

AMENDED IN ASSEMBLY AUGUST 19, 2016

AMENDED IN ASSEMBLY AUGUST 1, 2016

AMENDED IN ASSEMBLY JUNE 20, 2016

AMENDED IN SENATE APRIL 18, 2016

AMENDED IN SENATE MARCH 29, 2016

**SENATE BILL**

**No. 999**

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**Introduced by Senator Pavley**

**(Principal coauthor: Senator Hertzberg)**

(Principal coauthors: Assembly Members Atkins, Gomez, and Gonzalez)

**(Coauthors: Senators Allen, Beall, Block, Hall, Hill, Jackson, Leyva, Wieckowski, and Wolk)**

(Coauthors: Assembly Members Bonilla, Burke, Campos, Chiu, Dababneh, Dodd, Eggman, Cristina Garcia, Gipson, Irwin, Levine, McCarty, Mark Stone, Weber, and Williams)

February 10, 2016

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An act to amend Section 4064.5 of the Business and Professions Code, to amend Section 1367.25 of the Health and Safety Code, to amend Section 10123.196 of the Insurance Code, and to add Section 14000.01 to the Welfare and Institutions Code, relating to contraceptives.

LEGISLATIVE COUNSEL'S DIGEST

SB 999, as amended, Pavley. Health care coverage: contraceptives: annual supply.

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 also provides for the Medi-Cal program, which is administered by the State Department of Health Care Services, under which qualified low-income individuals receive health care services through, among other things, managed care plans licensed under the act that contract with the State Department of Health Care Services. Existing law requires a health care service plan contract or health insurance policy issued, amended, or renewed on or after January 1, 2016, to provide coverage for women for all prescribed and FDA-approved female contraceptive drugs, devices, and products, as well as voluntary sterilization procedures, contraceptive education and counseling, and related followup services.

This bill would require a health care service plan or a health insurance policy issued, amended, renewed, or delivered on or after January 1, 2017, to cover up to a 12-month supply of FDA-approved, self-administered hormonal contraceptives when dispensed at one time for an enrollee or insured at one time by a provider, pharmacist, or at a location licensed or authorized to dispense drugs or supplies. The bill would specifically provide that a health care service plan contract or an insurance policy is not required to cover contraceptives provided by an out-of-network provider, pharmacy, or other location, except as authorized by state or federal law or by the plan or insurer's policies governing out-of-network coverage. The bill would also prohibit a health care service plan or health insurer, in the absence of clinical contraindications, from imposing utilization controls limiting the supply of ~~FDA-approved~~ *FDA-approved*, self-administered hormonal contraceptives that may be furnished by a provider or pharmacist, or at a location licensed or otherwise authorized to dispense drugs or supplies to an amount that is less than a 12-month supply. The bill would include Medi-Cal managed plans, as specified, in the definition of a health care service plan for purposes of these provisions, and would require the State Department of Health Care Services to *seek federal approval, if necessary, and to issue all-plan letters or similar instructions to implement these provisions*. Because a willful violation of the bill's requirements by a health care service plan would be a crime, the bill would impose a state-mandated local program.

Existing law authorizes a pharmacist to dispense not more than a 90-day supply of a dangerous drug other than a controlled substance pursuant to a valid prescription that specifies an initial quantity of less than a 90-day supply followed by periodic refills of that amount if the patient has met specified requirements, including having completed an

initial 30-day supply of the drug. Existing law prohibits a pharmacist from dispensing a greater supply of a dangerous drug if the prescriber indicates “no change to quantity” on the prescription. Existing law authorizes a pharmacist to furnish self-administered hormonal contraceptives in accordance with standardized procedures or protocols developed and approved by both the board and the Medical Board of California, as specified.

