

AMENDED IN SENATE MARCH 14, 2024

SENATE BILL

No. 1008

Introduced by Senator Bradford

February 1, 2024

An act to add Section 1374.6 to the Health and Safety Code, and to add Section 10123.62 to the Insurance Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

SB 1008, as amended, Bradford. Obesity Treatment Parity Act.

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 disability and health insurers by the Department of Insurance. Existing law sets forth specified coverage requirements for plan contracts and insurance policies, and limits the copayment, coinsurance, deductible, and other cost sharing that may be imposed for specified health care services.

This bill would require an individual or group health care service plan contract or health insurance policy issued, amended, or renewed on or after January 1, 2025, to include comprehensive coverage for the treatment of obesity in the same manner as any other illness, condition, or disorder. ~~The bill would prohibit an individual or group health care service plan contract or health insurance policy from requiring more than 6 months of intensive behavioral therapy prior to granting access to other treatment options. The bill would also require that at least one FDA-approved antiobesity medication within the class of the relevant United States Pharmacopeia therapeutic category appear on, and be~~

~~covered under, tier one of the health care service plan's or insurer's drug formulary.~~ *obesity, including coverage for intensive behavioral therapy, bariatric surgery, and at least one FDA-approved antiobesity medication.*

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. This act shall be known, and may be cited, as the
- 2 Obesity Treatment Parity Act.
- 3 SEC. 2. The Legislature finds and declares all of the following:
- 4 (a) Obesity is a serious chronic disease that is recognized as
- 5 such by major medical organizations, including the American
- 6 Medical Association since 2013, the American Association of
- 7 Clinical Endocrinology, the American College of Cardiology, the
- 8 Endocrine Society, the American Society for Reproductive
- 9 Medicine, the Society for Cardiovascular Angiography and
- 10 Interventions, the American Urological Association, and the
- 11 American College of Surgeons.
- 12 (b) Obesity is a complex chronic disease, one in which genetics,
- 13 the environment, and biology all play an important factor.
- 14 (c) Obesity is linked to more than 200 comorbid conditions.
- 15 (d) Obesity is associated with an increased risk of 13 types of
- 16 cancer.
- 17 (e) From 2005 to 2014, most cancers associated with obesity
- 18 and being overweight increased in the United States, while cancers
- 19 associated with other factors decreased.
- 20 (f) Obesity reduces a patient's overall survival rate and
- 21 cancer-specific survival rate, as well as increases the risk of cancer
- 22 recurrence.
- 23 (g) Obesity disproportionately affects communities of color.

- 1 (h) Obesity is impacted by socioeconomic status.
 - 2 (i) Adults suffering from obesity have a 55 percent higher risk
3 of developing depression over their lifetime.
 - 4 (j) Obesity accounts for 47 percent of the total cost of chronic
5 diseases in the United States.
 - 6 (k) Obesity is a highly stigmatized disease.
 - 7 (l) Barriers to accessing obesity treatments include stigma,
8 racism, and discrimination.
 - 9 (m) The California Code of Regulations currently requires
10 coverage of outpatient prescription drugs for the treatment of
11 obesity, but only when a patient is diagnosed with “morbid
12 obesity,” modernly referred to as “severe obesity.”
 - 13 (n) Chronic diseases without the stigma, racism, and
14 discrimination of obesity do not require patients to reach the
15 designation of “morbid” to be worthy of treatment options that
16 include outpatient prescription drugs.
 - 17 (o) The Obesity Treatment Parity Act would address health
18 equity gaps and social determinants of health for Californians by
19 ensuring the full range of treatment options are available to
20 patients, without them having to reach a level of obesity considered
21 “morbid.”
- 22 SEC. 3. Section 1374.6 is added to the Health and Safety Code,
23 to read:
- 24 1374.6. (a) An individual or group health care service plan
25 contract that provides coverage for outpatient prescription drug
26 benefits that is issued, amended, or renewed on or after January
27 1, 2025, shall include coverage for the treatment of obesity,
28 including coverage for intensive behavioral therapy, bariatric
29 surgery, and *at least one* FDA-approved antiobesity medication.
- 30 (b) This section does not prohibit a plan from applying
31 utilization management to determine the medical necessity for
32 treatment of obesity under this section if appropriateness and
33 medical necessity determinations are made in the same manner as
34 those determinations are made for the treatment of any other illness,
35 condition, or disorder covered by a contract. ~~Plans shall not require
36 more than six months of intensive behavioral therapy prior to
37 granting access to other treatment options required by this section.~~
- 38 (c) For purposes of this section, “FDA-approved antiobesity
39 medication” means a medication approved by the United States

1 Food and Drug Administration with an indication for chronic
2 weight management in patients with obesity.

3 ~~(d) At least one FDA-approved antiobesity medication within~~
4 ~~the class of the relevant United States Pharmacopeia therapeutic~~
5 ~~category shall appear on, and be covered pursuant to, tier one of~~
6 ~~the plan’s drug formulary.~~

7 (e)

8 (d) Coverage criteria for FDA-approved antiobesity medications
9 shall not be more restrictive than the FDA-approved indications
10 for those treatments.

11 (f)

12 (e) This section does not apply to a specialized health care
13 service plan contract that covers only dental or vision benefits or
14 a Medicare supplement contract.

15 SEC. 4. Section 10123.62 is added to the Insurance Code, to
16 read:

17 10123.62. (a) An individual or group health insurance policy
18 that provides coverage for outpatient prescription drug benefits
19 that is issued, amended, or renewed on or after January 1, 2025,
20 shall include coverage for the treatment of obesity, including
21 coverage for intensive behavioral therapy, bariatric surgery, and
22 *at least one* FDA-approved antiobesity medication.

23 (b) This section does not prohibit an insurer from applying
24 utilization management to determine the medical necessity for
25 treatment of obesity under this section if appropriateness and
26 medical necessity determinations are made in the same manner as
27 those determinations are made for the treatment of any other illness,
28 condition, or disorder covered by a policy. ~~Plans shall not require~~
29 ~~more than six months of intensive behavioral therapy prior to~~
30 ~~granting access to other treatment options required by this section.~~

31 (c) For purposes of this section, “FDA-approved antiobesity
32 medication” means a medication approved by the United States
33 Food and Drug Administration with an indication for chronic
34 weight management in patients with obesity.

35 ~~(d) At least one FDA-approved antiobesity medication within~~
36 ~~the class of the relevant United States Pharmacopeia therapeutic~~
37 ~~category shall appear on, and be covered pursuant to, tier one of~~
38 ~~the insurer’s drug formulary.~~

39 (e)

1 (d) Coverage criteria for FDA-approved antiobesity medications
2 shall not be more restrictive than the FDA-approved indications
3 for those treatments.

4 (f)

5 (e) This section does not apply to a specialized health insurance
6 policy that covers only dental or vision benefits or a Medicare
7 supplement policy.

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

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