

AMENDED IN SENATE JANUARY 3, 2022

AMENDED IN SENATE MARCH 10, 2021

SENATE BILL

No. 473

Introduced by Senator Bates

February 17, 2021

~~An act to amend Section 1367.51 of the Health and Safety Code, and to amend Section 10176.61 of the Insurance Code, relating to health care coverage.~~ *An act to amend Section 1367.51 of the Health and Safety Code, and to amend Section 10176.61 of the Insurance Code, relating to health care coverage.*

LEGISLATIVE COUNSEL'S DIGEST

SB 473, as amended, Bates. Health care coverage: insulin cost sharing.

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 health insurance policy issued, amended, delivered, or renewed on or after January 1, 2000, to include coverage for equipment, supplies, and, if the contract or policy covers prescription benefits, prescriptive medications for the management and treatment of insulin-using diabetes, non-insulin-using diabetes, and gestational diabetes, as medically necessary.

This bill would prohibit a health care service plan contract or a health insurance policy that is issued, amended, delivered, or renewed on or after January 1, 2023, from imposing cost sharing on a covered insulin

prescription, except for a copayment not to exceed \$35 per month per each dosage form of insulin products. Because a willful violation of these provisions by a health care service plan 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.

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~~This bill would prohibit a health care service plan contract or a health insurance policy that is issued, amended, delivered, or renewed on or after January 1, 2022, from imposing cost sharing on a covered insulin prescription, except for a copayment not to exceed \$50 per 30-day supply of insulin, or \$100 total per month, regardless of the amount or type of insulin needed to fill the enrollee's or insured's prescription or prescriptions. Because a willful violation of these provisions by a health care service plan 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. The Legislature finds and declares that:*
2 *(a) Approximately 263,000 Californians are diagnosed with*
3 *type 1 diabetes each year. Approximately 4,037,000 Californian*
4 *adults have diabetes.*
5 *(b) Every Californian with type 1 diabetes, and many with type*
6 *2 diabetes, rely on daily doses of insulin to survive.*
7 *(c) Insulin prices have nearly tripled, creating financial*
8 *hardships for people who rely on it to survive.*
9 *(d) One in four people using insulin have reported insulin*
10 *underuse due to the high cost of insulin.*
11 *(e) Diabetes is the seventh leading cause of death and a leading*
12 *cause of disabling and life-threatening complications, including*
13 *heart disease, stroke, kidney failure, amputation of the lower*
14 *extremities, and new cases of blindness among adults.*
15 *(f) Studies have shown that managing diabetes can prevent the*
16 *complications associated with diabetes.*
17 *(g) Therefore, it is important to enact policies to reduce the*
18 *costs for Californians with diabetes to obtain life-saving and*
19 *life-sustaining insulin.*
20 *SEC. 2. Section 1367.51 of the Health and Safety Code is*
21 *amended to read:*
22 1367.51. (a) ~~Every~~A health care service plan contract, except
23 a specialized health care service plan contract, that is issued,
24 amended, delivered, or renewed on or after January 1, 2000, ~~and~~
25 ~~that covers hospital, medical, or surgical expenses~~ shall include
26 coverage for the following equipment and supplies for the
27 management and treatment of insulin-using diabetes,
28 non-insulin-using diabetes, and gestational diabetes as medically
29 necessary, even if the items are available without a prescription:
30 (1) Blood glucose monitors and blood glucose testing strips.
31 (2) Blood glucose monitors designed to assist the visually
32 impaired.
33 (3) Insulin pumps and all related necessary supplies.
34 (4) Ketone urine testing strips.
35 (5) Lancets and lancet puncture devices.
36 (6) Pen delivery systems for the administration of insulin.
37 (7) Podiatric devices to prevent or treat diabetes-related
38 complications.

1 (8) Insulin syringes.
 2 (9) Visual aids, excluding eyewear, to assist the visually
 3 impaired with proper dosing of insulin.

4 (b) ~~Every~~A health care service plan contract, except a
 5 specialized health care service plan contract, that is issued,
 6 amended, delivered, or renewed on or after January 1, 2000, that
 7 covers prescription benefits shall include coverage for the following
 8 prescription items if the items are determined to be medically
 9 necessary:

- 10 (1) Insulin.
- 11 (2) Prescriptive medications for the treatment of diabetes.
- 12 (3) Glucagon.

