

PRESS RELEASE



California Association of
Health Plans

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California State Senate Approves CAHP Sponsored Bill to Lower Prescription Drug Costs

Sacramento, CA – The California State Senate has approved SB 1094 (Weber Pierson). This landmark bill, which passed 36-0, will reduce prescription drug costs in California by \$88 million annually and improve health care affordability for millions of Californians. Sponsored by the California Association of Health Plans, SB 1094 allows health plans and pharmacists more flexibility to offer patients safe, effective, lower cost biosimilars in place of higher cost brand-name biologic drugs.

Prescription drug costs are the fastest-growing driver of health care spending. In 2024 alone, California health plans paid \$14.9 billion to cover prescription drug costs, representing 15.4% of every premium dollar—a staggering 72% increase since 2017. SB 1094 addresses this challenge by allowing greater flexibility in switching prescriptions to biosimilars, which are FDA-approved and meet the same rigorous standards of safety, purity, and potency as their brand-name counterparts.

The non-partisan health benefits review program (CHBRP) estimates that SB 1094 will save Californians nearly \$88 million in total annual premiums. The bill will also lower enrollee cost sharing by \$92 to \$310 per year.

"SB 1094 means real cost savings for consumers," said CAHP President and CEO Charles Bacchi. "Without this legislative change, Californians would remain locked into higher-priced brand-name products, even when safe, lower-cost alternatives are available."

Biosimilars are proven to offer the same clinical outcomes as expensive brand-name biologics at a fraction of the cost. The passage of SB 1094 by the State Senate marks a significant step toward making health care more affordable and accessible for all Californians.

SB 1094 next makes its way to the State Assembly for consideration.

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CAHP is a statewide association representing 41 full-service health plans. Through legislative advocacy, education, and collaboration with other member organizations, CAHP works to sustain a strong environment in which our member plans can provide access to products that offer choice and flexibility to the more than 25 million members they serve. For more information, please visit www.calhealthplans.org or call (916) 552-2910.