

**ASSEMBLY BILL**

**No. 2203**

---

---

**Introduced by Assembly Member Nazarian**

February 12, 2020

---

---

An act to amend Section 1367.51 of the Health and Safety Code, and to amend Section 10176.61 of the Insurance Code, relating to health insurance.

LEGISLATIVE COUNSEL'S DIGEST

AB 2203, as introduced, Nazarian. Insulin cost-sharing cap.

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's requirements a crime. Existing law requires every health care service plan contract that covers hospital, medical, or surgical expenses to include coverage for specified equipment and supplies for the management and treatment of diabetes.

Existing law provides for the regulation of health insurers by the Department of Insurance. Existing law requires a health insurance policy issued, amended, delivered, or renewed on or after January 1, 2000, to include coverage for specified equipment and supplies for the management and treatment of insulin-using diabetes, non-insulin-using diabetes, and gestational diabetes as medically necessary, even if the items are available without a prescription. Existing law requires a health insurance policy issued, amended, delivered, or renewed on or after January 1, 2000, that covers prescription benefits to include coverage for specified diabetes management prescription items, including insulin and glucagon.

This bill would prohibit a health care service plan contract or a health insurance policy that is issued, amended, delivered, or renewed on or after January 1, 2021, from imposing cost sharing on a covered insulin prescription, except for a copayment not to exceed \$50 per 30-day supply of insulin, or \$100 for a supply exceeding 30 days, regardless of the amount or type of insulin.

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. The Legislature finds and declares that:
- 2 (a) Approximately 263,000 Californians are diagnosed with
- 3 type 1 diabetes each year. Approximately 4,037,000 Californian
- 4 adults have diabetes.
- 5 (b) Every Californian with type 1 diabetes, and many with type
- 6 2 diabetes, rely on daily doses of insulin to survive.
- 7 (c) Insulin prices have nearly tripled, creating financial hardships
- 8 for people who rely on it to survive.
- 9 (d) One in four people using insulin have reported insulin
- 10 underuse due to the high cost of insulin.
- 11 (e) Diabetes is the seventh leading cause of death and a leading
- 12 cause of disabling and life-threatening complications, including
- 13 heart disease, stroke, kidney failure, amputation of the lower
- 14 extremities, and new cases of blindness among adults.
- 15 (f) Studies have shown that managing diabetes can prevent the
- 16 complications associated with diabetes.
- 17 (g) Therefore, it is important to enact policies to reduce the costs
- 18 for Californians with diabetes to obtain life-saving and
- 19 life-sustaining insulin.
- 20 SEC. 2. Section 1367.51 of the Health and Safety Code is
- 21 amended to read:
- 22 1367.51. (a) ~~Every~~A health care service plan contract, except
- 23 a specialized health care service plan contract, that is issued,
- 24 amended, delivered, or renewed on or after January 1, 2000, and

1 that covers hospital, medical, or surgical expenses shall include  
2 coverage for the following equipment and supplies for the  
3 management and treatment of insulin-using diabetes,  
4 non-insulin-using diabetes, and gestational diabetes as medically  
5 necessary, even if the items are available without a prescription:

- 6 (1) Blood glucose monitors and blood glucose testing strips.
- 7 (2) Blood glucose monitors designed to assist the visually  
8 impaired.
- 9 (3) Insulin pumps and all related necessary supplies.
- 10 (4) Ketone urine testing strips.
- 11 (5) Lancets and lancet puncture devices.
- 12 (6) Pen delivery systems for the administration of insulin.
- 13 (7) Podiatric devices to prevent or treat diabetes-related  
14 complications.
- 15 (8) Insulin syringes.
- 16 (9) Visual aids, excluding eyewear, to assist the visually  
17 impaired with proper dosing of insulin.