This bill would require a pharmacist to dispense, at a patient’s request, up to a 12-month supply of an ~~FDA-approved~~ *FDA-approved*, self-administered hormonal contraceptive pursuant to a valid prescription that specifies an initial quantity followed by periodic refills. The bill would authorize a pharmacist furnishing an ~~FDA-approved~~ *FDA-approved*, self-administered hormonal contraceptive, pursuant to the authorization described above, to furnish up to a 12-month supply at one time at the patient’s request.

*This bill would incorporate changes to Section 4064.5 of the Business and Professions Code proposed by both this bill and SB 253, which would become operative only if both bills are enacted and become effective on or before January 1, 2017, and this bill is chaptered last.*

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. (a) The Legislature hereby finds all of the
- 2 following:
- 3 (1) California has a long history of, and commitment to,
- 4 expanding access to services that aim to reduce the risk of
- 5 unintended pregnancies and improving reproductive health
- 6 outcomes.
- 7 (2) California’s Family Planning, Access, Care, and Treatment
- 8 (Family PACT) Waiver Program, created in 1999, is viewed
- 9 nationally as the “gold standard” of publicly funded programs
- 10 providing access to reproductive health care. The program has

1 long recognized the value and importance of providing women  
2 with a year's supply of birth control.

3 (3) The Affordable Care Act (ACA) and subsequent federal  
4 regulations made contraceptive coverage a national policy by  
5 requiring most private health insurance plans to provide coverage  
6 for a broad range of preventive services without cost sharing,  
7 including FDA-approved prescription contraceptives.

8 (4) Since the passage of the ACA, many states have passed laws  
9 strengthening or expanding this federal contraceptive coverage  
10 requirement. In 2014, California passed the Contraceptive  
11 Coverage Equity Act of 2014, which requires plans to cover all  
12 prescribed FDA-approved contraceptives for women without cost  
13 sharing, and requires plans to cover at least one therapeutic  
14 equivalent of a prescribed contraceptive drug, device, or product.

15 (5) Numerous studies support what California has determined  
16 for decades in the Family PACT program: dispensing a 12-month  
17 supply of birth control at one time has numerous benefits,  
18 including, but not limited to, reducing a woman's odds of having  
19 an unintended pregnancy by 30 percent, increasing contraception  
20 continuation rates, and decreasing costs per client to insurers by  
21 reducing the number of pregnancy tests and pregnancies.

22 (6) Access to contraception is a key element in shaping women's  
23 health and well-being. Nearly all women have used contraceptives  
24 at some point in their lives, and 62 percent are currently using at  
25 least one method.

26 (7) Several states have mirrored the year-supply requirement  
27 for contraceptive coverage in their publicly funded family planning  
28 or Medicaid programs, recognizing the health benefits of reducing  
29 barriers to continuous and effective use of contraception. Recently,  
30 Oregon and ~~Washington D.C.~~ *Washington, D.C.*, have gone further  
31 to require private health care service plans and health insurance  
32 policies to also cover a 12-month supply of contraceptives. With  
33 California's history of leadership in establishing public policies  
34 that increase access to contraceptives, adopting a similar  
35 requirement is a natural progression of our state's commitment to  
36 reducing unintended pregnancy.

37 (b) It is therefore the intent of the Legislature to expand on  
38 California's existing contraceptive coverage policy by requiring  
39 all health care service plans and health insurance policies, including  
40 both commercial and Medi-Cal managed care plans, to cover a

1 12-month supply of a prescribed FDA-approved contraceptive,  
2 such as the ring, the patch, and oral contraceptives.

3 SEC. 2. Section 4064.5 of the Business and Professions Code  
4 is amended to read:

5 4064.5. (a) A pharmacist may dispense not more than a 90-day  
6 supply of a dangerous drug other than a controlled substance  
7 pursuant to a valid prescription that specifies an initial quantity of  
8 less than a 90-day supply followed by periodic refills of that  
9 amount if all of the following requirements are satisfied:

10 (1) The patient has completed an initial 30-day supply of the  
11 dangerous drug.

