

ASSEMBLY BILL

No. 1826

Introduced by Assembly Member Huffman
(Coauthor: Senator Price)

February 11, 2010

An act to add Section 1367.225 to the Health and Safety Code, and to add Section 10123.197 to the Insurance Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

AB 1826, as introduced, Huffman. Health care coverage: prescriptions.

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's requirements a crime. Existing law provides for the regulation of health insurers by the Department of Insurance. Existing law requires a health care service plan contract or a health insurance policy that covers prescription drug benefits to provide specified coverage to subscribers, enrollees, and insureds.

This bill would prohibit a health care service plan or a health insurer covering prescription drug benefits from requiring a subscriber, enrollee, or insured who has been prescribed a product for the treatment of pain by his or her health care provider to use a different specified product prior to authorizing coverage of the product prescribed by the health care provider.

Because a willful violation of the bill's requirements with respect 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:

1 SECTION 1. Section 1367.225 is added to the Health and
2 Safety Code, to read:

3 1367.225. (a) No health care service plan that covers
4 prescription drug benefits shall require a subscriber or enrollee
5 who has been prescribed a product for the treatment of pain by his
6 or her health care provider to use an alternative prescription or an
7 over-the-counter product prior to authorizing coverage of the
8 product prescribed by the health care provider.

9 (b) This section does not prohibit a health care service plan from
10 charging a subscriber or enrollee a copayment or a deductible for
11 prescription drug benefits or from setting forth, by contract,
12 limitations on maximum coverage of prescription drug benefits,
13 provided that the copayments, deductibles, or limitations are
14 reported to, and held unobjectionable by, the director and set forth
15 to the subscriber or enrollee pursuant to the disclosure provisions
16 of Section 1363.

17 SEC. 2. Section 10123.197 is added to the Insurance Code, to
18 read:

19 10123.197. (a) No health insurer that covers prescription drug
20 benefits shall require an insured who has been prescribed a product
21 for the treatment of pain by his or her health care provider to use
22 an alternative prescription or an over-the-counter product prior to
23 authorizing coverage of the product prescribed by the health care
24 provider.

25 (b) This section does not prohibit a health insurance policy from
26 charging an insured a copayment or a deductible for prescription
27 drug benefits or from setting forth, by contract, limitations on
28 maximum coverage of prescription drug benefits, provided that
29 the copayments, deductibles, or limitations are reported to, and

1 held unobjectionable by, the commissioner and set forth to the
2 insured pursuant to the disclosure provisions of Section 10603.
3 SEC. 3. No reimbursement is required by this act pursuant to
4 Section 6 of Article XIII B of the California Constitution because
5 the only costs that may be incurred by a local agency or school
6 district will be incurred because this act creates a new crime or
7 infraction, eliminates a crime or infraction, or changes the penalty
8 for a crime or infraction, within the meaning of Section 17556 of
9 the Government Code, or changes the definition of a crime within
10 the meaning of Section 6 of Article XIII B of the California
11 Constitution.