

AMENDED IN ASSEMBLY MAY 5, 2025

CALIFORNIA LEGISLATURE—2025–26 REGULAR SESSION

ASSEMBLY BILL

No. 1032

Introduced by Assembly Members Harabedian and Rivas

February 20, 2025

An act to add Section ~~1374.726~~ 1368.9 to the Health and Safety Code, and to add Section ~~10144.45~~ 10112.97 to the Insurance Code, relating to health care coverage, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL’S DIGEST

AB 1032, as amended, Harabedian. Coverage for behavioral health visits.

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 a health care service plan contract or health insurance policy issued, amended, or renewed on or after January 1, 2021, to provide coverage for medically necessary treatment of mental health and substance use disorders, as defined, under the same terms and conditions applied to other medical conditions.

This bill would generally require ~~an individual or a large~~ group health care service plan contract or health insurance policy issued, amended, or renewed on or after January 1, 2026, to reimburse an eligible enrollee or insured for up to 12 visits per year with a licensed behavioral health provider if the enrollee or insured is in a county where a local or state emergency has been declared due to wildfires. *The bill would prohibit*

these benefits from being subject to utilization review. Under the bill, an enrollee or insured would be entitled to those benefits until one year from the date the local or state emergency is lifted, whichever is later. *The bill would require a health care service plan contract or health insurer to provide notice to all affected enrollees of these provisions, as specified.* 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.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. 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 1374.726 is added to the Health and~~
- 2 ~~Safety Code, to read:~~
- 3 ~~1374.726.—~~
- 4 SECTION 1. Section 1368.9 is added to the Health and Safety
- 5 Code, to read:
- 6 1368.9. (a) (1) ~~An individual or~~ A large group health care
- 7 service plan contract issued, amended, or renewed on or after
- 8 January 1, 2026, shall reimburse an eligible enrollee for up to 12
- 9 visits per year with a licensed behavioral health provider if the
- 10 enrollee is in a county where a local or state emergency has been
- 11 declared due to wildfires. *These benefits shall not be subject to*
- 12 *utilization review, and shall apply even if the licensed behavioral*
- 13 *health provider is not a contracting provider.*
- 14 (2) An enrollee is entitled to the benefits specified in paragraph
- 15 (1) until one year from the date the local or state emergency is
- 16 lifted, whichever is later. *Consistent with Section 1373.96, a health*
- 17 *care service plan shall assure continuity of care.*
- 18 (3) *The enrollee shall pay no more than the same cost sharing*
- 19 *that the enrollee would pay for the same covered services received*
- 20 *from an in-network provider. Cost sharing shall accrue toward*

1 *the enrollee’s annual deductible, regardless of the network status*
2 *of the licensed behavioral health provider.*

3 *(4) A noncontracting provider shall be paid consistent with the*
4 *requirements of this chapter.*

5 ~~(3)~~

6 *(5) For a health care service plan contract that meets the*
7 *definition of a “high deductible health plan” set forth in Section*
8 *223(c)(2) of Title 26 of the United States Code, paragraph (1) shall*
9 *only apply once an enrollee’s deductible has been satisfied for the*
10 *year.*

11 ~~(b) (1) This section applies to a health care service plan subject~~
12 ~~to Section 1349.2.~~

13 *(b) (1) This section shall apply to a health care benefit plan or*
14 *contract entered into with the Board of Administration of the Public*
15 *Employees Retirement System pursuant to the Public Employees*
16 *Medical and Hospital Care Act (part 5 (commencing with Section*
17 *22750) of Division 5 of Title 2 of the Government Code) and*
18 *members of the State Teachers’ Retirement System (CalSTRS) who*
19 *receive a health care benefit under CALSTRS.*

20 *(2) This section does not apply to a specialized health care*
21 *service plan contract that covers only dental or vision benefits or*
22 *to coverage under a health care service plan contract for the federal*
23 *Medicare Program pursuant to Title XVIII of the Social Security*
24 *Act (42 U.S.C. Sec. 1395 et seq.).*

25 ~~(e) This section does not excuse a health care service plan from~~
26 ~~complying with Section 1374.72 or any other requirement of this~~
27 ~~chapter.~~

28 *(3) This section shall not apply to Medi-Cal managed care plans*
29 *that contract with the State Department of Health Care Services*
30 *pursuant to Chapter 7 (commencing with Section 1400) of, and*
31 *Chapter 8 (commencing with Section 14200) of, Part 3 of Division*
32 *9 of the Welfare and Institutions Code.*

33 *(c) A health care service plan shall comply with the requirements*
34 *of this chapter, including, Sections 1374.72 and 1374.721.*

35 *(d) For purposes of this section, “licensed behavioral health*
36 *provider” means a provider licensed under Division 2 (commencing*
37 *with Section 500) of the Business and Professions Code authorized*
38 *to render behavioral health services.*

39 *(e) (1) Upon implementation of this section or within 30 days*
40 *of when a local or state emergency due to wildfires has been*

