

AMENDED IN SENATE JULY 15, 2025

AMENDED IN ASSEMBLY MAY 5, 2025

CALIFORNIA LEGISLATURE—2025–26 REGULAR SESSION

ASSEMBLY BILL

No. 1032

Introduced by Assembly Members Harabedian and Rivas
(Coauthor: Senator Rubio)

February 20, 2025

An act to add Section 1368.9 to the Health and Safety Code, and to add Section 10112.97 to the Insurance Code, relating to health care coverage, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 1032, as amended, Harabedian. Coverage for behavioral health visits.

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, or renewed on or after January 1, 2021, to provide coverage for medically necessary treatment of mental health and substance use disorders, as defined, under the same terms and conditions applied to other medical conditions.

This bill would generally require a large group health care service plan contract or health insurance policy issued, amended, or renewed on or after January 1, 2026, to reimburse an eligible enrollee or insured for up to 12 visits ~~per year~~ with a ~~licensed~~ behavioral health provider

if the enrollee or insured is in a county where a local or state emergency has been declared due to ~~wildfires~~. *wildfires and the enrollee or insured has experienced a loss, trauma, or displacement because of the fire.* The bill would prohibit these benefits from being subject to utilization review. ~~Under the bill, an enrollee or insured would be entitled to those benefits until one year from the date the local or state emergency is lifted, whichever is later.~~ The bill would require a health care service plan contract or health insurer to provide notice to all affected enrollees of these provisions, as specified. 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.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. 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 1368.9 is added to the Health and Safety
- 2 Code, to read:
- 3 1368.9. (a) (1) ~~A~~-(A) *In addition to covering all medically*
- 4 *necessary treatment of mental health and substance use disorders,*
- 5 *as required by Section 1374.72, a large group health care service*
- 6 *plan contract issued, amended, or renewed on or after January 1,*
- 7 *2026, shall cover or reimburse an eligible enrollee for up to 12*
- 8 *visits per year with a licensed behavioral health provider if the*
- 9 *enrollee is in a county or counties where a local or state emergency*
- 10 *has been declared due to wildfires. wildfires, and the enrollee has*
- 11 *experienced a loss, trauma, or displacement because of the fire.*
- 12 ~~These benefits~~ *12 visits shall not be subject to utilization review,*
- 13 *as defined in Section 1374.721, and shall apply even if the licensed*
- 14 *behavioral health provider is not a contracting provider, regardless*
- 15 *of the network status of the behavioral health provider.*
- 16 ~~(2) An enrollee is entitled to the benefits specified in paragraph~~
- 17 ~~(1) until one year from the date the local or state emergency is~~

1 ~~lifted, whichever is later. Consistent with Section 1373.96, a health~~
2 ~~care service plan shall assure continuity of care.~~

3 (B) *For the purposes of subparagraph (A), “state of emergency”*
4 *means a declaration by the Governor pursuant to Section 8625 of*
5 *the Government Code and “local emergency” means an emergency*
6 *declared pursuant to Article 14 (commencing with Section 8630)*
7 *of Chapter 7 of Division 1 of Title 2 of the Government Code.*

8 (2) *A health care service plan shall assure continuity of care of*
9 *the benefits required by this section consistent with Section 1373.96*
10 *and the regulations adopted thereunder.*

11 (3) *A noncontracting provider may only collect from the enrollee*
12 *the in-network cost sharing amount. The enrollee shall pay no*
13 *more than the same cost sharing that the enrollee would pay for*
14 *the same covered services received from an in-network provider.*
15 *Cost sharing shall accrue toward the enrollee’s annual deductible,*
16 *regardless of the network status of the licensed behavioral health*
17 *provider.*

18 (4) *A noncontracting provider shall be paid consistent with the*
19 *requirements of this chapter. chapter relating to out-of-network*
20 *services under Section 1374.72 and regulations adopted*
21 *thereunder.*

22 (5) *For a health care service plan contract that meets the*
23 *definition of a “high deductible health plan” set forth in Section*
24 *223(c)(2) of Title 26 of the United States Code, paragraph (1) shall*
25 *only apply once an enrollee’s deductible has been satisfied for the*
26 *year.*

27 (b) (1) *This section shall apply to a health care benefit plan or*
28 *contract entered into with the Board of Administration of the Public*
29 *Employees Retirement System pursuant to the Public Employees*
30 *Medical and Hospital Care Act (part 5 (commencing with Section*
31 *22750) of Division 5 of Title 2 of the Government Code) and*
32 *members of the State Teachers’ Retirement System (CalSTRS)*
33 *who receive a health care benefit under CALSTRS. CalSTRS.*

34 (2) *This section does not apply to a specialized health care*
35 *service plan contract that covers only dental or vision benefits*
36 *benefits, a Medicare supplement plan, or to coverage under a health*
37 *care service plan contract for the federal Medicare Program*
38 *pursuant to Title XVIII of the Social Security Act (42 U.S.C. Sec.*
39 *1395 et seq.).*

(3) This section shall not apply to Medi-Cal managed care plans that contract with the State Department of Health Care Services pursuant to Chapter 7 (commencing with Section 1400) of, and Chapter 8 (commencing with Section 14200) of, Part 3 of Division 9 of the Welfare and Institutions Code.

