

**ASSEMBLY BILL**

**No. 2170**

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**Introduced by Assembly Member Bonnie Lowenthal**

February 18, 2010

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An act to add Section 1374.205 to the Health and Safety Code, and to add Section 10199.485 to the Insurance Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

AB 2170, as introduced, Bonnie Lowenthal. Health care coverage: prescriptions: formularies.

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 prohibits a group health care service plan or health insurer, with regard to a group contract, except as specified, from changing the premium rates or applicable copayments or coinsurances or deductibles during certain time periods.

This bill would prohibit a health care service plan or a health insurer covering prescription drug benefits and using a formulary from changing the applicable copayments or deductibles or coinsurances for prescription drug benefits for the length of the contract or policy.

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 1374.205 is added to the Health and  
2 Safety Code, to read:

3 1374.205. In addition to the prohibitions in subdivision (a) of  
4 Section 1374.20 applicable to group health care service plan  
5 contracts, and except as specified in subdivision (b) of Section  
6 1374.20, no health care service plan, with regard to an individual  
7 or group health care service plan contract that covers prescription  
8 drug benefits and uses a formulary, shall change the applicable  
9 copayments or deductibles for prescription drug benefits for the  
10 length of the contract.

11 SEC. 2. Section 10199.485 is added to the Insurance Code, to  
12 read:

13 10199.485. In addition to the prohibitions in subdivision (a)  
14 of Section 10199.48 applicable to group contracts, and except as  
15 specified in subdivision (b) of Section 10199.48, no health insurer,  
16 with regard to an individual policy or group contract that covers  
17 prescription drug benefits and uses a formulary shall change the  
18 applicable copayments or coinsurances or deductibles for  
19 prescription drug benefits for the length of the policy or contract.

20 SEC. 3. No reimbursement is required by this act pursuant to  
21 Section 6 of Article XIII B of the California Constitution because  
22 the only costs that may be incurred by a local agency or school  
23 district will be incurred because this act creates a new crime or  
24 infraction, eliminates a crime or infraction, or changes the penalty  
25 for a crime or infraction, within the meaning of Section 17556 of  
26 the Government Code, or changes the definition of a crime within  
27 the meaning of Section 6 of Article XIII B of the California  
28 Constitution.

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