

**Introduced by Senator Weber Pierson**

February 2, 2026

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An act to add Section 1373.15 to the Health and Safety Code, and to add Section 10123.175 to the Insurance Code, relating to health care coverage.

**LEGISLATIVE COUNSEL'S DIGEST**

SB 950, as introduced, Weber Pierson. Health care coverage: dementia.

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 health insurers by the Department of Insurance. Existing law prohibits specified health care service plan contracts and disability insurance policies from excluding persons covered by the plan from receiving benefits if they are diagnosed as having any significant destruction of brain tissue with resultant loss of brain function, including Alzheimer's disease.

This bill would require a health care service plan contract or health insurance policy that is issued, amended, or renewed on or after January 1, 2027, to include coverage for all medically necessary treatments or medications, as determined by a health care provider, approved by the United States Food and Drug Administration (FDA) for the treatment of Alzheimer's disease or other related dementia. On and after January 1, 2027, the bill would prohibit a health care service plan or health insurer from imposing step therapy protocols as a prerequisite to authorizing that coverage, except as provided. The bill would require a health care service plan or health insurer that, as a medical benefit,

covers nonself-administered treatments approved by the FDA for the treatment of Alzheimer’s disease or other medical conditions affecting memory to also include those nonself-administered treatments as an outpatient prescription drug benefit. 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. Section 1373.15 is added to the Health and Safety  
2 Code, to read:

3 1373.15. (a) A health care service plan contract that is issued,  
4 amended, or renewed on or after January 1, 2027, shall include  
5 coverage for all medically necessary treatments or medications,  
6 as determined by a health care provider, approved by the United  
7 States Food and Drug Administration (FDA) for the treatment of  
8 Alzheimer’s disease or other related dementia. Medically necessary  
9 treatments or medications include, but are not limited to, those  
10 that reduce clinical decline.

11 (b) (1) On and after January 1, 2027, a health care service plan  
12 shall not impose step therapy protocols as a prerequisite to  
13 authorizing coverage of medically necessary treatments or  
14 medications approved by the FDA for the treatment of Alzheimer’s  
15 disease, except as provided in paragraph (3). For purposes of this  
16 section, “step therapy protocol” means a process that specifies the  
17 sequence in which different prescription drugs for a given medical  
18 condition and medically appropriate for a particular patient are  
19 prescribed.

20 (2) For purposes of this subdivision, step therapy is prohibited  
21 for both self-administered drugs and physician-administered drugs,  
22 except as provided in paragraph (3).

23 (3) If the FDA has approved one or more types of treatment for  
24 Alzheimer’s disease or other medical conditions affecting memory,

1 this section does not require a health care service plan to cover all  
2 types of treatment for Alzheimer’s disease or other medical  
3 conditions affecting memory without step therapy, if at least one  
4 antiamyloid therapy is covered without step therapy.

5 (c) This section does not prohibit a health care service plan from  
6 applying utilization management, including prior authorization,  
7 to determine the medical necessity for treatment of Alzheimer’s  
8 or other medical conditions affecting memory if appropriateness  
9 and medical necessity determinations are made in the same manner  
10 as those determinations are made for the treatment of any other  
11 illness, condition, or disorder covered by the plan contract.

12 (d) Coverage criteria for FDA-approved treatments described  
13 in this section shall not be more restrictive than the FDA-approved  
14 indications for those treatments.

15 (e) Notwithstanding paragraph (3) of subdivision (b), a health  
16 care service plan that, as a medical benefit, covers  
17 nonself-administered treatments approved by the FDA for the  
18 treatment of Alzheimer’s disease or other medical conditions  
19 affecting memory shall also include those nonself-administered  
20 treatments approved by the FDA for the treatment of Alzheimer’s  
21 disease or other medical conditions affecting memory as an  
22 outpatient prescription drug benefit.

23 (f) For purposes of this section, a health care service plan shall  
24 maintain an expeditious process by which prescribing providers  
25 may obtain authorization for a medically necessary treatment  
26 approved by the FDA for the treatment of Alzheimer’s disease or  
27 other medical conditions affecting memory, consistent with the  
28 requirements of this article.