~~(e) A health care service plan shall comply with the requirements of this chapter, including, Sections 1374.72 and 1374.721.~~

~~(d) For purposes of this section, “licensed behavioral health provider” means a provider licensed under Division 2 (commencing with Section 500) of the Business and Professions Code authorized to render behavioral health services.~~

(c) This section does not excuse a health care service plan from complying with Section 1374.72 or any other requirement set forth under this chapter, including, but not limited to, medically necessary treatment of mental health and substance use disorders as required by Section 1374.72, which requires health plans to provide an enrollee with medically necessary mental health and substance use disorder services within specific time and distance standards, without limit on the number of services.

(d) For the purposes of this section, “behavioral health provider” means a health care provider as defined in Section 1374.72.

~~(e) (1) Upon implementation of this section or within 30 days of when a local or state emergency due to wildfires has been declared, the health care service plan shall provide notice to all affected enrollees of this provision, as well as their right under Section 1374.72 to receive out of network care if in-network care is not available within the time or geographic standards set by law or regulation and the obligation of the plan to arrange such services. and that an enrollee can access the services under this section from any behavioral health provider.~~

(2) The notice shall also specify that an enrollee’s rights and benefits under this section are separate and distinct from those in Section 1374.72, and that enrollees can access the services under this section from any of the licensed behavioral health providers, including, but not limited to, the right to medically necessary treatment of mental health and substance use disorders as required by Section 1374.72, the requirement to provide the enrollee with all medically necessary mental health and substance use disorder services within specified time and distance standards, without

limits on the number of visits, as well as their right under Section 1374.72 to receive out-of-network care if in-network care is not available within the time or geographic standards set by law or regulation and the obligation of the health care service plan to arrange those services. The notice may be in the following form:

In response to the recent emergency declaration due to wildfires in (County Name), you may be eligible for direct visits with a behavioral health care provider of your choice under Section 1368.9 of the Health and Safety Code. This benefit is meant for those who have experienced displacement, loss, or trauma due to the recent wildfires.

You may receive up to 12 visits with a behavioral health provider, even if they are out of network. These visits may be covered directly by your plan or reimbursed after payment. Please contact your insurer in advance to confirm coverage and billing details.

This new benefit is in addition to your existing rights under Section 1374.72 of the Health and Safety Code. Under Section 1374.72 of the Health and Safety Code, you are eligible for medically necessary mental health and substance use disorder services within specific time and distance standards, without limit on the number of services.

Reiterating your rights under this new provision: you are eligible for up to 12 visits with a behavioral health provider, even if the provider is not part of our network.

If you have questions or need assistance, please contact Member Services.

(f) The department may issue guidance to health care service plans until the emergency is terminated. 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).

(g) This section shall not be construed to limit the Governor's authority under the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 2 of the Government Code), or the director's authority under any provision of this chapter.

SEC. 2. Section 10112.97 is added to the Insurance Code, to read:

10112.97. (a) (1) ~~A(A)~~ *In addition to covering all medically necessary treatment of mental health and substance use disorders, as required by Section 10144.5, a large group health insurance policy issued, amended, or renewed on or after January 1, 2026, shall cover or reimburse an eligible insured for up to 12 visits per year with a licensed behavioral health provider if the insured is in a county or counties where a local or state emergency has been declared due to wildfires, and the insured has experienced a loss, trauma, or displacement because of the fire.* These benefits 12 visits shall not be subject to utilization review, as defined in Section 10144.52, and shall apply regardless of the network status of the licensed behavioral health provider.

~~(2) An insured is entitled to the benefits specified in paragraph (1) until one year from the date the local or state emergency is lifted, whichever is later. Consistent with Section 10133.56, an insurer shall assure continuity of care.~~

(B) *For the purposes of subparagraph (A), “state of emergency” means a declaration by the Governor pursuant to Section 8625 of the Government Code and “local emergency” means an emergency declared pursuant to Article 14 (commencing with Section 8630) of Chapter 7 of Division 1 of Title 2 of the Government Code.*

~~(2) An insurer shall assure continuity of care for the benefits required by this section consistent with Section 10133.56 and the regulations adopted thereunder.~~

(3) (A) *A noncontracting provider may only collect from the insured the in-network cost sharing amount. The insured shall pay no more than the same cost sharing that the insured would pay for the same covered services received from an in-network provider. Cost sharing shall accrue toward the insured’s annual deductible, regardless of the network status of the licensed behavioral health provider.*

(B) *A health insurer or a provider may seek relief in any court for the purpose of resolving a payment dispute. A provider is not prohibited from using a health insurer’s existing dispute resolution process.*

(4) *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.