13 (c) The copayments and deductibles for the benefits specified
 14 in subdivisions (a) and (b) shall not exceed those established for
 15 similar benefits within the given plan.

16 (d) (1) *Notwithstanding subdivision (c), for a health care service*
 17 *plan contract that is issued, amended, delivered, or renewed on*
 18 *or after January 1, 2023, the copayment for an insulin prescription*
 19 *covered pursuant to subdivision (b) shall not exceed thirty-five*
 20 *dollars (\$35) per month per each dosage form of insulin products.*

21 (2) *A health care service plan contract that is issued, amended,*
 22 *delivered, or renewed on or after January 1, 2023, shall not impose*
 23 *a deductible, coinsurance, or other cost-sharing requirement on*
 24 *an insulin prescription, except for a copayment subject to the*
 25 *limitations in paragraph (1).*

26 (3) *Paragraphs (1) and (2) shall only apply to one of each*
 27 *dosage form and insulin type.*

28 ~~(d) Every~~

29 (e) A health care service plan shall provide coverage for diabetes
 30 outpatient self-management training, education, and medical
 31 nutrition therapy necessary to enable an enrollee to properly use
 32 the equipment, supplies, and medications set forth in subdivisions
 33 (a) and (b), and additional diabetes outpatient self-management
 34 training, education, and medical nutrition therapy upon the
 35 direction or prescription of those services by the enrollee's
 36 participating physician. If a plan delegates outpatient
 37 self-management training to contracting providers, the plan shall
 38 require contracting providers to ensure that diabetes outpatient
 39 self-management training, education, and medical nutrition therapy

1 are provided by appropriately licensed or registered health care
2 professionals.

3 ~~(e)~~

4 (f) The diabetes outpatient self-management training, education,
5 and medical nutrition therapy services identified in subdivision
6 ~~(d)~~ (e) shall be provided by appropriately licensed or registered
7 health care professionals as prescribed by a participating health
8 care professional legally authorized to prescribe the service. These
9 benefits shall include, but not be limited to, instruction that will
10 enable diabetic patients and their families to gain an understanding
11 of the diabetic disease process, and the daily management of
12 diabetic therapy, in order to thereby avoid frequent hospitalizations
13 and complications.

14 ~~(f)~~

15 (g) The copayments for the benefits specified in subdivision~~(d)~~
16 (e) shall not exceed those established for physician office visits
17 by the plan.

18 ~~(g)~~ Every

19 (h) A health care service plan governed by this section shall
20 disclose the benefits covered pursuant to this section in the plan’s
21 evidence of coverage and disclosure forms.

22 ~~(h)~~

23 (i) A health care service plan ~~may~~ shall not reduce or eliminate
24 coverage as a result of ~~the requirements of~~ this section.

25 ~~(i) Nothing in this section shall be construed to~~

26 (j) This section does not deny or restrict ~~in any way~~ the
27 department’s authority to ensure plan compliance with this chapter
28 ~~when~~ if a plan provides coverage for prescription drugs.

29 SEC. 3. Section 10176.61 of the Insurance Code is amended
30 to read:

31 10176.61. (a) ~~Every insurer issuing, amending, delivering, or~~
32 ~~renewing a disability insurance policy~~ A health insurance policy
33 issued, amended, or renewed on or after January 1, 2000, ~~that~~
34 ~~covers hospital, medical, or surgical expenses~~ shall include
35 coverage for the following equipment and supplies for the
36 management and treatment of insulin-using diabetes,
37 non-insulin-using diabetes, and gestational diabetes as medically
38 necessary, even if the items are available without a prescription:

39 (1) Blood glucose monitors and blood glucose testing strips.

