

ASSEMBLY BILL

No. 1860

Introduced by Assembly Members Limón and Cervantes

January 10, 2018

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.

LEGISLATIVE COUNSEL'S DIGEST

AB 1860, as introduced, 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. Existing law also provides for the regulation of health insurers by the Department of Insurance. Existing law prohibits, until January 1, 2019, 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, notwithstanding any deductible, a total amount of copayments and coinsurance that exceeds \$200 for an individual prescription of up to a 30-day supply of a prescribed orally administered anticancer medication, as specified. Under existing law, a willful violation of this prohibition by a health care service plan is a crime.

This bill would extend the duration of this prohibition indefinitely. Because the bill would expand the scope of 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 1367.656 of the Health and Safety Code
 2 is amended to read:
 3 1367.656. ~~(a)~~ Notwithstanding any other law, an individual
 4 or group health care service plan contract issued, amended, or
 5 renewed on or after January 1, 2015, that provides coverage for
 6 prescribed, orally administered anticancer medications used to kill
 7 or slow the growth of cancerous cells shall comply with all of the
 8 following:
 9 ~~(1)~~
 10 (a) Notwithstanding any deductible, the total amount of
 11 copayments and coinsurance an enrollee is required to pay shall
 12 not exceed two hundred dollars (\$200) for an individual
 13 prescription of up to a 30-day supply of a prescribed orally
 14 administered anticancer medication covered by the contract.
 15 ~~(2)~~
 16 (b) For a health care service plan contract that meets the
 17 definition of a “high deductible health plan” set forth in Section
 18 223(c)(2) of Title 26 of the United States Code, ~~paragraph (1)~~
 19 *subdivision (a)* shall only apply once an enrollee’s deductible has
 20 been satisfied for the year.
 21 ~~(3) Paragraph (1)~~
 22 (c) *Subdivision (a)* shall not apply to any coverage under a health
 23 care service plan contract for the Medicare Program pursuant to
 24 Title XVIII of the federal Social Security Act (42 U.S.C. Sec. 1395
 25 et seq.).
 26 ~~(4)~~
 27 (d) On January 1, 2016, and on January 1 of each year thereafter,
 28 health care service plans may adjust the two hundred dollar (\$200)
 29 limit described in ~~paragraph (1)~~ *subdivision (a)*. The adjustment

1 shall not exceed the percentage increase in the Consumer Price
2 Index for that year.

3 ~~(5)~~

4 (e) A prescription for an orally administered anticancer
5 medication shall be provided consistent with the appropriate
6 standard of care for that medication.

7 ~~(b) This section shall remain in effect only until January 1, 2019,
8 and as of that date is repealed, unless a later enacted statute, that
9 is enacted before January 1, 2019, deletes or extends that date.~~

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

12 10123.206. ~~(a)~~ Notwithstanding any other law, an individual
13 or group health insurance policy issued, amended, or renewed on
14 or after January 1, 2015, that provides coverage for prescribed,
15 orally administered anticancer medications used to kill or slow the
16 growth of cancerous cells shall comply with all of the following:

17 ~~(1)~~

18 (a) Notwithstanding any deductible, the total amount of
19 copayments and coinsurance an insured is required to pay shall
20 not exceed two hundred dollars (\$200) for an individual
21 prescription of up to a 30-day supply of a prescribed orally
22 administered anticancer medication covered by the policy.

23 ~~(2)~~

24 (b) For a health insurance policy that meets the definition of a
25 “high deductible health plan” set forth in Section 223(c)(2) of Title
26 26 of the United States Code, ~~paragraph (1)~~ *subdivision (a)* shall
27 only apply once an insured’s deductible has been satisfied for the
28 year.

29 ~~(3) Paragraph (1)~~

30 (c) *Subdivision (a)* shall not apply to any coverage under a health
31 insurance policy for the Medicare Program pursuant to Title XVIII
32 of the federal Social Security Act (42 U.S.C. Sec. 1395 et seq.).

33 ~~(4)~~

34 (d) On January 1, 2016, and on January 1 of each year thereafter,
35 health insurers may adjust the two hundred dollar (\$200) limit
36 described in ~~paragraph (1)~~ *subdivision (a)*. The adjustment shall
37 not exceed the percentage increase in the Consumer Price Index
38 for that year.

39 ~~(5)~~

1 (e) A prescription for an orally administered anticancer
2 medication shall be provided consistent with the appropriate
3 standard of care for that medication.

4 ~~(b) This section shall remain in effect only until January 1, 2019,~~
5 ~~and as of that date is repealed, unless a later enacted statute, that~~
6 ~~is enacted before January 1, 2019, deletes or extends that date.~~

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