New Health Care Mandates Would Drive Up Premiums By $420 Million, Jeopardizing California's Affordability Efforts

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 2025, California lawmakers are considering many new mandate bills that, as proposed, would altogether drive up premiums by **$420 million**.

This push by the legislature for new, expensive mandates comes at a time when California is trying to improve health care affordability. At the same time, the state is moving forward with a costly new Essential Health Benefits package — recently submitted to the federal government. Adding new mandate bills on top of these already increasing costs directly conflicts with the state's efforts to rein in health care costs.

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 non-partisan California Health Benefits Review Program (CHBRP) at the University of California and altogether would raise premiums by **$420 million**, according to CHBRP:

AB 554 (Gonzalez): Requires large group health plans to cover costly antiretroviral drugs, devices and products for HIV/AIDS without cost sharing or important oversight like prior authorization, or step therapy. Increases premiums by **$209.5 million** over the first two years of implementation.

AB 432 (Bauer-Kahan): Would require additional coverage for evaluation and treatment options for perimenopause and menopause without the benefit of utilization management. Increases premiums by **$74.5 million**. Cost sharing, or out-of-pocket costs, for covered benefits for enrollees would increase by $21.08 million.

SB 257 (Wahab): Would make pregnancy a qualifying event for special enrollment (outside of the annual enrollment period) for health insurance on the individual market. Increases premiums by **$69.9 million**. Increases enrollee out-of-pocket cost sharing for covered benefits by $20.3 million.

AB 1032 (Harabedian and Rivas): Would require reimbursement for up to 12 visits per year with a licensed behavioral health provider for an enrollee in a county where an emergency has been declared due to wildfires. Increases premiums by **$43.7 million**.

SB 40 (Wiener): Pro-pharma bill that implements 'co-pay caps' for insulin, which essentially act as a blank check for big pharma to raise prices as high as they wish. Also prohibits step therapy and increases premiums by **$10.3 million**.

SB 626 (Smallwood-Cuevas): Would require health plans to cover expensive medications approved by U.S. FDA for perinatal mental health and at least one app-based therapeutic approved for perinatal mental health. Increases premiums by **$7.1 million** and out-of-pocket cost sharing for enrollees by $1.1 million.

AB 350 (Bonta): Would require coverage of fluoride varnish provided in medical settings for enrollees aged 20 and younger. Increases premiums by **$3.2 million**.

AB 546 (Caloza): Would require health plans to cover expensive portable HEPA air purifiers for certain enrollees who live in a county where a local or state emergency has been declared due to wildfires. Increases premiums by **$1.2 million**.

SB 535 (Richardson): Would require coverage of weight loss therapies and opens the door for expanded coverage of expensive drugs, including GLP-1s. Increases premiums by **$530,000** and increases out-of-pocket spending by $98,000.

In addition to these mandates, the Legislature is also proposing more than a dozen other health care bills that total more than $108 million in state administration costs over the next several years. These bills would pile on even more costs on state programs and consumers, while we should collectively be promoting health care affordability for Californians.

Oppose Costly Health Care Mandates During Essential Health Benefits Process: Health plans urge lawmakers to oppose all health care mandate bills while the state awaits a decision from the federal government on California's recently submitted Essential Health Benefits package.

Health Care Mandates Threaten Affordability Efforts Underway: The state is investing in long-term health care affordability through the Office of Health Care Affordability (OHCA), which is working with health plans and other stakeholders to set spending targets and rein in spending growth. But costly new health coverage mandates pending in the Legislature are jeopardizing affordability gains in California.

Health Care Mandates Raise 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.

California can't afford higher health care costs. Vote no on all health care mandates.

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Source: California Health Benefits Review Program (CHBRP)