

AMENDED IN SENATE MAY 10, 2023
AMENDED IN SENATE MARCH 20, 2023

SENATE BILL

No. 839

Introduced by Senator Bradford

February 17, 2023

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 839, as amended, Bradford. 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, and limits the copayment, coinsurance, deductible, and other cost sharing that may be imposed for specified health care services.

This bill would require an individual or group health care service plan contract or health insurance policy issued, amended, or renewed on or after January 1, 2025, to include comprehensive coverage for the treatment of obesity in the same manner as any other illness, condition, or disorder for purposes of determining deductibles, ~~lifetime dollar limits~~, copayment and coinsurance factors, and benefit year maximums for deductibles and copayment and coinsurance factors.

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. Section 1374.6 is added to the Health and Safety Code,
4 to read:

5 1374.6. (a) An individual or group health care service plan
6 contract that is issued, amended, or renewed on or after January
7 1, 2025, shall include comprehensive coverage for the treatment
8 of obesity, including coverage for intensive behavioral therapy,
9 bariatric surgery, and FDA-approved antiobesity medication.

10 (b) Coverage criteria for FDA-approved antiobesity medications
11 shall not be more restrictive than the FDA-approved indications
12 for those treatments.

13 (c) Coverage under this section shall not be different or separate
14 from coverage for any other illness, condition, or disorder for
15 purposes of determining deductibles, ~~lifetime dollar limits,~~
16 copayment and coinsurance factors, and benefit year maximums
17 for deductibles and copayment and coinsurance factors.

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

24 (e) For purposes of this section, “FDA-approved antiobesity
25 medication” means any medication approved by the United States
26 Food and Drug Administration with an indication for chronic
27 weight management in patients with obesity.

1 (f) *This section does not apply to a specialized health care*
2 *service plan contract that covers only dental or vision benefits or*
3 *a Medicare supplement contract.*

4 SEC. 3. Section 10123.62 is added to the Insurance Code, to
5 read:

6 10123.62. (a) An individual or group health insurance policy
7 that is issued, amended, or renewed on or after January 1, 2025,
8 shall include comprehensive coverage for treatment of obesity,
9 including coverage for intensive behavioral therapy, bariatric
10 surgery, and FDA-approved antiobesity medication.

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

14 (c) Coverage under this section shall not be different or separate
15 from coverage for any other illness, condition, or disorder for
16 purposes of determining deductibles, ~~lifetime dollar limits,~~
17 copayment and coinsurance factors, and benefit year maximums
18 for deductibles and copayment and coinsurance factors.

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

25 (e) For purposes of this section, “FDA-approved antiobesity
26 medication” means any medication approved by the United States
27 Food and Drug Administration with an indication for chronic
28 weight management in patients with obesity.

29 (f) *This section does not apply to a specialized health insurance*
30 *policy that covers only dental or vision benefits or a Medicare*
31 *supplement policy.*

32 SEC. 4. No reimbursement is required by this act pursuant to
33 Section 6 of Article XIII B of the California Constitution because
34 the only costs that may be incurred by a local agency or school
35 district will be incurred because this act creates a new crime or
36 infraction, eliminates a crime or infraction, or changes the penalty
37 for a crime or infraction, within the meaning of Section 17556 of
38 the Government Code, or changes the definition of a crime within

- 1 the meaning of Section 6 of Article XIII B of the California
- 2 Constitution.

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