12 (2) The total quantity of dosage units dispensed does not exceed  
13 the total quantity of dosage units authorized by the prescriber on  
14 the prescription, including refills.

15 (3) The prescriber has not specified on the prescription that  
16 dispensing the prescription in an initial amount followed by  
17 periodic refills is medically necessary.

18 (4) The pharmacist is exercising his or her professional  
19 judgment.

20 (b) For purposes of this section, if the prescription continues  
21 the same medication as previously dispensed in a 90-day supply,  
22 the initial 30-day supply under paragraph (1) of subdivision (a) is  
23 not required.

24 (c) A pharmacist dispensing an increased supply of a dangerous  
25 drug pursuant to this section shall notify the prescriber of the  
26 increase in the quantity of dosage units dispensed.

27 (d) In no case shall a pharmacist dispense a greater supply of a  
28 dangerous drug pursuant to this section if the prescriber personally  
29 indicates, either orally or in his or her own handwriting, “No  
30 change to quantity,” or words of similar meaning. Nothing in this  
31 subdivision shall prohibit a prescriber from checking a box on a  
32 prescription marked “No change to quantity,” provided that the  
33 prescriber personally initials the box or checkmark. To indicate  
34 that an increased supply shall not be dispensed pursuant to this  
35 section for an electronic data transmission prescription as defined  
36 in subdivision (c) of Section 4040, a prescriber may indicate “No  
37 change to quantity,” or words of similar meaning, in the  
38 prescription as transmitted by electronic data, or may check a box  
39 marked on the prescription “No change to quantity.” In either

1 instance, it shall not be required that the prohibition on an increased  
2 supply be manually initialed by the prescriber.

3 (e) This section shall not apply to psychotropic medication or  
4 psychotropic drugs as described in subdivision (d) of Section 369.5  
5 of the Welfare and Institutions Code.

6 (f) Except for the provisions of subdivision (d), this section does  
7 not apply to FDA-approved, self-administered hormonal  
8 contraceptives.

9 (1) A pharmacist shall dispense, at a patient's request, up to a  
10 12-month supply of an FDA-approved, self-administered hormonal  
11 contraceptive pursuant to a valid prescription that specifies an  
12 initial quantity followed by periodic refills.

13 (2) A pharmacist furnishing an ~~FDA-approved~~ *FDA-approved*,  
14 self-administered hormonal contraceptive pursuant to Section  
15 4052.3 under protocols developed by the Board of Pharmacy may  
16 furnish, at the patient's request, up to a 12-month supply at one  
17 time.

18 (3) Nothing in this subdivision shall be construed to require a  
19 pharmacist to dispense or furnish a drug if it would result in a  
20 violation of Section 733.

21 (g) Nothing in this section shall be construed to require a health  
22 care service plan, health insurer, workers' compensation insurance  
23 plan, pharmacy benefits manager, or any other person or entity,  
24 including, but not limited to, a state program or state employer, to  
25 provide coverage for a dangerous drug in a manner inconsistent  
26 with a beneficiary's plan benefit.

27 *SEC. 2.5. Section 4064.5 of the Business and Professions Code*  
28 *is amended to read:*

29 4064.5. (a) A pharmacist may dispense not more than a 90-day  
30 supply of a dangerous drug other than a controlled substance  
31 pursuant to a valid prescription that specifies an initial quantity of  
32 less than a 90-day supply followed by periodic refills of that  
33 amount if all of the following requirements are satisfied:

34 (1) The patient has completed an initial 30-day supply of the  
35 dangerous drug.

36 (2) The total quantity of dosage units dispensed does not exceed  
37 the total quantity of dosage units authorized by the prescriber on  
38 the prescription, including refills.

1 (3) The prescriber has not specified on the prescription that  
2 dispensing the prescription in an initial amount followed by  
3 periodic refills is medically necessary.

4 (4) The pharmacist is exercising his or her professional  
5 judgment.