(b) (1) This section shall apply to insureds of 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) and members of the State Teachers' Retirement System (CalSTRS) who receive a health care benefit under CalSTRS.

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

~~(e) An insurer shall comply with the requirements of this chapter, including, Section 10144.5.~~

~~(d) For purposes of this section, "licensed behavioral health provider" means a provider licensed under Division 2 (commencing with Section 500) of the Business and Professions Code authorized to render behavioral health services.~~

(c) This section does not excuse a health insurer from complying with Sections 10144.4, 10144.5, 10144.51, 10144.52, 10144.53, and 10144.57, or any other requirement set forth under this code. Nothing in this section shall be construed to limit any rights conferred upon insureds under this code, including, but not limited to, rights to medically necessary treatment of mental health and substance use disorders as required by Section 10144.5, which requires health insurers to provide an insured with medically necessary behavioral health care services within specific time and distance standards, without limit on the number of visits.

(d) For the purposes of this section, "behavioral health provider" means a health care provider as defined in Section 10144.5.

(e) (1) Upon implementation of this section or within 30 days of when a local or state emergency due to wildfires has been declared, the insurer shall provide notice to all affected insureds of this provision, ~~as well as their right under Section 10144.5 to receive out of network care if in-network care is not available~~

1 ~~within the time or geographic standards set by law or regulation~~
2 ~~and the obligation of the insurer to arrange such services; and that~~
3 ~~insured can access the services under this section from any health~~
4 ~~care provider.~~

5 (2) The notice shall also specify that an insured's rights and
6 benefits under this section is separate from and distinct from those
7 in Section ~~10144.5~~ ~~and that an insured can access the services~~
8 ~~under this section from any of the licensed behavioral health~~
9 ~~providers.~~ *10144.5, including, but not limited to, the right to*
10 *medically necessary treatment of mental health and substance use*
11 *disorders as required by Section 10144.5, the requirement to*
12 *provide an insured with all medically necessary behavioral health*
13 *care services within specified time and distance standards, without*
14 *limits on the number of visits, as well as their right under Section*
15 *10144.5 to receive out-of-network care if in-network care is not*
16 *available within the time or geographic standards set by law or*
17 *regulation and the obligation of the insurer to arrange those*
18 *services. The notice may be in the following form:*

19
20 *In response to the recent emergency declaration due to wildfires*
21 *in (County Name), you may be eligible for direct visits with a*
22 *behavioral health care provider of your choice under Section*
23 *10112.97 of the Insurance Code. This benefit is meant for those*
24 *who have experienced displacement, loss, or trauma due to the*
25 *recent wildfires.*

26 *You may receive up to 12 visits with a behavioral health*
27 *provider, even if they are out of network. These visits may be*
28 *covered directly by your plan or reimbursed after payment. Please*
29 *contact your insurer in advance to confirm coverage and billing*
30 *details.*

31 *This new benefit is in addition to your existing rights under*
32 *Section 10144.5 of the Insurance Code. Under Section 10144.5 of*
33 *the Insurance Code, you are eligible for medically necessary*
34 *mental health and substance use disorder services within specific*
35 *time and distance standards, without limit on the number of*
36 *services.*

37 *Reiterating your rights under this new provision: you are eligible*
38 *for up to 12 visits with a behavioral health provider, even if the*
39 *provider is not part of our network.*

1 *If you have questions or need assistance, please contact Member*
2 *Services.*

3
4 *(f) The department may issue guidance to insurers until the*
5 *emergency is terminated. This guidance shall not be subject to the*
6 *Administrative Procedure Act (Chapter 3.5 (commencing with*
7 *Section 11340) of Part 1 of Division 3 of Title 2 of the Government*
8 *Code).*

9 *(g) This section shall not be construed to limit the Governor's*
10 *authority under the California Emergency Services Act (Chapter*
11 *7 (commencing with Section 8550) of Division 1 of Title 2 of the*
12 *Government Code), or the director's authority under any provision*
13 *of this chapter.*

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

23 SEC. 4. This act is an urgency statute necessary for the
24 immediate preservation of the public peace, health, or safety within
25 the meaning of Article IV of the California Constitution and shall
26 go into immediate effect. The facts constituting the necessity are:

27 Because the destruction and loss of one's home, belongings, and
28 surrounding community, and the threat to personal safety and the
29 safety of loved ones, can have significant consequences on
30 survivors' behavioral health, which persist for years after, it is
31 necessary for this act to take effect immediately.