18 (b) Every health care service plan contract, except a specialized  
19 health care service plan contract, that is issued, amended, delivered,  
20 or renewed on or after January 1, 2000, that covers prescription  
21 benefits shall include coverage for the following prescription items  
22 if the items are determined to be medically necessary:

- 23 (1) Insulin.
- 24 (2) Prescriptive medications for the treatment of diabetes.
- 25 (3) Glucagon.
- 26 (c) The copayments and deductibles for the benefits specified  
27 in subdivisions (a) and (b) shall not exceed those established for  
28 similar benefits within the given plan.

29 (d) (1) *Notwithstanding subdivision (c), for every health care*  
30 *service plan contract that is issued, amended, delivered, or renewed*  
31 *on or after January 1, 2021, the copayment for an insulin*  
32 *prescription covered pursuant to subdivision (b) shall not exceed*  
33 *50 dollars (\$50) per 30-day supply, or 100 dollars (\$100) for a*  
34 *supply exceeding 30 days, regardless of the amount or type of*  
35 *insulin prescribed.*

36 (2) *A health care service plan contract that is issued, amended,*  
37 *delivered, or renewed on or after January 1, 2021, shall not impose*  
38 *a deductible, coinsurance, or other cost-sharing requirement on*  
39 *an insulin prescription, except for a copayment subject to the*  
40 *limitations in paragraph (1).*

1     ~~(d)~~

2     (e) Every plan shall provide coverage for diabetes outpatient  
3 self-management training, education, and medical nutrition therapy  
4 necessary to enable an enrollee to properly use the equipment,  
5 supplies, and medications set forth in subdivisions (a) and (b), and  
6 additional diabetes outpatient self-management training, education,  
7 and medical nutrition therapy upon the direction or prescription  
8 of those services by the enrollee's participating physician. If a plan  
9 delegates outpatient self-management training to contracting  
10 providers, the plan shall require contracting providers to ensure  
11 that diabetes outpatient self-management training, education, and  
12 medical nutrition therapy are provided by appropriately licensed  
13 or registered health care professionals.

14     ~~(e)~~

15     (f) The diabetes outpatient self-management training, education,  
16 and medical nutrition therapy services identified in subdivision  
17 ~~(d)~~ (e) shall be provided by appropriately licensed or registered  
18 health care professionals as prescribed by a participating health  
19 care professional legally authorized to prescribe the service. These  
20 benefits shall include, but not be limited to, instruction that will  
21 enable diabetic patients and their families to gain an understanding  
22 of the diabetic disease process, and the daily management of  
23 diabetic therapy, in order to thereby avoid frequent hospitalizations  
24 and complications.

25     ~~(f)~~

26     (g) The copayments for the benefits specified in subdivision ~~(d)~~  
27 (e) shall not exceed those established for physician office visits  
28 by the plan.

29     ~~(g)~~

30     (h) Every health care service plan governed by this section shall  
31 disclose the benefits covered pursuant to this section in the plan's  
32 evidence of coverage and disclosure forms.

33     ~~(h)~~

34     (i) A health care service plan may not reduce or eliminate  
35 coverage as a result of the requirements of this section.

36     ~~(i)~~

37     (j) Nothing in this section shall be construed to deny or restrict  
38 in any way the department's authority to ensure plan compliance  
39 with this chapter when a plan provides coverage for prescription  
40 drugs.

1 SEC. 3. Section 10176.61 of the Insurance Code is amended  
2 to read:

3 10176.61. (a) ~~Every~~*An* insurer issuing, amending, delivering,  
4 or renewing a ~~disability~~ *health* insurance policy on or after January  
5 1, 2000, ~~that covers hospital, medical, or surgical expenses~~ shall  
6 include coverage for the following equipment and supplies for the  
7 management and treatment of insulin-using diabetes,  
8 non-insulin-using diabetes, and gestational diabetes as medically  
9 necessary, even if the items are available without a prescription:

10 (1) Blood glucose monitors and blood glucose testing strips.

11 (2) Blood glucose monitors designed to assist the visually  
12 impaired.

13 (3) Insulin pumps and all related necessary supplies.

14 (4) Ketone urine testing strips.

15 (5) Lancets and lancet puncture devices.