6 (b) For purposes of this section, if the prescription continues  
7 the same medication as previously dispensed in a 90-day supply,  
8 the initial 30-day supply under paragraph (1) of subdivision (a) is  
9 not required.

10 (c) A pharmacist dispensing an increased supply of a dangerous  
11 drug pursuant to this section shall notify the prescriber of the  
12 increase in the quantity of dosage units dispensed.

13 (d) In no case shall a pharmacist dispense a greater supply of a  
14 dangerous drug pursuant to this section if the prescriber personally  
15 indicates, either orally or in his or her own handwriting, "No  
16 change to quantity," or words of similar meaning. Nothing in this  
17 subdivision shall prohibit a prescriber from checking a box on a  
18 prescription marked "No change to quantity," provided that the  
19 prescriber personally initials the box or checkmark. To indicate  
20 that an increased supply shall not be dispensed pursuant to this  
21 section for an electronic data transmission prescription as defined  
22 in subdivision (c) of Section 4040, a prescriber may indicate "No  
23 change to quantity," or words of similar meaning, in the  
24 prescription as transmitted by electronic data, or may check a box  
25 marked on the prescription "No change to quantity." In either  
26 instance, it shall not be required that the prohibition on an increased  
27 supply be manually initialed by the prescriber.

28 (e) This section ~~shall~~ *does* not apply to psychotropic medication  
29 or psychotropic drugs as described in ~~subdivision (d) of Section~~  
30 ~~369.5 Sections 369.5 and 739.5~~ of the Welfare and Institutions  
31 Code.

32 (f) *Except for the provisions of subdivision (d), this section does*  
33 *not apply to FDA-approved, self-administered hormonal*  
34 *contraceptives.*

35 (1) *A pharmacist shall dispense, at a patient's request, up to a*  
36 *12-month supply of an FDA-approved, self-administered hormonal*  
37 *contraceptive pursuant to a valid prescription that specifies an*  
38 *initial quantity followed by periodic refills.*

39 (2) *A pharmacist furnishing an FDA-approved, self-administered*  
40 *hormonal contraceptive pursuant to Section 4052.3 under protocols*

1 *developed by the Board of Pharmacy may furnish, at the patient's*  
2 *request, up to a 12-month supply at one time.*

3 (3) *Nothing in this subdivision shall be construed to require a*  
4 *pharmacist to dispense or furnish a drug if it would result in a*  
5 *violation of Section 733.*

6 ~~(f)~~

7 (g) Nothing in this section shall be construed to require a health  
8 care service plan, health insurer, workers' compensation insurance  
9 plan, pharmacy benefits manager, or any other person or entity,  
10 including, but not limited to, a state program or state employer, to  
11 provide coverage for a dangerous drug in a manner inconsistent  
12 with a beneficiary's plan benefit.

13 SEC. 3. Section 1367.25 of the Health and Safety Code is  
14 amended to read:

15 1367.25. (a) A group health care service plan contract, except  
16 for a specialized health care service plan contract, that is issued,  
17 amended, renewed, or delivered on or after January 1, 2000, to  
18 December 31, 2015, inclusive, and an individual health care service  
19 plan contract that is amended, renewed, or delivered on or after  
20 January 1, 2000, to December 31, 2015, inclusive, except for a  
21 specialized health care service plan contract, shall provide coverage  
22 for the following, under general terms and conditions applicable  
23 to all benefits:

24 (1) A health care service plan contract that provides coverage  
25 for outpatient prescription drug benefits shall include coverage for  
26 a variety of federal Food and Drug Administration (FDA)-approved  
27 prescription contraceptive methods designated by the plan. In the  
28 event the patient's participating provider, acting within his or her  
29 scope of practice, determines that none of the methods designated  
30 by the plan is medically appropriate for the patient's medical or  
31 personal history, the plan shall also provide coverage for another  
32 FDA-approved, medically appropriate prescription contraceptive  
33 method prescribed by the patient's provider.

