

**Introduced by Senator Limón**

(Principal coauthors: Assembly Members Friedman and Lorena Gonzalez)

February 17, 2021

---

---

An act to amend Section 1367.665 of the Health and Safety Code, and to amend Section 10123.20 of the Insurance Code, relating to health care coverage.

## LEGISLATIVE COUNSEL'S DIGEST

SB 535, as introduced, Limón. Biomarker testing.

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 provides for the regulation of health insurers by the Department of Insurance. Existing law requires an individual or group health care service plan contract or health insurance policy issued, amended, delivered, or renewed on or after July 1, 2000, to provide coverage for all generally medically accepted cancer screening tests.

This bill would prohibit an individual or group health care service plan contract or health insurance policy issued, amended, delivered, or renewed on or after January 1, 2022, from requiring prior authorization for biomarker testing for an enrollee or insured with advanced or metastatic stage 3 or 4 cancer. The bill would also prohibit those individual or group health care service plans or health insurance policies from requiring prior authorization for biomarker testing for cancer progression or recurrence in the enrollee or insured with advanced or metastatic stage 3 or 4 cancer. 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. Section 1367.665 of the Health and Safety Code  
 2 is amended to read:

3 1367.665. ~~Every~~ (a) An individual or group health care service  
 4 plan contract, except for a specialized health care service plan  
 5 contract, that is issued, amended, delivered, or renewed on or after  
 6 July 1, 2000, shall be deemed to provide coverage for all generally  
 7 medically accepted cancer screening tests, subject to all terms and  
 8 conditions that would otherwise apply.

9 (b) *An individual or group health care service plan contract,*  
 10 *except for a specialized health care service plan contract, that is*  
 11 *issued, amended, delivered, or renewed on or after January 1,*  
 12 *2022, shall not require prior authorization for either of the*  
 13 *following:*

14 (1) *Biomarker testing for an enrollee with advanced or*  
 15 *metastatic stage 3 or 4 cancer.*

16 (2) *Biomarker testing for cancer progression or recurrence in*  
 17 *the enrollee with advanced or metastatic stage 3 or 4 cancer.*

18 (c) *For purposes of this section, “biomarker test” means a*  
 19 *diagnostic test of the cancer patient’s biospecimen, such as tissue,*  
 20 *blood, or other bodily fluids, for DNA or RNA alterations to*  
 21 *identify an individual with a subtype of cancer, in order to guide*  
 22 *patient treatment.*

23 SEC. 2. Section 10123.20 of the Insurance Code is amended  
 24 to read:

25 10123.20. (a) ~~Every~~ An individual or group ~~disability health~~  
 26 insurance policy ~~that covers hospital, medical, or surgical expenses~~  
 27 that is issued, amended, delivered, or renewed on or after July 1,  
 28 2000, shall be deemed to provide coverage for all generally

1 medically accepted cancer screening tests, subject to all other terms  
2 and conditions that would otherwise apply.

3 (b) *An individual or group health insurance policy that is issued,*  
4 *amended, delivered, or renewed on or after January 1, 2022, shall*  
5 *not require prior authorization for either of the following:*

6 (1) *Biomarker testing for an insured with advanced or metastatic*  
7 *stage 3 or 4 cancer.*

8 (2) *Biomarker testing of cancer progression or recurrence in*  
9 *the insured with advanced or metastatic stage 3 or 4 cancer.*

10 (c) *For purposes of this section, “biomarker test” means a*  
11 *diagnostic test of the cancer patient’s biospecimen, such as tissue,*  
12 *blood, or other bodily fluids, for DNA or RNA alterations to*  
13 *identify an individual with a subtype of cancer, in order to guide*  
14 *patient treatment.*

15 (b)

16 (d) This section shall not apply to vision-only, dental-only,  
17 accident-only, specified disease, hospital indemnity, Medicare  
18 supplement, long-term care, or disability income insurance, except  
19 that for accident-only, specified disease, or hospital indemnity  
20 insurance, coverage for benefits under this section shall apply to  
21 the extent that the benefits are covered under the general terms  
22 and conditions that apply to all other benefits under the policy or  
23 contract. ~~Nothing in this section shall~~ *This section shall not* be  
24 construed as imposing a new benefit mandate on accident-only,  
25 specified disease, or hospital indemnity insurance.

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