

AMENDED IN SENATE MARCH 10, 2021

**SENATE BILL**

**No. 473**

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**Introduced by Senator Bates**

February 17, 2021

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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, 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 ~~for a supply exceeding 30 days, total per month,~~ regardless of the amount or type of ~~insulin.~~ *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 hardships  
 8 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 costs  
 18 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) A health care service plan contract, except a  
 23 specialized health care service plan contract, that is issued,  
 24 amended, delivered, or renewed on or after January 1, 2000, shall  
 25 include coverage for the following equipment and supplies for the  
 26 management and treatment of insulin-using diabetes,

1 non-insulin-using diabetes, and gestational diabetes as medically  
2 necessary, even if the items are available without a prescription:  
3 (1) Blood glucose monitors and blood glucose testing strips.  
4 (2) Blood glucose monitors designed to assist the visually  
5 impaired.  
6 (3) Insulin pumps and all related necessary supplies.  
7 (4) Ketone urine testing strips.  
8 (5) Lancets and lancet puncture devices.  
9 (6) Pen delivery systems for the administration of insulin.  
10 (7) Podiatric devices to prevent or treat diabetes-related  
11 complications.  
12 (8) Insulin syringes.  
13 (9) Visual aids, excluding eyewear, to assist the visually  
14 impaired with proper dosing of insulin.  
15 (b) A health care service plan contract, except a specialized  
16 health care service plan contract, that is issued, amended, delivered,  
17 or renewed on or after January 1, 2000, that covers prescription  
18 benefits shall include coverage for the following prescription items  
19 if the items are determined to be medically necessary:  
20 (1) Insulin.  
21 (2) Prescriptive medications for the treatment of diabetes.  
22 (3) Glucagon.  
23 (c) The copayments and deductibles for the benefits specified  
24 in subdivisions (a) and (b) shall not exceed those established for  
25 similar benefits within the given plan.  
26 (d) (1) Notwithstanding subdivision (c), for a health care service  
27 plan contract that is issued, amended, delivered, or renewed on or  
28 after January 1, 2022, the copayment for an insulin prescription  
29 covered pursuant to subdivision (b) shall not exceed fifty dollars  
30 (\$50) per 30-day supply, or one hundred dollars (\$100) ~~for a supply~~  
31 ~~exceeding 30 days, total per month, regardless of the amount or~~  
32 ~~type of insulin prescribed. needed to fill the enrollee's prescription~~  
33 ~~or prescriptions.~~  
34 (2) A health care service plan contract that is issued, amended,  
35 delivered, or renewed on or after January 1, 2022, shall not impose  
36 a deductible, coinsurance, or other cost-sharing requirement on an  
37 insulin prescription, except for a copayment subject to the  
38 limitations in paragraph (1).  
39 (e) A health care service plan shall provide coverage for diabetes  
40 outpatient self-management training, education, and medical

1 nutrition therapy necessary to enable an enrollee to properly use  
2 the equipment, supplies, and medications set forth in subdivisions  
3 (a) and (b), and additional diabetes outpatient self-management  
4 training, education, and medical nutrition therapy upon the  
5 direction or prescription of those services by the enrollee's  
6 participating physician. If a plan delegates outpatient  
7 self-management training to contracting providers, the plan shall  
8 require contracting providers to ensure that diabetes outpatient  
9 self-management training, education, and medical nutrition therapy  
10 are provided by appropriately licensed or registered health care  
11 professionals.

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

22 (g) The copayments for the benefits specified in subdivision (e)  
23 shall not exceed those established for physician office visits by  
24 the plan.

25 (h) ~~Every~~A health care service plan governed by this section  
26 shall disclose the benefits covered pursuant to this section in the  
27 plan's evidence of coverage and disclosure forms.

28 (i) A health care service plan shall not reduce or eliminate  
29 coverage as a result of this section.

