

AMENDED IN ASSEMBLY AUGUST 17, 2009

AMENDED IN SENATE MAY 21, 2009

AMENDED IN SENATE MAY 14, 2009

SENATE BILL

No. 161

**Introduced by Senator Wright
(Coauthor: Senator Alquist)**

February 14, 2009

An act to add Section 1367.655 to the Health and Safety Code, and to add Section 10123.205 to the Insurance Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

SB 161, as amended, Wright. Health care coverage: cancer treatment.

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 a crime. Existing law also provides for the regulation of health insurers by the Department of Insurance. Existing law requires health care service plan contracts and health insurance policies to provide coverage for all generally medically accepted cancer screening tests and requires those plans and policies to also provide coverage for the treatment of breast cancer. Existing law imposes various requirements on contracts and policies that cover prescription drug benefits.

This bill would require health care service plan contracts and health insurance policies that provide coverage for cancer chemotherapy treatment to provide coverage for a prescribed, orally administered cancer medication, as specified, on a basis no less favorable than

intravenously administered or injected cancer medications covered under the contracts or policies. The bill would require a health care service plan or health insurer to review the percentage cost share, as defined, for oral cancer medications and intravenous or injected cancer medications and to apply the lower of the 2 as the cost-sharing provision for oral cancer medications. The bill would specify that its requirements do not apply to a health care benefit plan, contract, or health insurance policy with the Board of Administration of the Public Employees' Retirement System.

Because a willful violation of the bill's requirements relative 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 1367.655 is added to the Health and
- 2 Safety Code, to read:
- 3 1367.655. (a) A health care service plan contract issued,
- 4 amended, or renewed on or after January 1, 2010, that provides
- 5 coverage for cancer chemotherapy treatment shall provide coverage
- 6 for a prescribed, orally administered cancer medication used to
- 7 kill or slow the growth of cancerous cells on a basis no less
- 8 favorable than intravenously administered or injected cancer
- 9 medications covered under the contract.
- 10 (b) In order to comply with subdivision (a), a health care service
- 11 plan shall review the percentage cost share for oral cancer
- 12 medications and intravenous or injected cancer medications and
- 13 shall apply the lower of the two as the cost-sharing provision for
- 14 oral cancer medications. A health care service plan contract shall
- 15 not provide for an increase in enrollee cost sharing for cancer
- 16 medications *to any greater extent than the contract provides for*
- 17 *an increase in enrollee cost sharing for other covered medications.*

1 (c) For purposes of this section “cost share” means copayment,
2 coinsurance, or deductible provisions applicable to coverage for
3 oral or intravenous or injected cancer medications.

4 (d) This section shall not apply to a health care benefit plan or
5 contract entered into with the Board of Administration of the Public
6 Employees’ Retirement System pursuant to the Public Employees’
7 Medical and Hospital Care Act (Part 5 (commencing with Section
8 22750) of Division 5 of Title 2 of the Government Code).

9 SEC. 2. Section 10123.205 is added to the Insurance Code, to
10 read:

11 10123.205. (a) A health insurance policy issued, amended, or
12 renewed on or after January 1, 2010, that provides coverage for
13 cancer chemotherapy treatment shall provide coverage for a
14 prescribed, orally administered cancer medication used to kill or
15 slow the growth of cancerous cells on a basis no less favorable
16 than intravenously administered or injected cancer medications
17 covered under the policy.

18 (b) In order to comply with subdivision (a), a health insurer
19 shall review the percentage cost share for oral cancer medications
20 and intravenous or injected cancer medications and shall apply the
21 lower of the two as the cost-sharing provision for oral cancer
22 medications. A health insurance policy shall not provide for an
23 increase in insured cost sharing for cancer medications *to any*
24 *greater extent than the policy provides for an increase in an*
25 *insured’s cost sharing for other covered medications.*

26 (c) For purposes of this section “cost share” means copayment,
27 coinsurance, or deductible provisions applicable to coverage for
28 oral or intravenous or injected cancer medications.

29 (d) This section shall not apply to a policy of health insurance
30 purchased by the Board of Administration of the Public Employees’
31 Retirement System pursuant to the Public Employees’ Medical
32 and Hospital Care Act (Part 5 (commencing with Section 22750)
33 of Division 5 of Title 2 of the Government Code).

34 SEC. 3. No reimbursement is required by this act pursuant to
35 Section 6 of Article XIII B of the California Constitution because
36 the only costs that may be incurred by a local agency or school
37 district will be incurred because this act creates a new crime or
38 infraction, eliminates a crime or infraction, or changes the penalty
39 for a crime or infraction, within the meaning of Section 17556 of
40 the Government Code, or changes the definition of a crime within

- 1 the meaning of Section 6 of Article XIII B of the California
- 2 Constitution.

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