34 (2) Benefits for an enrollee under this subdivision shall be the  
35 same for an enrollee's covered spouse and covered nonspouse  
36 dependents.

37 (b) (1) A health care service plan contract, except for a  
38 specialized health care service plan contract, that is issued,  
39 amended, renewed, or delivered on or after January 1, 2016, shall

1 provide coverage for all of the following services and contraceptive  
2 methods for women:

3 (A) Except as provided in subparagraphs (B) and (C) of  
4 paragraph (2), all FDA-approved contraceptive drugs, devices,  
5 and other products for women, including all FDA-approved  
6 contraceptive drugs, devices, and products available over the  
7 counter, as prescribed by the enrollee’s provider.

8 (B) Voluntary sterilization procedures.

9 (C) Patient education and counseling on contraception.

10 (D) Followup services related to the drugs, devices, products,  
11 and procedures covered under this subdivision, including, but not  
12 limited to, management of side effects, counseling for continued  
13 adherence, and device insertion and removal.

14 (2) (A) Except for a grandfathered health plan, a health care  
15 service plan subject to this subdivision shall not impose a  
16 deductible, coinsurance, copayment, or any other cost-sharing  
17 requirement on the coverage provided pursuant to this subdivision.  
18 Cost sharing shall not be imposed on any Medi-Cal beneficiary.

19 (B) If the FDA has approved one or more therapeutic equivalents  
20 of a contraceptive drug, device, or product, a health care service  
21 plan is not required to cover all of those therapeutically equivalent  
22 versions in accordance with this subdivision, as long as at least  
23 one is covered without cost sharing in accordance with this  
24 subdivision.

25 (C) If a covered therapeutic equivalent of a drug, device, or  
26 product is not available, or is deemed medically inadvisable by  
27 the enrollee’s provider, a health care service plan shall provide  
28 coverage, subject to a plan’s utilization management procedures,  
29 for the prescribed contraceptive drug, device, or product without  
30 cost sharing. Any request by a contracting provider shall be  
31 responded to by the health care service plan in compliance with  
32 the Knox-Keene Health Care Service Plan Act of 1975, as set forth  
33 in this chapter and, as applicable, with the plan’s Medi-Cal  
34 managed care contract.

35 (3) Except as otherwise authorized under this section, a health  
36 care service plan shall not impose any restrictions or delays on the  
37 coverage required under this subdivision.

38 (4) Benefits for an enrollee under this subdivision shall be the  
39 same for an enrollee’s covered spouse and covered nonspouse  
40 dependents.

1 (5) For purposes of paragraphs (2) and (3) of this subdivision,  
2 and subdivision (d), “health care service plan” shall include  
3 Medi-Cal managed care plans that contract with the State  
4 Department of Health Care Services pursuant to Chapter 7  
5 (commencing with Section 14000) and Chapter 8 (commencing  
6 with Section 14200) of Part 3 of Division 9 of the Welfare and  
7 Institutions Code.

8 (c) Notwithstanding any other provision of this section, a  
9 religious employer may request a health care service plan contract  
10 without coverage for FDA-approved contraceptive methods that  
11 are contrary to the religious employer’s religious tenets. If so  
12 requested, a health care service plan contract shall be provided  
13 without coverage for contraceptive methods.

14 (1) For purposes of this section, a “religious employer” is an  
15 entity for which each of the following is true:

16 (A) The inculcation of religious values is the purpose of the  
17 entity.

18 (B) The entity primarily employs persons who share the  
19 religious tenets of the entity.

20 (C) The entity serves primarily persons who share the religious  
21 tenets of the entity.

22 (D) The entity is a nonprofit organization as described in  
23 Section 6033(a)(3)(A)(i) or (iii) of the Internal Revenue Code of  
24 1986, as amended.