1 *declared, the health care service plan shall provide notice to all*
2 *affected enrollees of this provision, as well as their right under*
3 *Section 1374.72 to receive out of network care if in-network care*
4 *is not available within the time or geographic standards set by*
5 *law or regulation and the obligation of the plan to arrange such*
6 *services.*

7 *(2) The notice shall also specify that an enrollee's rights and*
8 *benefits under this section are separate and distinct from those in*
9 *Section 1374.72, and that enrollees can access the services under*
10 *this section from any of the licensed behavioral health providers.*

11 ~~SEC. 2. Section 10144.45 is added to the Insurance Code, to~~
12 ~~read:~~

13 ~~10144.45.—~~

14 *SEC. 2. Section 10112.97 is added to the Insurance Code, to*
15 *read:*

16 *10112.97. (a) (1) ~~An individual or~~ A large group health*
17 *insurance policy issued, amended, or renewed on or after January*
18 *1, 2026, shall reimburse an eligible insured for up to 12 visits per*
19 *year with a licensed behavioral health provider if the insured is in*
20 *a county where a local or state emergency has been declared due*
21 *to wildfires. These benefits shall not be subject to utilization review,*
22 *as defined in Section 10144.52, and shall apply regardless of the*
23 *network status of the licensed behavioral health provider.*

24 *(2) An insured is entitled to the benefits specified in paragraph*
25 *(1) until one year from the date the local or state emergency is*
26 *lifted, whichever is later. Consistent with Section 10133.56, an*
27 *insurer shall assure continuity of care.*

28 *(3) The insured shall pay no more than the same cost sharing*
29 *that the insured would pay for the same covered services received*
30 *from an in-network provider. Cost sharing shall accrue toward*
31 *the insured's annual deductible, regardless of the network status*
32 *of the licensed behavioral health provider.*

33 ~~(3)~~

34 *(4) For a health insurance policy that meets the definition of a*
35 *"high deductible health plan" set forth in Section 223(c)(2) of Title*
36 *26 of the United States Code, paragraph (1) shall only apply once*
37 *an insured's deductible has been satisfied for the year.*

38 ~~(b) (1) This section applies to an insurer subject to subdivision~~
39 ~~(i) of Section 740.~~

1 ***(b) (1) This section shall apply to insureds of a health care***
2 ***benefit plan or contract entered into with the Board of***
3 ***Administration of the Public Employees Retirement System***
4 ***pursuant to the Public Employees Medical and Hospital Care Act***
5 ***(Part 5 (commencing with Section 22750) of Division 5 of Title 2***
6 ***of the Government Code) and members of the State Teachers'***
7 ***Retirement System (CalSTRS) who receive a health care benefit***
8 ***under CalSTRS.***

9 ***(2) This section does not apply to a specialized health insurance***
10 ***policy that covers only dental or vision—benefits benefits, a***
11 ***Medicare supplement insurance policy, or to coverage under a***
12 ***health care service plan contract for the federal Medicare Program***
13 ***pursuant to Title XVIII of the Social Security Act (42 U.S.C. Sec.***
14 ***1395 et seq.).***

15 ***(c) This section does not excuse a health care service plan from***
16 ***complying with Section 10144.5 or any other requirement of this***
17 ***chapter.***

18 ***(c) An insurer shall comply with the requirements of this***
19 ***chapter, including, Section 10144.5.***

20 ***(d) For purposes of this section, "licensed behavioral health***
21 ***provider" means a provider licensed under Division 2 (commencing***
22 ***with Section 500) of the Business and Professions Code authorized***
23 ***to render behavioral health services.***

24 ***(e) (1) Upon implementation of this section or within 30 days***
25 ***of when a local or state emergency due to wildfires has been***
26 ***declared, the insurer shall provide notice to all affected insureds***
27 ***of this provision, as well as their right under Section 10144.5 to***
28 ***receive out of network care if in-network care is not available***
29 ***within the time or geographic standards set by law or regulation***
30 ***and the obligation of the insurer to arrange such services.***

31 ***(2) The notice shall also specify that an insured's rights and***
32 ***benefits under this section is separate from and distinct from those***
33 ***in Section 10144.5 and that an insured can access the services***
34 ***under this section from any of the licensed behavioral health***
35 ***providers.***

36 **SEC. 3.** No reimbursement is required by this act pursuant to
37 Section 6 of Article XIII B of the California Constitution because
38 the only costs that may be incurred by a local agency or school
39 district will be incurred because this act creates a new crime or
40 infraction, eliminates a crime or infraction, or changes the penalty

1 for a crime or infraction, within the meaning of Section 17556 of
2 the Government Code, or changes the definition of a crime within
3 the meaning of Section 6 of Article XIII B of the California
4 Constitution.

5 SEC. 4. This act is an urgency statute necessary for the
6 immediate preservation of the public peace, health, or safety within
7 the meaning of Article IV of the California Constitution and shall
8 go into immediate effect. The facts constituting the necessity are:

9 Because the destruction and loss of one's home, belongings, and
10 surrounding community, and the threat to personal safety and the
11 safety of loved ones, can have significant consequences on
12 survivors' behavioral health, which persist for years after, it is
13 necessary for this act to take effect immediately.