered or injected cancer chemotherapy agent covered by the health care service plan.

(c) Nothing in this section shall be interpreted to prohibit a health care service plan from requiring prior authorization or conducting utilization review in approving coverage for any chemotherapy.

(d) This section shall not apply to a health care service plan contract that does not provide coverage for outpatient prescription drugs.

(e) This section shall not apply to a health care benefit plan or contract entered into with the Board of Administration of the Public

Employees' Retirement System pursuant to the Public Employees' Medical and Hospital Care Act (Part 5 (commencing with Section 22750) of Division 5 of Title 2 of the Government Code).

(f) Notwithstanding subdivision (a), as of the date that proposed final rulemaking for essential health benefits is issued, this section does not require any benefits to be provided that exceed the essential health benefits that all health plans will be required by federal regulations to provide under Section 1302(b) of the federal Patient Protection and Affordable Care Act (Public Law 111-148), as amended by the federal Health Care and Education Reconciliation Act of 2010 (Public Law 111-152).

SEC. 2. Section 10123.205 is added to the Insurance Code, to read:

10123.205. (a) Notwithstanding any other provision of law, a health insurance policy issued, amended, or renewed on or after July 1, 2013, that provides coverage for cancer chemotherapy treatment shall not require a higher copayment, deductible, or coinsurance amount for a prescribed, orally administered anticancer medication that is used to kill or slow the growth of cancerous cells than the health insurer requires for an intravenously administered or injected cancer medication, regardless of formulation or benefit category determination by the health insurer.

(b) A health insurer shall not be deemed to have complied with this section by increasing the copayment, deductible, or coinsurance amount for an intravenously administered or injected cancer chemotherapy agent covered by the health insurer.

(c) Nothing in this section shall be interpreted to prohibit a health insurer from requiring prior authorization or conducting utilization review in approving coverage for any chemotherapy.

(d) This section shall not apply to a health insurance policy that does not provide coverage for outpatient prescription drugs.

(e) This section shall not apply to a health care benefit plan or policy entered into with the Board of Administration of the Public Employees' Retirement System pursuant to the Public Employees' Medical and Hospital Care Act (Part 5 (commencing with Section 22750) of Division 5 of Title 2 of the Government Code).

(f) Notwithstanding subdivision (a), as of the date that proposed final rulemaking for essential health benefits is issued, this section does not require any benefits to be provided that exceed the essential health benefits that all health plans will be required by

federal regulations to provide under Section 1302(b) of the federal Patient Protection and Affordable Care Act (Public Law 111-148), as amended by the federal Health Care and Education Reconciliation Act of 2010 (Public Law 111-152).

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.

Approved _____, 2012

Governor