ASSEMBLY BILL   No. 907

Introduced by Assembly Member Lowenthal

February 14, 2023

An act to add Section 1367.38 to the Health and Safety Code, and to add Section 10123.38 to the Insurance Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

AB 907, as introduced, Lowenthal. Coverage for PANDAS and PANS.

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 sets forth specified coverage requirements for health care service plan contracts and health insurance policies, and limits the copayment, coinsurance, deductible, and other cost sharing that may be imposed for specified health care services.

This bill would require a health care service plan contract or health insurance policy issued, amended, or renewed on or after January 1, 2024, to provide coverage for treatment of Pediatric Autoimmune Neuropsychiatric Disorder Associated with Streptococcal Infections (PANDAS) and Pediatric Acute-onset Neuropsychiatric Syndrome (PANS) prescribed or ordered by a provider. The bill would prohibit coverage for PANDAS and PANS from being subject to a copayment, coinsurance, deductible, or other cost sharing that is greater than that applied to other similar benefits. The bill would prohibit a plan or insurer

from denying or delaying coverage for medically necessary treatment of PANDAS or PANS solely because the enrollee or insured previously received treatment for PANDAS or PANS or has been diagnosed with or received treatment for the condition under a different diagnostic name. Because a willful violation of these provisions by a health care service plan 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. Section 1367.38 is added to the Health and Safety
2 Code, to read:
3 1367.38. (a) A health care service plan contract issued,
4 amended, or renewed on or after January 1, 2024, shall provide
5 coverage for treatment of Pediatric Autoimmune Neuropsychiatric
6 Disorder Associated with Streptococcal Infections (PANDAS) and
7 Pediatric Acute-onset Neuropsychiatric Syndrome (PANS)
8 prescribed or ordered by a provider. Treatment for PANDAS and
9 PANS that shall be covered includes antibiotics, medication and
10 behavioral therapies to manage neuropsychiatric symptoms,
11 immunomodulating medicines, plasma exchange, and intravenous
12 immunoglobulin therapy.
13 (b) Coverage for PANDAS and PANS shall not be subject to a
14 copayment, coinsurance, deductible, or other cost sharing that is
15 greater than that applied to other similar benefits provided by the
16 contract.
17 (c) (1) Coverage for PANDAS and PANS shall be provided in
18 a timely manner pursuant to Section 1367.03.
19 (2) A health care service plan shall not deny or delay coverage
20 for medically necessary treatment of PANDAS or PANS solely
21 because the enrollee previously received treatment, including the
22 same or similar treatment, for PANDAS or PANS or because the
23 enrollee has been diagnosed with or received treatment for their

1 condition under a different diagnostic name, including autoimmune
2 encephalopathy.
3 (3) Coverage for any form of medically necessary treatment
4 shall not be limited over a lifetime of an enrollee or by contract
5 period.
6 (4) This section does not prohibit a plan from requesting
7 treatment notes and anticipated duration of treatment and outcomes
8 from a provider.
9 (d) Coverage for PANDAS and PANS shall adhere to the
10 treatment recommendations developed by a consortium of medical
11 professionals convened to research, identify, and publish best
12 practice standards for the diagnosis and treatment of those disorders
13 that are accessible to providers and are based on evidence of
14 positive patient outcomes.
15 (e) For billing and diagnostic purposes, PANDAS and PANS
16 shall be coded as autoimmune encephalitis until the American
17 Medical Association and the federal Centers for Medicare and
18 Medicaid Services create and assign a specific code or codes for
19 PANDAS and PANS. After the creation of that code or codes,
20 PANDAS and PANS may be coded as autoimmune encephalitis,
21 PANDAS, or PANS. If PANDAS or PANS is known by a different
22 common name in the future, it may be coded under that name and
23 this section shall apply to that disorder or syndrome.
24 SEC. 2. Section 10123.38 is added to the Insurance Code, to
25 read:
26 10123.38. (a) A health insurance policy issued, amended, or
27 renewed on or after January 1, 2024, shall provide coverage for
28 treatment of Pediatric Autoimmune Neuropsychiatric Disorder
29 Associated with Streptococcal Infections (PANDAS) and Pediatric
30 Acute-onset Neuropsychiatric Syndrome (PANS) prescribed or
31 ordered by a provider. Treatment for PANDAS and PANS that
32 shall be covered includes antibiotics, medication and behavioral
33 therapies to manage neuropsychiatric symptoms,
34 immunomodulating medicines, plasma exchange, and intravenous
35 immunoglobulin therapy.
36 (b) Coverage for PANDAS and PANS shall not be subject to a
37 copayment, coinsurance, deductible, or other cost sharing that is
38 greater than that applied to other similar benefits provided by the
39 policy.

1   (c) (1) Coverage for PANDAS and PANS shall be provided in
2 a timely manner pursuant to Section 10133.54.
3   (2) A health insurer shall not deny or delay coverage for
4 medically necessary treatment of PANDAS or PANS solely
5 because the insured previously received treatment, including the
6 same or similar treatment, for PANDAS or PANS or because the
7 insured has been diagnosed with or received treatment for their
8 condition under a different diagnostic name, including autoimmune
9 encephalopathy.
10   (3) Coverage for any form of medically necessary treatment
11 shall not be limited over a lifetime of an insured or by policy
12 period.
13   (4) This section does not prohibit an insurer from requesting
14 treatment notes and anticipated duration of treatment and outcomes
15 from a provider.
16   (d) Coverage for PANDAS and PANS shall adhere to the
17 treatment recommendations developed by a consortium of medical
18 professionals convened to research, identify, and publish best
19 practice standards for the diagnosis and treatment of those disorders
20 that are accessible to providers and are based on evidence of
21 positive patient outcomes.
22   (e) For billing and diagnostic purposes, PANDAS and PANS
23 shall be coded as autoimmune encephalitis until the American
24 Medical Association and the federal Centers for Medicare and
25 Medicaid Services create and assign a specific code or codes for
26 PANDAS and PANS. After the creation of that code or codes,
27 PANDAS and PANS may be coded as autoimmune encephalitis,
28 PANDAS, or PANS. If PANDAS or PANS is known by a different
29 common name in the future, it may be coded under that name and
30 this section shall apply to that disorder or syndrome.
31   SEC. 3. No reimbursement is required by this act pursuant to
32 Section 6 of Article XIII B of the California Constitution because
33 the only costs that may be incurred by a local agency or school
34 district will be incurred because this act creates a new crime or
35 infraction, eliminates a crime or infraction, or changes the penalty
36 for a crime or infraction, within the meaning of Section 17556 of
37 the Government Code, or changes the definition of a crime within

1 the meaning of Section 6 of Article XIII B of the California
2 Constitution.

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