25 (2) Every religious employer that invokes the exemption  
26 provided under this section shall provide written notice to  
27 prospective enrollees prior to enrollment with the plan, listing the  
28 contraceptive health care services the employer refuses to cover  
29 for religious reasons.

30 (d) (1) Every health care service plan contract that is issued,  
31 amended, renewed, or delivered on or after January 1, 2017, shall  
32 cover up to a 12-month supply of FDA-approved, self-administered  
33 hormonal contraceptives when dispensed or furnished at one time  
34 for an enrollee by a provider, pharmacist, or at a location licensed  
35 or otherwise authorized to dispense drugs or supplies.

36 (2) Nothing in this subdivision shall be construed to require a  
37 health care service plan contract to cover contraceptives provided  
38 by an out-of-network provider, pharmacy, or location licensed or  
39 otherwise authorized to dispense drugs or supplies, except as may

1 be otherwise authorized by state or federal law or by the plan's  
2 policies governing out-of-network coverage.

3 (3) Nothing in this subdivision shall be construed to require a  
4 provider to prescribe, furnish, or dispense 12 months of  
5 self-administered hormonal contraceptives at one time.

6 (4) A health care service plan subject to this subdivision, in the  
7 absence of clinical contraindications, shall not impose utilization  
8 controls or other forms of medical management limiting the supply  
9 of ~~FDA-approved~~ *FDA-approved*, self-administered hormonal  
10 contraceptives that may be dispensed or furnished by a provider  
11 or pharmacist, or at a location licensed or otherwise authorized to  
12 dispense drugs or supplies to an amount that is less than a 12-month  
13 supply.

14 (e) This section shall not be construed to exclude coverage for  
15 contraceptive supplies as prescribed by a provider, acting within  
16 his or her scope of practice, for reasons other than contraceptive  
17 purposes, such as decreasing the risk of ovarian cancer or  
18 eliminating symptoms of menopause, or for contraception that is  
19 necessary to preserve the life or health of an enrollee.

20 (f) This section shall not be construed to deny or restrict in any  
21 way the department's authority to ensure plan compliance with  
22 this chapter when a plan provides coverage for contraceptive drugs,  
23 devices, and products.

24 (g) This section shall not be construed to require an individual  
25 or group health care service plan contract to cover experimental  
26 or investigational treatments.

27 (h) For purposes of this section, the following definitions apply:

28 (1) "Grandfathered health plan" has the meaning set forth in  
29 Section 1251 of PPACA.

30 (2) "PPACA" means the federal Patient Protection and  
31 Affordable Care Act (Public Law 111-148), as amended by the  
32 federal Health Care and Education Reconciliation Act of 2010  
33 (Public Law 111-152), and any rules, regulations, or guidance  
34 issued thereunder.

35 (3) With respect to health care service plan contracts issued,  
36 amended, or renewed on or after January 1, 2016, "provider" means  
37 an individual who is certified or licensed pursuant to Division 2  
38 (commencing with Section 500) of the Business and Professions  
39 Code, or an initiative act referred to in that division, or Division  
40 2.5 (commencing with Section 1797) of this code.

1 SEC. 4. Section 10123.196 of the Insurance Code is amended  
2 to read:

3 10123.196. (a) An individual or group policy of disability  
4 insurance issued, amended, renewed, or delivered on or after  
5 January 1, 2000, through December 31, 2015, inclusive, that  
6 provides coverage for hospital, medical, or surgical expenses, shall  
7 provide coverage for the following, under the same terms and  
8 conditions as applicable to all benefits:

9 (1) A disability insurance policy that provides coverage for  
10 outpatient prescription drug benefits shall include coverage for a  
11 variety of federal Food and Drug Administration (FDA)-approved  
12 prescription contraceptive methods, as designated by the insurer.  
13 If an insured's health care provider determines that none of the  
14 methods designated by the disability insurer is medically  
15 appropriate for the insured's medical or personal history, the insurer  
16 shall, in the alternative, provide coverage for some other  
17 FDA-approved prescription contraceptive method prescribed by  
18 the patient's health care provider.