16 (6) Pen delivery systems for the administration of insulin.

17 (7) Podiatric devices to prevent or treat diabetes-related  
18 complications.

19 (8) Insulin syringes.

20 (9) Visual aids, excluding eyewear, to assist the visually  
21 impaired with proper dosing of insulin.

22 (b) ~~Every~~*An* insurer issuing, amending, delivering, or renewing  
23 a ~~disability~~ *health* insurance policy on or after January 1, 2000,  
24 that covers prescription benefits shall include coverage for the  
25 following prescription items if the items are determined to be  
26 medically necessary:

27 (1) Insulin.

28 (2) Prescriptive medications for the treatment of diabetes.

29 (3) Glucagon.

30 (c) The coinsurances and deductibles for the benefits specified  
31 in subdivisions (a) and (b) shall not exceed those established for  
32 similar benefits within the given policy.

33 *(d) (1) Notwithstanding subdivision (c), for every insurer*  
34 *issuing, amending, delivering, or renewing a health insurance*  
35 *policy on or after January 1, 2021, the copayment for an insulin*  
36 *prescription covered pursuant to subdivision (b) shall not exceed*  
37 *fifty dollars (\$50) per 30-day supply, or one hundred dollars (\$100)*  
38 *for a supply exceeding 30 days, regardless of the amount or type*  
39 *of insulin prescribed.*

1 (2) *An insurer issuing, amending, delivering, or renewing a*  
 2 *health insurance policy on or after January 1, 2021, shall not*  
 3 *impose a deductible, coinsurance, or other cost-sharing*  
 4 *requirement on an insulin prescription, except for a copayment*  
 5 *subject to the limitations in paragraph (1).*

6 ~~(d) Every~~

7 (e) *An insurer shall provide coverage for diabetes outpatient*  
 8 *self-management training, education, and medical nutrition therapy*  
 9 *necessary to enable an insured to properly use the equipment,*  
 10 *supplies, and medications set forth in subdivisions (a) and (b) and*  
 11 *additional diabetes outpatient self-management training, education,*  
 12 *and medical nutrition therapy upon the direction or prescription*  
 13 *of those services by the insured’s participating physician. If an*  
 14 *insurer delegates outpatient self-management training to contracting*  
 15 *providers, the insurer shall require contracting providers to ensure*  
 16 *that diabetes outpatient self-management training, education, and*  
 17 *medical nutrition therapy are provided by appropriately licensed*  
 18 *or registered health care professionals.*

19 ~~(e)~~

20 (f) *The diabetes outpatient self-management training, education,*  
 21 *and medical nutrition therapy services identified in subdivision*  
 22 ~~(d)~~ (e) *shall be provided by appropriately licensed or registered*  
 23 *health care professionals as prescribed by a health care professional*  
 24 *legally authorized to prescribe the services.*

25 ~~(f)~~

26 (g) *The coinsurances and deductibles for the benefits specified*  
 27 *in subdivision—(d) (e) shall not exceed those established for*  
 28 *physician office visits by the insurer.*

29 ~~(g) Every disability~~

30 (h) *A health insurer governed by this section shall disclose the*  
 31 *benefits covered pursuant to this section in the insurer’s evidence*  
 32 *of coverage and disclosure forms.*

33 ~~(h)~~

34 (i) *An insurer may not reduce or eliminate coverage as a result*  
 35 *of the requirements of this section.*

36 ~~(i)~~

37 (j) *This section does not apply to vision-only, dental-only,*  
 38 *accident-only, specified disease, hospital indemnity, Medicare*  
 39 *supplement, long-term care, or disability income insurance, except*  
 40 *that for accident-only, specified disease, and hospital indemnity*

1 insurance coverage, benefits under this section only apply to the  
2 extent that the benefits are covered under the general terms and  
3 conditions that apply to all other benefits under the policy. Nothing  
4 in this section may be construed as imposing a new benefit mandate  
5 on accident-only, specified disease, or hospital indemnity  
6 insurance.

7 SEC. 4. 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.