

New Health Care Mandates Would Drive Up Premiums By \$943 Million



California Association of
Health Plans

California's health plans provide health care coverage for nearly 28 million people and are dedicated to ensuring that everyone has access to high quality, affordable health care services. In 2023, California lawmakers are considering many new mandate bills that, as proposed, would altogether drive up premiums by at least **\$943 million**.

As legislators continue to mandate more and more services, premiums go up for everyone, whether they use those services or not.

The following proposed bills were analyzed by the California Health Benefits Review Program (CHBRP) at the University of California and altogether would raise premiums by at least **\$943 million** in the first year, according to CHBRP:



SB 729 (Menjivar)

As amended, would mandate commercial health plans to provide coverage for in-vitro fertility services and raise premiums by **\$182.7 million to \$329.9 million**.

SB 873 (Bradford)

This pharma-backed bill would require health plans to forfeit the savings achieved through prescription drug manufacturer rebates, which would drive up premiums by **\$200.5 million**. The bill is designed to prioritize expensive brand name drugs over generics.

SB 427 (Portantino)

would require coverage of all antiretroviral drugs, products, and devices (ARVs) for HIV/AIDS with no cost sharing or utilization review requirements. It would raise premiums by **\$157.2 million**.

SB 257 (Portantino)

would prohibit health plans from imposing any form of cost-sharing for mammography screenings and would require a health plan to cover, without cost-sharing, medically necessary diagnostic breast imaging, driving up premiums by **\$117.5 million**.

AB 716 (Boerner)

would require a health plan enrollee who receives ground ambulance services from a non-contracting ambulance provider to pay no more than the same cost-sharing as for the same covered service from a contracting ambulance provider. It would raise premiums by **\$67.3 million**.

SB 90 (Wiener)

a pharma-backed bill, prohibits a health plan from imposing a deductible on insulin or imposing a co-payment of more than \$35 for a 30-day supply. It would increase premiums by **\$62.4 million**.

AB 1157 (Ortega)

would require coverage of rehabilitative and habilitative services to include durable medical equipment (DME), services, and repair and would increase premiums by **\$57.1 million**.

AB 620 (Connolly)

would require coverage for the testing and treatment of certain digestive and inherited metabolic disorders and would raise premiums by **\$26.9 million**.

SB 70 (Wiener)

would require health plans to cover prescription drugs, including off-label use of medication, at any dosage or dosage form indefinitely after it's been initially approved. It would also prevent health plans from ensuring clinically appropriate usage of prescription drugs and raise premiums by **\$22.9 million**.

AB 1645 (Zbur)

would prohibit cost-sharing and require coverage of sexually transmitted infection (STI) screening, while increasing premiums by more than **\$20 million**.

AB 85 (Weber)

would require a health plan contract or health insurance policy to include coverage for screenings for social determinants of health and would increase premiums by **\$9.9 million**.

AB 1060 (Ortega)

would require health plans to fully cover prescriptions of naloxone or Narcan in the Medi-Cal program and would increase premiums by **\$9.2 million**.

AB 659 (Aguiar-Curry)

would require a health plan to provide coverage without cost sharing for the HPV vaccine and increase premiums by **\$3.9 million**.

AB 907 (Lowenthal)

would require health plans to cover prophylaxis, diagnosis, and treatment of PANDAS/PANS and would increase premiums by **\$2.9 million**.

SB 339 (Wiener)

would require health plans to cover HIV PrEP and PEP furnished by a pharmacist, including costs for the pharmacist's services and related testing. Would increase premiums by **\$1.7 million**.

AB 632 (Gipson)

would prohibit a health plan from applying a deductible, copayment or co-insurance for prostate cancer screening, while increasing premiums by **\$177,000**.

Cumulatively, these mandate bills would add up to nearly \$1 billion in increased annual health care premiums in the first year.

New mandates raise the cost of health care for everyone — yet the mandates themselves might only benefit a relatively small number of people. New mandates are approved by the state legislature each year and continuously add to the heap of costs that altogether have reached multi-billions of dollars in increased premium costs for health plan enrollees.

CAHP urges legislators to always look at the bigger picture by cumulatively reviewing the costs of proposed mandates and to consider the impact they will have on the affordability of health care for all Californians.