- 1 (2) Blood glucose monitors designed to assist the visually
2 impaired.
- 3 (3) Insulin pumps and all related necessary supplies.
- 4 (4) Ketone urine testing strips.
- 5 (5) Lancets and lancet puncture devices.
- 6 (6) Pen delivery systems for the administration of insulin.
- 7 (7) Podiatric devices to prevent or treat diabetes-related
8 complications.
- 9 (8) Insulin syringes.
- 10 (9) Visual aids, excluding eyewear, to assist the visually
11 impaired with proper dosing of insulin.
- 12 ~~(b) Every insurer issuing, amending, delivering, or renewing~~
13 ~~a disability insurance policy—~~*A health insurance policy that is*
14 *issued, amended, or renewed on or after January 1, 2000, that*
15 *covers prescription benefits shall include coverage for the following*
16 *prescription items if the items are determined to be medically*
17 *necessary:*
- 18 (1) Insulin.
- 19 (2) Prescriptive medications for the treatment of diabetes.
- 20 (3) Glucagon.
- 21 (c) The coinsurances and deductibles for the benefits specified
22 in subdivisions (a) and (b) shall not exceed those established for
23 similar benefits within the given policy.
- 24 *(d) (1) Notwithstanding subdivision (c), for a health insurance*
25 *policy that is issued, amended, or renewed on or after January 1,*
26 *2023, the copayment for an insulin prescription covered pursuant*
27 *to subdivision (b) shall not exceed thirty-five dollars (\$35) per*
28 *month per each dosage form of insulin products.*
- 29 *(2) A health insurance policy that is issued, amended, or*
30 *renewed on or after January 1, 2023, shall not impose a deductible,*
31 *coinsurance, or other cost-sharing requirement on an insulin*
32 *prescription, except for a copayment subject to the limitations in*
33 *paragraph (1).*
- 34 *(3) Paragraphs (1) and (2) shall only apply to one of each*
35 *dosage form and insulin type.*
- 36 ~~(d) Every~~
- 37 *(e) A health insurer shall provide coverage for diabetes*
38 *outpatient self-management training, education, and medical*
39 *nutrition therapy necessary to enable an insured to properly use*
40 *the equipment, supplies, and medications set forth in subdivisions*

1 (a) and (b) and additional diabetes outpatient self-management
 2 training, education, and medical nutrition therapy upon the
 3 direction or prescription of those services by the insured’s
 4 participating physician. If an insurer delegates outpatient
 5 self-management training to contracting providers, the insurer shall
 6 require contracting providers to ensure that diabetes outpatient
 7 self-management training, education, and medical nutrition therapy
 8 are provided by appropriately licensed or registered health care
 9 professionals.

10 ~~(e)~~

11 (f) The diabetes outpatient self-management training, education,
 12 and medical nutrition therapy services identified in subdivision
 13 ~~(d)~~ (e) shall be provided by appropriately licensed or registered
 14 health care professionals as prescribed by a health care professional
 15 legally authorized to prescribe the services.

16 ~~(f)~~

17 (g) The coinsurances and deductibles for the benefits specified
 18 in subdivision~~(d)~~ (e) shall not exceed those established for
 19 physician office visits by the insurer.

20 ~~(g) Every disability~~

21 (h) A health insurer governed by this section shall disclose the
 22 benefits covered pursuant to this section in the insurer’s evidence
 23 of coverage and disclosure forms.

24 ~~(h) An~~

25 (i) A health insurer ~~may~~ shall not reduce or eliminate coverage
 26 as a result of ~~the requirements of~~ this section.

27 ~~(i)~~

28 (j) This section does not apply to vision-only, dental-only,
 29 accident-only, specified disease, hospital indemnity, Medicare
 30 supplement, long-term care, or disability income insurance, except
 31 that for accident-only, specified disease, and hospital indemnity
 32 insurance coverage, benefits under this section only apply to the
 33 extent that the benefits are covered under the general terms and
 34 conditions that apply to all other benefits under the policy. ~~Nothing~~
 35 ~~in this~~ This section ~~may be construed as imposing~~ does not impose
 36 a new benefit mandate on accident-only, specified disease, or
 37 hospital indemnity insurance.

38 *SEC. 4. No reimbursement is required by this act pursuant to*
 39 *Section 6 of Article XIII B of the California Constitution because*
 40 *the only costs that may be incurred by a local agency or school*

1 *district will be incurred because this act creates a new crime or*
2 *infraction, eliminates a crime or infraction, or changes the penalty*
3 *for a crime or infraction, within the meaning of Section 17556 of*
4 *the Government Code, or changes the definition of a crime within*
5 *the meaning of Section 6 of Article XIII B of the California*
6 *Constitution.*

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**All matter omitted in this version of the bill
appears in the bill as amended in the
Senate, March 10, 2021. (JR11)**