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~~(e) It is the intent of the Legislature that this act diminish the statewide economic and personal cost of tobacco addiction by making tobacco cessation treatments available to all smokers. California has successfully reduced tobacco consumption in the last decade, but, despite that success, tobacco use is responsible for the unnecessary deaths of 40,000 residents and remains the leading cause of preventable death in this state. Annually, tobacco addiction costs California \$8.6 billion in direct medical costs, which is approximately 12 percent of all health care costs.~~

~~SEC. 2.~~ Section 1367.27 is added to the Health and Safety Code, to read:

1367.27. (a) A health care service plan contract, except a specialized health care service plan contract, that is issued, amended, delivered, or renewed on or after July 1, 2008, that provides outpatient prescription drug benefits, shall include coverage for the following tobacco cessation services:

(1) Personal counseling via telephone by qualified tobacco counselors.

(2) Brief cessation intervention by a physician of record or clinical staff to establish and record tobacco use status, to advise patients regarding the potential benefits of cessation, and to recommend sources of cessation services.

(3) All prescription and over-the-counter tobacco cessation medications approved by the Food and Drug Administration to help smokers quit. These drugs include drugs for nicotine replacement therapy and prescription drug therapies in, but not limited to, the form of gum, dermal patch, inhaler, nasal spray and lozenge, and Bupropion SR or similar drugs that counter the urge to smoke or the addictive qualities of nicotine.

(4) Enrollees, beneficiaries, and their providers may select a course of treatment and those services and products that they prefer. Coverage for telephone counseling



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and medications, whether by prescription or over-the-counter, may be limited to two courses of treatment per year. Referrals for tobacco cessation services, the outcome of the referrals, and the smoking status of referred beneficiaries shall be entered into the patient's medical record.

(b) No copayment or deductible shall be applied to benefits under this section.

(c) A health care service plan may contract with qualified local, statewide, or national providers, whether for profit or nonprofit, for the provision of services under this section.

(d) Coverage for interventions shall include reimbursement for physician advice, charting, and referral.

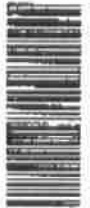
(e) A health care service plan shall disclose the benefits under this section in its evidence of coverage and disclosure forms and communicate the availability of coverage to all group subscribers.

(f) For the purposes of this section, benefits for tobacco cessation shall comply with the Public Health Service sponsored 2000 clinical practice guideline, "Treating Tobacco Use and Dependence" or its successors.

*SEC. 2.* ~~SEC. 3.~~ Section 10123.175 is added to the Insurance Code, to read:

10123.175. (a) Every individual or group health insurance policy that is issued, amended, delivered, or renewed on or after July 1, 2008, that provides outpatient prescription drug benefits, shall include coverage for the following tobacco cessation services:

(1) Personal counseling via telephone by qualified tobacco counselors.



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(2) Brief cessation intervention by a physician of record or clinical staff to establish and record tobacco use status, to advise patients regarding the potential benefits of cessation, and to recommend sources of cessation services.

(3) All prescription and over-the-counter tobacco cessation medications approved by the Food and Drug Administration to help smokers quit. These drugs include drugs for nicotine replacement therapy and prescription drug therapies in, but not limited to, the form of gum, dermal patch, inhaler, nasal spray and lozenge, and Bupropion SR or similar drugs that counter the urge to smoke or the addictive qualities of nicotine.

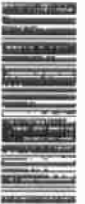
(4) Enrollees, beneficiaries, and their providers may select a course of treatment and those services and products that they prefer. Coverage for telephone counseling and medications, whether by prescription or over-the-counter, may be limited to two courses of treatment per year. Referrals for tobacco cessation services, the outcome of the referrals, and the smoking status of referred beneficiaries shall be entered into the patient's medical record.

(b) No copayment or deductible shall be applied to benefits under this section.

(c) A health insurer may contract with qualified local, statewide, or national providers, whether for profit or nonprofit, for the provision of services under this section.

(d) Coverage for interventions shall include reimbursement for physician advice, charting, and referral.

(e) A health insurance policy shall disclose the benefits under this section in its evidence of coverage and disclosure forms and communicate the availability of coverage to all group subscribers.



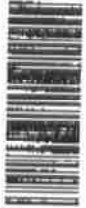
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(f) For the purposes of this section, benefits for tobacco cessation shall comply with the Public Health Service sponsored 2000 clinical practice guideline, "Treating Tobacco Use and Dependence" or its successors.

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



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