

ASSEMBLY BILL

No. 1887

Introduced by Assembly Member Zbur
(Principal coauthors: Assembly Members Caloza, Dixon,
Jeff Gonzalez, Lee, Ransom, and Ward)
(Principal coauthor: Senator Becker)

February 12, 2026

An act to add Section 1342.76 to the Health and Safety Code, and to add Section 10123.1936 to the Insurance Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

AB 1887, as introduced, Zbur. Prescription drug coverage for rare diseases.

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 prior authorization and step therapy limitations for health care service plans and health insurers.

This bill would prohibit a health care service plan contract or health insurance policy issued, amended, or renewed on or after January 1, 2027, from imposing prior authorization, step therapy, or other utilization review for a drug prescribed for the treatment of a rare disease, as specified, unless a biosimilar, interchangeable biologic, or generic version of the drug is available. Because a willful violation of this provision 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 1342.76 is added to the Health and Safety
2 Code, to read:

3 1342.76. (a) Notwithstanding any other law, a health care
4 service plan contract issued, amended, or renewed on or after
5 January 1, 2027, shall not impose prior authorization, step therapy,
6 or other utilization review for a prescription drug approved by the
7 United States Food and Drug Administration that is prescribed for
8 the treatment of a rare disease if the prescribing health care
9 professional has determined the drug is medically necessary, unless
10 a biosimilar, interchangeable biologic, or generic version of the
11 drug is available.

12 (b) For purposes of this section, “rare disease” means a disease
13 that affects fewer than 200,000 people in the United States.

14 (c) This section does not apply to Medi-Cal managed care
15 contracts with the State Department of Health Care Services entered
16 into pursuant to Chapter 7 (commencing with Section 14000) of,
17 or Chapter 8 (commencing with Section 14200) of, Part 3 of
18 Division 9 of the Welfare and Institutions Code.

19 SEC. 2. Section 10123.1936 is added to the Insurance Code,
20 to read:

21 10123.1936. (a) Notwithstanding any other law, a health
22 insurance policy issued, amended, or renewed on or after January
23 1, 2027, shall not impose prior authorization, step therapy, or other
24 utilization review for a prescription drug approved by the United
25 States Food and Drug Administration that is prescribed for the
26 treatment of a rare disease if the prescribing health care
27 professional has determined the drug is medically necessary, unless
28 a biosimilar, interchangeable biologic, or generic version of the
29 drug is available.

1 (b) For purposes of this section, “rare disease” means a disease
2 that affects fewer than 200,000 people in the United States.

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

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