

On February 19, 2010, the Senate Committee on Health requested CHBRP to analyze the following submitted text for SB 961. Below is the bill as introduced. Following is the text of the bill as will be amended as indicated by the Bill Author.

SENATE BILL No. 961

Introduced by Senator Wright
(Coauthors: Senators Cox, Negrete McLeod, and Strickland)
(Coauthor: Assembly Member Hall)

February 5, 2010

An act to add Section 1367.655 to the Health and Safety Code, and to add Section 10123.205 to the Insurance Code, relating to health care coverage.

SB 961, as introduced, Wright. Health care coverage: cancer treatment.

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 a crime. Existing law also provides for the regulation of health insurers by the Department of Insurance. Existing law requires health care service plan contracts and health insurance policies to provide coverage for all generally medically accepted cancer screening tests and requires those plans and policies to also provide coverage for the treatment of breast cancer. Existing law imposes various requirements on contracts and policies that cover prescription drug benefits.

This bill would prohibit health care service plan contracts and health insurance policies that provide coverage for cancer chemotherapy treatment that is taken orally from charging or otherwise requiring a copayment or other charge for each of those dispensed prescriptions in excess of a certain unspecified amount.

Because a willful violation of the bill's requirements relative to health care service plans 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:

SECTION 1. The Legislature finds and declares all of the following:

- (a) There are 10 million Americans currently living with cancer.
- (b) Approximately 1.5 million new cases of cancer will be diagnosed in the United States in 2010.
- (c) In California, 27, 725 men and 26, 735 women are expected to die from cancer this year.

(d) Nearly one out of every two Californians born today will develop cancer at some point in their lives.

(e) It is likely that one in five Californians will die of cancer.

(f) It is the intent of the Legislature that a health plan or insurer that includes on its formulary, or authorizes on the basis of medical necessity, oral medications used to treat cancer shall not require copayments or other charges for those medications at a level that effectively makes the medication inaccessible to a patient.

SEC. 2. Section 1367.655 is added to the Health and Safety Code, to read:

1367.655. A health care service plan contract issued, amended, or renewed on or after January 1, 2011, that provides coverage for chemotherapy treatment that is taken orally shall not charge or otherwise require a copayment or other charge for each of those dispensed prescriptions in excess of ____ dollars.

SEC. 3. Section 10123.205 is added to the Insurance Code, to read:

10123.205. A health insurance policy issued, amended, or renewed on or after January 1, 2011, that provides coverage for chemotherapy treatment that is taken orally shall not charge or otherwise require a copayment or other charge for each of those dispensed prescriptions in excess of ____ dollars.

SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B 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.

SB 961 – Amended Text, submitted to CHBRP on February 19, 2010.

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(a) There are 10 million Americans currently living with cancer.

(b) Approximately 1.5 million new cases of cancer will be diagnosed in the United States in 2010.

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~~otherwise require a copayment or other charge for each of those dispensed prescriptions in excess of _____ dollars.~~

orally administered cancer medication used to kill or slow the growth of cancerous cells shall not charge a co-payment for these drugs in excess of 200% of the lowest co-payment required by the policy for brand name medications in the plans' formulary.

(b) Nothing in this section shall prohibit a health care service plan from requiring prior approval or authorization for the use of any medication subject to subdivision (a) of this section. However, if the plan authorizes the dispensing of such medication for any reason, the co-payment provision of subdivisions (a) shall apply.

(c) Nothing in this section shall be construed to require a health insurance policy to provide coverage for any addition medication not otherwise required by existing law.

(d) This section shall not apply to a health care benefit plan or contract entered into with the Board of Administration of the Public Employees' retirement system pursuant to the Public Employees' Medical and Hospital Care Act (Part 5 (commencing with Section 22750 of Division 5 of Title 2 of the Government Code).

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SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B 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.