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

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.


The people of the State of California do enact as follows:

SECTION 1. This act shall be known, and may be cited, as the Obesity Treatment Parity Act.

SEC. 2. Section 1374.6 is added to the Health and Safety Code, to read:

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

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

(c) Coverage under this section shall not be different or separate from coverage for 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.

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

(e) For purposes of this section, “FDA-approved antiobesity medication” means any medication approved by the United States Food and Drug Administration with an indication for chronic weight management in patients with obesity.
SEC. 3. Section 10123.62 is added to the Insurance Code, to read:

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

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

(c) Coverage under this section shall not be different or separate from coverage for 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.

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

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

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

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