

New Health Care Mandates Would Drive Up Premiums By \$347 Million



California Association of
Health Plans

California's health plans provide health care coverage for more than 28 million people and are dedicated to ensuring that everyone has access to high quality, affordable health care services. In 2024, California lawmakers are considering many new mandate bills that, as proposed, would altogether drive up premiums by **\$347 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 **\$347 million** in the first year, according to CHBRP:



SB 1008 (Bradford):

Would require health plans to expand coverage for the treatment of obesity, including at least one FDA-approved obesity medication, which may include costly brand-name GLP-1 weight loss drugs. Increases premiums by **\$136 million**.

AB 2180 (Weber):

Endorses big pharma's tactics of keeping drug prices high by including drug manufacturer copay coupons toward a patient's deductible and out-of-pocket expenses. Increases premiums by **\$81.2 million**.

AB 2753 (Ortega):

Would require health plans to cover additional costly rehabilitative and habilitative services to include durable medical equipment and repairs. Increases premiums by **\$57.1 million**.

AB 2668 (Berman):

Would require a health plan to cover expensive cranial prostheses for those experiencing medical hair loss. Increases premiums by **\$29.5 million**.

AB 1926 (Connolly):

Would require health plans to cover the treatment cost of a dietary enteral formula for regional enteritis. Increases premiums by **\$26.9 million**.

AB 3059 (Weber):

A mandate that shifts millions of dollars in cost from hospitals directly to consumers of commercial health plans. Increasing premiums by **\$9.6 million**.

AB 2467 (Bauer-Kahan):

Would require health plans to provide coverage for non-FDA approved and non-evidenced based treatments for perimenopause and menopause. Increasing premiums by **\$3.9 million**.

AB 2105 (Lowenthal):

Would require health plans to provide coverage "PANDAS" and "PANS" disorders. Raises premiums by **\$2.9 million**.

SB 1236 (Blakespear):

Would create an annual enrollment period for Medicare Supplement plans which would significantly undermine the health and stability of the Medicare Supplement market in California by increasing average monthly premiums for seniors with these policies by **33% per member** per month.

Mandates Raise Health Care Premiums for All

Mandates raise the cost of health care for everyone and are often approved by the state legislature each session. These mandates add to the heap of costs that altogether have reached multi-billions of dollars in increased premium costs for health plan enrollees.

Mandates Threaten Affordability Efforts Underway

Currently, the legislature is considering a bill to reopen the Essential Health Benefits package in the state, which determines what services are to be covered by health plans. In addition, costly health care mandates may threaten the important progress being made at the Office of Health Care Affordability (OHCA) on health care affordability.

Oppose Costly Benefit Mandates

As this process unfolds, health plans urge lawmakers to oppose all benefit mandate bills while the work at OHCA is underway and the legislature determines how to best proceed with California's Essential Health Benefits package.