

Introduced by Senator RichardsonFebruary 20, 2025

An act to add Section 1374.6 to the Health and Safety Code, and to add Section 10123.62 to the Insurance Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

SB 535, as introduced, Richardson. Obesity Treatment Parity Act.

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 provides for the regulation of disability and health insurers by the Department of Insurance. Existing law sets forth specified coverage requirements for plan contracts and insurance policies.

This bill, the Obesity Treatment Parity Act, would require an individual or group health care service plan contract or health insurance policy that provides coverage for outpatient prescription drug benefits and is issued, amended, or renewed on or after January 1, 2026, to include coverage for intensive behavioral therapy for the treatment of obesity, bariatric surgery, and at least one antiobesity medication approved by the United States Food and Drug Administration. 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. This act shall be known, and may be cited, as the
2 Obesity Treatment Parity Act.

3 SEC. 2. The Legislature finds and declares all of the following:

4 (a) Obesity is a serious chronic disease that is recognized as
5 such by major medical organizations, including the American
6 Medical Association since 2013, the American Association of
7 Clinical Endocrinology, the American College of Cardiology, the
8 Endocrine Society, the American Society for Reproductive
9 Medicine, the Society for Cardiovascular Angiography and
10 Interventions, the American Urological Association, and the
11 American College of Surgeons.

12 (b) Obesity is a complex chronic disease, one in which genetics,
13 the environment, and biology all play important factors.

14 (c) Obesity is linked to more than 200 comorbid conditions.

15 (d) Obesity is associated with an increased risk of 13 types of
16 cancer.

17 (e) From 2005 to 2014, most cancers associated with obesity
18 and being overweight increased in the United States, while cancers
19 associated with other factors decreased.

20 (f) Obesity reduces a patient’s overall survival rate and
21 cancer-specific survival rate, as well as increases the risk of cancer
22 recurrence.

23 (g) Obesity disproportionately affects communities of color.

24 (h) Obesity is impacted by socioeconomic status.

25 (i) Adults suffering from obesity have a 55-percent higher risk
26 of developing depression over their lifetime.

27 (j) Obesity accounts for 47 percent of the total cost of chronic
28 diseases in the United States.

29 (k) Obesity is a highly stigmatized disease.

30 (l) Barriers to accessing obesity treatments include stigma,
31 racism, and discrimination.

32 (m) The California Code of Regulations currently requires
33 coverage of outpatient prescription drugs for the treatment of
34 obesity, but only when a patient is diagnosed with “morbid
35 obesity,” modernly referred to as “severe obesity.”

1 (n) Chronic diseases without the stigma, racism, and
2 discrimination of obesity do not require patients to reach the
3 designation of “morbid” to be worthy of treatment options that
4 include outpatient prescription drugs.

5 (o) The Obesity Treatment Parity Act would address health
6 equity gaps and social determinants of health for Californians by
7 ensuring the full range of treatment options are available to
8 patients, without them having to reach a level of obesity considered
9 “morbid.”

10 SEC. 3. Section 1374.6 is added to the Health and Safety Code,
11 to read:

12 1374.6. (a) An individual or group health care service plan
13 contract that provides coverage for outpatient prescription drug
14 benefits and is issued, amended, or renewed on or after January
15 1, 2026, shall include coverage for all of the following for the
16 treatment of obesity:

17 (1) Intensive behavioral therapy.

18 (2) Bariatric surgery.

19 (3) At least one FDA-approved antiobesity medication.

20 (b) This section does not prohibit a plan from applying
21 utilization management to determine the medical necessity for
22 treatment of obesity under this section if appropriateness and
23 medical necessity determinations are made in the same manner as
24 those determinations are made for the treatment of any other illness,
25 condition, or disorder covered by a contract.

26 (c) Coverage criteria for FDA-approved antiobesity medications
27 shall not be more restrictive than the FDA-approved indications
28 for those treatments.

29 (d) For purposes of this section, “FDA-approved antiobesity
30 medication” means a medication approved by the United States
31 Food and Drug Administration with an indication for chronic
32 weight management in patients with obesity.

33 (e) This section does not apply to a specialized health care
34 service plan contract that covers only dental or vision benefits or
35 a Medicare supplement contract.

36 SEC. 4. Section 10123.62 is added to the Insurance Code, to
37 read:

38 10123.62. (a) An individual or group health insurance policy
39 that provides coverage for outpatient prescription drug benefits
40 and is issued, amended, or renewed on or after January 1, 2026,

1 shall include coverage for all of the following for the treatment of
2 obesity:

3 (1) Intensive behavioral therapy.

4 (2) Bariatric surgery.

5 (3) At least one FDA-approved antiobesity medication.

6 (b) This section does not prohibit an insurer from applying
7 utilization management to determine the medical necessity for
8 treatment of obesity under this section if appropriateness and
9 medical necessity determinations are made in the same manner as
10 those determinations are made for the treatment of any other illness,
11 condition, or disorder covered by a policy.

12 (c) Coverage criteria for FDA-approved antiobesity medications
13 shall not be more restrictive than the FDA-approved indications
14 for those treatments.

15 (d) For purposes of this section, “FDA-approved antiobesity
16 medication” means a medication approved by the United States
17 Food and Drug Administration with an indication for chronic
18 weight management in patients with obesity.

19 (e) This section does not apply to a specialized health insurance
20 policy that covers only dental or vision benefits or a Medicare
21 supplement policy.

22 SEC. 5. No reimbursement is required by this act pursuant to
23 Section 6 of Article XIII B of the California Constitution because
24 the only costs that may be incurred by a local agency or school
25 district will be incurred because this act creates a new crime or
26 infraction, eliminates a crime or infraction, or changes the penalty
27 for a crime or infraction, within the meaning of Section 17556 of
28 the Government Code, or changes the definition of a crime within
29 the meaning of Section 6 of Article XIII B of the California
30 Constitution.