19 (2) Coverage with respect to an insured under this subdivision  
20 shall be identical for an insured's covered spouse and covered  
21 nonspouse dependents.

22 (b) (1) A group or individual policy of disability insurance,  
23 except for a specialized health insurance policy, that is issued,  
24 amended, renewed, or delivered on or after January 1, 2016, shall  
25 provide coverage for all of the following services and contraceptive  
26 methods for women:

27 (A) Except as provided in subparagraphs (B) and (C) of  
28 paragraph (2), all ~~FDA-approved~~ *FDA-approved*, contraceptive  
29 drugs, devices, and other products for women, including all  
30 ~~FDA-approved~~ *FDA-approved*, contraceptive drugs, devices, and  
31 products available over the counter, as prescribed by the insured's  
32 provider.

33 (B) Voluntary sterilization procedures.

34 (C) Patient education and counseling on contraception.

35 (D) Followup services related to the drugs, devices, products,  
36 and procedures covered under this subdivision, including, but not  
37 limited to, management of side effects, counseling for continued  
38 adherence, and device insertion and removal.

39 (2) (A) Except for a grandfathered health plan, a disability  
40 insurer subject to this subdivision shall not impose a deductible,

1 coinsurance, copayment, or any other cost-sharing requirement on  
2 the coverage provided pursuant to this subdivision.

3 (B) If the FDA has approved one or more therapeutic equivalents  
4 of a contraceptive drug, device, or product, a disability insurer is  
5 not required to cover all of those therapeutically equivalent versions  
6 in accordance with this subdivision, as long as at least one is  
7 covered without cost sharing in accordance with this subdivision.

8 (C) If a covered therapeutic equivalent of a drug, device, or  
9 product is not available, or is deemed medically inadvisable by  
10 the insured's provider, a disability insurer shall provide coverage,  
11 subject to an insurer's utilization management procedures, for the  
12 prescribed contraceptive drug, device, or product without cost  
13 sharing. Any request by a contracting provider shall be responded  
14 to by the disability insurer in compliance with Section 10123.191.

15 (3) Except as otherwise authorized under this section, an insurer  
16 shall not impose any restrictions or delays on the coverage required  
17 under this subdivision.

18 (4) Coverage with respect to an insured under this subdivision  
19 shall be identical for an insured's covered spouse and covered  
20 nonspouse dependents.

21 (c) This section shall not be construed to deny or restrict in any  
22 way any existing right or benefit provided under law or by contract.

23 (d) This section shall not be construed to require an individual  
24 or group disability insurance policy to cover experimental or  
25 investigational treatments.

26 (e) Notwithstanding any other provision of this section, a  
27 religious employer may request a disability insurance policy  
28 without coverage for contraceptive methods that are contrary to  
29 the religious employer's religious tenets. If so requested, a  
30 disability insurance policy shall be provided without coverage for  
31 contraceptive methods.

32 (1) For purposes of this section, a "religious employer" is an  
33 entity for which each of the following is true:

34 (A) The inculcation of religious values is the purpose of the  
35 entity.

36 (B) The entity primarily employs persons who share the religious  
37 tenets of the entity.

38 (C) The entity serves primarily persons who share the religious  
39 tenets of the entity.

1 (D) The entity is a nonprofit organization pursuant to Section  
2 6033(a)(3)(A)(i) or (iii) of the Internal Revenue Code of 1986, as  
3 amended.

4 (2) Every religious employer that invokes the exemption  
5 provided under this section shall provide written notice to any  
6 prospective employee once an offer of employment has been made,  
7 and prior to that person commencing that employment, listing the  
8 contraceptive health care services the employer refuses to cover  
9 for religious reasons.

