

**ASSEMBLY BILL**

**No. 1000**

---

---

**Introduced by Assembly Member Perea**

February 18, 2011

---

---

An act to add and repeal Section 1367.655 of the Health and Safety Code, and to add and repeal Section 10123.205 of the Insurance Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

AB 1000, as introduced, Perea. Health care coverage: cancer treatment.

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 also provides for the regulation of health insurers by the Department of Insurance. Existing law requires health care service plan contracts and health insurance policies to provide coverage for all generally medically accepted cancer screening tests and requires those plans and policies to also provide coverage for the treatment of breast cancer. Existing law imposes various requirements on contracts and policies that cover prescription drug benefits.

This bill, until January 1, 2016, would require health care service plan contracts and health insurance policies that provide coverage for cancer chemotherapy treatment to provide coverage for a prescribed, orally administered, nongeneric cancer medication, as specified. The bill would require a health care service plan or health insurer to review the percentage cost share, as defined, for oral nongeneric cancer medications and intravenous or injected nongeneric cancer medications

and to apply the lower of the 2 as the cost-sharing provision for oral nongeneric cancer medications. The bill would limit increases in cost sharing for nongeneric cancer medications, as specified. The bill would specify that its provisions do not apply to health care service plan contracts or health insurance policies that do not provide coverage for prescription drugs. The bill would specify that its provisions do not apply to a health care benefit plan, contract, or health insurance policy with the Board of Administration of the Public Employees’ Retirement System.

Because a willful violation of the bill’s requirements relative to health care service plans 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 1367.655 is added to the Health and  
2 Safety Code, to read:  
3 1367.655. (a) A health care service plan contract issued,  
4 amended, or renewed on or after January 1, 2012, that provides  
5 coverage for cancer chemotherapy treatment shall provide coverage  
6 for a prescribed, orally administered, nongeneric cancer medication  
7 used to kill or slow the growth of cancerous cells and shall review  
8 the percentage cost share for oral nongeneric cancer medications  
9 and intravenous or injected nongeneric cancer medications and  
10 apply the lower of the two as the cost-sharing provision for oral  
11 nongeneric cancer medications. A health care service plan contract  
12 shall not provide for an increase in enrollee cost sharing for  
13 nongeneric cancer medications to any greater extent than the  
14 contract provides for an increase in enrollee cost sharing for other  
15 nongeneric covered medications.  
16 (b) For purposes of this section, “cost share” means copayment,  
17 coinsurance, or deductible provisions applicable to coverage for  
18 oral, intravenous, or injected nongeneric cancer medications.

1 (c) Nothing in this section shall be construed to require a health  
2 care service plan contract to provide coverage for any additional  
3 medication not otherwise required by law.

4 (d) Nothing in this section shall prohibit a health care service  
5 plan from removing a prescription drug from its formulary of  
6 covered prescription drugs.

7 (e) This section shall not apply to a health care service plan  
8 contract that does not provide coverage for prescription drugs.

9 (f) This section shall not apply to a health care benefit plan or  
10 contract entered into with the Board of Administration of the Public  
11 Employees' Retirement System pursuant to the Public Employees'  
12 Medical and Hospital Care Act (Part 5 (commencing with Section  
13 22750) of Division 5 of Title 2 of the Government Code).

14 (g) This section shall remain in effect only until January 1, 2016,  
15 and as of that date is repealed, unless a later enacted statute, that  
16 is enacted before January 1, 2016, deletes or extends that date.

17 SEC. 2. Section 10123.205 is added to the Insurance Code, to  
18 read:

19 10123.205. (a) A health insurance policy issued, amended, or  
20 renewed on or after January 1, 2012, that provides coverage for  
21 cancer chemotherapy treatment shall provide coverage for a  
22 prescribed, orally administered, nongeneric cancer medication  
23 used to kill or slow the growth of cancerous cells and shall review  
24 the percentage cost share for oral nongeneric cancer medications  
25 and intravenous or injected nongeneric cancer medications and  
26 apply the lower of the two as the cost-sharing provision for oral  
27 nongeneric cancer medications. A health insurance policy shall  
28 not provide for an increase in insured cost sharing for nongeneric  
29 cancer medications to any greater extent than the policy provides  
30 for an increase in an insured's cost sharing for other nongeneric  
31 covered medications.

32 (b) For purposes of this section, "cost share" means copayment,  
33 coinsurance, or deductible provisions applicable to coverage for  
34 oral, intravenous, or injected nongeneric cancer medications.

35 (c) Nothing in this section shall be construed to require a health  
36 insurance policy to provide coverage for any additional medication  
37 not otherwise required by law.

38 (d) Nothing in this section shall prohibit a health insurer from  
39 removing a prescription drug from its formulary of covered  
40 prescription drugs.

1 (e) This section shall not apply to a health insurance policy that  
2 does not provide coverage for prescription drugs.

3 (f) This section shall not apply to a policy of health insurance  
4 purchased by the Board of Administration of the Public Employees'  
5 Retirement System pursuant to the Public Employees' Medical  
6 and Hospital Care Act (Part 5 (commencing with Section 22750)  
7 of Division 5 of Title 2 of the Government Code).

8 (g) This section shall remain in effect only until January 1, 2016,  
9 and as of that date is repealed, unless a later enacted statute, that  
10 is enacted before January 1, 2016, deletes or extends that date.

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