30 (j) This section does not deny or restrict ~~in any way~~ the  
31 department's authority to ensure plan compliance with this chapter  
32 if a plan provides coverage for prescription drugs.

33 SEC. 3. Section 10176.61 of the Insurance Code is amended  
34 to read:

35 10176.61. (a) A health insurance policy issued, amended, or  
36 renewed on or after January 1, 2000, shall include coverage for  
37 the following equipment and supplies for the management and  
38 treatment of insulin-using diabetes, non-insulin-using diabetes,  
39 and gestational diabetes as medically necessary, even if the items  
40 are available without a prescription:

- 1 (1) Blood glucose monitors and blood glucose testing strips.
- 2 (2) Blood glucose monitors designed to assist the visually
- 3 impaired.
- 4 (3) Insulin pumps and all related necessary supplies.
- 5 (4) Ketone urine testing strips.
- 6 (5) Lancets and lancet puncture devices.
- 7 (6) Pen delivery systems for the administration of insulin.
- 8 (7) Podiatric devices to prevent or treat diabetes-related
- 9 complications.
- 10 (8) Insulin syringes.
- 11 (9) Visual aids, excluding eyewear, to assist the visually
- 12 impaired with proper dosing of insulin.
- 13 (b) A health insurance policy that is issued, amended, or renewed
- 14 on or after January 1, 2000, that covers prescription benefits shall
- 15 include coverage for the following prescription items if the items
- 16 are determined to be medically necessary:
- 17 (1) Insulin.
- 18 (2) Prescriptive medications for the treatment of diabetes.
- 19 (3) Glucagon.
- 20 (c) The coinsurances and deductibles for the benefits specified
- 21 in subdivisions (a) and (b) shall not exceed those established for
- 22 similar benefits within the given policy.
- 23 (d) (1) Notwithstanding subdivision (c), for a health insurance
- 24 policy that is issued, amended, or renewed on or after January 1,
- 25 2022, the copayment for an insulin prescription covered pursuant
- 26 to subdivision (b) shall not exceed fifty dollars (\$50) per 30-day
- 27 supply, or one hundred dollars (\$100) ~~for a supply exceeding 30~~
- 28 ~~days, total per month,~~ regardless of the amount or type of insulin
- 29 ~~prescribed.~~ *needed to fill the insured's prescription or*
- 30 *prescriptions.*
- 31 (2) A health insurance policy that is issued, amended, or renewed
- 32 on or after January 1, 2022, shall not impose a deductible,
- 33 coinsurance, or other cost-sharing requirement on an insulin
- 34 prescription, except for a copayment subject to the limitations in
- 35 paragraph (1).
- 36 (e) A health insurer shall provide coverage for diabetes
- 37 outpatient self-management training, education, and medical
- 38 nutrition therapy necessary to enable an insured to properly use
- 39 the equipment, supplies, and medications set forth in subdivisions
- 40 (a) and (b) and additional diabetes outpatient self-management

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

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

14 (g) The coinsurances and deductibles for the benefits specified  
15 in subdivision (e) shall not exceed those established for physician  
16 office visits by the insurer.

17 (h) A health insurer governed by this section shall disclose the  
18 benefits covered pursuant to this section in the insurer's evidence  
19 of coverage and disclosure forms.

20 (i) A health insurer shall not reduce or eliminate coverage as a  
21 result of this section.

22 (j) This section does not apply to vision-only, dental-only,  
23 accident-only, specified disease, hospital indemnity, Medicare  
24 supplement, long-term care, or disability income insurance, except  
25 that for accident-only, specified disease, and hospital indemnity  
26 insurance coverage, benefits under this section only apply to the  
27 extent that the benefits are covered under the general terms and  
28 conditions that apply to all other benefits under the policy. This  
29 section does not impose a new benefit mandate on accident-only,  
30 specified disease, or hospital indemnity insurance.

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

1 the meaning of Section 6 of Article XIII B of the California  
2 Constitution.

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