10 (f) (1) A group or individual policy of disability insurance,  
11 except for a specialized health insurance policy, that is issued,  
12 amended, renewed, or delivered on or after January 1, 2017, shall  
13 cover up to a 12-month supply of FDA-approved, self-administered  
14 hormonal contraceptives when dispensed or furnished at one time  
15 for an insured by a provider, pharmacist, or at a location licensed  
16 or otherwise authorized to dispense drugs or supplies.

17 (2) Nothing in this subdivision shall be construed to require a  
18 policy to cover contraceptives provided by an out-of-network  
19 provider, pharmacy, or location licensed or otherwise authorized  
20 to dispense drugs or supplies, except as may be otherwise  
21 authorized by state or federal law or by the insurer's policies  
22 governing out-of-network coverage.

23 (3) Nothing in this subdivision shall be construed to require a  
24 provider to prescribe, furnish, or dispense 12 months of  
25 self-administered hormonal contraceptives at one time.

26 (4) A health insurer subject to this subdivision, in *the* absence  
27 of clinical contraindications, shall not impose utilization controls  
28 or other forms of medical management limiting the supply of  
29 ~~FDA-approved~~ *FDA-approved*, self-administered hormonal  
30 contraceptives that may be dispensed or furnished by a provider  
31 or pharmacist, or at a location licensed or otherwise authorized to  
32 dispense drugs or supplies to an amount that is less than a 12-month  
33 supply.

34 (g) This section shall not be construed to exclude coverage for  
35 contraceptive supplies as prescribed by a provider, acting within  
36 his or her scope of practice, for reasons other than contraceptive  
37 purposes, such as decreasing the risk of ovarian cancer or  
38 eliminating symptoms of menopause, or for contraception that is  
39 necessary to preserve the life or health of an insured.

1 (h) This section only applies to disability insurance policies or  
2 contracts that are defined as health benefit plans pursuant to  
3 subdivision (a) of Section 10198.6, except that for accident only,  
4 specified disease, or hospital indemnity coverage, coverage for  
5 benefits under this section applies to the extent that the benefits  
6 are covered under the general terms and conditions that apply to  
7 all other benefits under the policy or contract. This section shall  
8 not be construed as imposing a new benefit mandate on accident  
9 only, specified disease, or hospital indemnity insurance.

10 (i) For purposes of this section, the following definitions apply:

11 (1) “Grandfathered health plan” has the meaning set forth in  
12 Section 1251 of PPACA.

13 (2) “PPACA” means the federal Patient Protection and  
14 Affordable Care Act (Public Law 111-148), as amended by the  
15 federal Health Care and Education Reconciliation Act of 2010  
16 (Public Law 111-152), and any rules, regulations, or guidance  
17 issued thereunder.

18 (3) With respect to policies of disability insurance issued,  
19 amended, or renewed on or after January 1, 2016, “health care  
20 provider” means an individual who is certified or licensed pursuant  
21 to Division 2 (commencing with Section 500) of the Business and  
22 Professions Code, or an initiative act referred to in that division,  
23 or Division 2.5 (commencing with Section 1797) of the Health  
24 and Safety Code.

25 SEC. 5. Section 14000.01 is added to the Welfare and  
26 Institutions Code, to read:

27 14000.01. The department shall *seek federal approval, if*  
28 *necessary, and shall* issue all-plan letters or similar instructions  
29 to implement subdivision (d) of Section 1367.25 of the Health and  
30 Safety Code.

31 *SEC. 6. Section 2.5 of this bill incorporates amendments to*  
32 *Section 4064.5 of the Business and Professions Code proposed by*  
33 *both this bill and Senate Bill 253. It shall only become operative*  
34 *if (1) both bills are enacted and become effective on or before*  
35 *January 1, 2017, (2) each bill amends Section 4064.5 of the*  
36 *Business and Professions Code, and (3) this bill is enacted after*  
37 *Senate Bill 253, in which case Section 2 of this bill shall not*  
38 *become operative.*

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

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