29 (g) This section does not apply to the following:

30 (1) A specialized health care service plan contract that covers  
31 only dental or vision benefits or a Medicare supplement contract.

32 (2) A Medi-Cal managed care plan contract with the State  
33 Department of Health Care Services pursuant to Chapter 7  
34 (commencing with Section 14000), Chapter 8 (commencing with  
35 Section 14200), or Chapter 8.75 (commencing with Section 14591)  
36 of Part 3 of Division 9 of the Welfare and Institutions Code.

37 SEC. 2. Section 10123.175 is added to the Insurance Code, to  
38 read:

39 10123.175. (a) A health insurance policy that is issued,  
40 amended, or renewed on or after January 1, 2027, shall include

1 coverage for all medically necessary treatments or medications,  
2 as determined by a health care provider, approved by the United  
3 States Food and Drug Administration (FDA) for the treatment of  
4 Alzheimer’s disease or other related dementia. Medically necessary  
5 treatments or medications include, but are not limited to, those  
6 that reduce clinical decline.

7 (b) (1) On and after January 1, 2027, a health insurer shall not  
8 impose step therapy protocols as a prerequisite to authorizing  
9 coverage of medically necessary treatments or medications  
10 approved by the FDA for the treatment of Alzheimer’s disease,  
11 except as provided in paragraph (3). For purposes of this section,  
12 “step therapy protocol” means a process that specifies the sequence  
13 in which different prescription drugs for a given medical condition  
14 and medically appropriate for a particular patient are prescribed.

15 (2) For purposes of this subdivision, step therapy is prohibited  
16 for both self-administered drugs and physician-administered drugs,  
17 except as provided in paragraph (3).

18 (3) If the FDA has approved one or more types of treatment for  
19 Alzheimer’s disease or other medical conditions affecting memory,  
20 this section does not require a health insurer to cover all types of  
21 treatment for Alzheimer’s disease or other medical conditions  
22 affecting memory without step therapy, if at least one antiamyloid  
23 therapy is covered without step therapy.

24 (c) This section does not prohibit a health insurer from applying  
25 utilization management, including prior authorization, to determine  
26 the medical necessity for treatment of Alzheimer’s or other medical  
27 conditions affecting memory if appropriateness and medical  
28 necessity determinations are made in the same manner as those  
29 determinations are made for the treatment of any other illness,  
30 condition, or disorder covered by the plan contract.

31 (d) Coverage criteria for FDA-approved treatments described  
32 in this section shall not be more restrictive than the FDA-approved  
33 indications for those treatments.

34 (e) Notwithstanding paragraph (3) of subdivision (b), a health  
35 insurer that, as a medical benefit, covers nonself-administered  
36 treatments approved by the FDA for the treatment of Alzheimer’s  
37 disease or other medical conditions affecting memory shall also  
38 include those nonself-administered treatments approved by the  
39 FDA for the treatment of Alzheimer’s disease or other medical

1 conditions affecting memory as an outpatient prescription drug  
2 benefit.

3 (f) For purposes of this section, a health insurer shall maintain  
4 an expeditious process by which prescribing providers may obtain  
5 authorization for a medically necessary treatment approved by the  
6 FDA for the treatment of Alzheimer's disease or other medical  
7 conditions affecting memory, consistent with the requirements of  
8 this article.

9 (g) This section does not apply to vision-only, dental-only,  
10 accident-only, specified disease, hospital indemnity, or Medicare  
11 supplement insurance policies.

12 SEC. 3. No reimbursement is required by this act pursuant to  
13 Section 6 of Article XIII B of the California Constitution because  
14 the only costs that may be incurred by a local agency or school  
15 district will be incurred because this act creates a new crime or  
16 infraction, eliminates a crime or infraction, or changes the penalty  
17 for a crime or infraction, within the meaning of Section 17556 of  
18 the Government Code, or changes the definition of a crime within  
19 the meaning of Section 6 of Article XIII B of the California  
20 Constitution.