

Introduced by Senator AlquistFebruary 17, 2005

An act to add Section 1373.15 to the Health and Safety Code, and to add Section 10124.1 to the Insurance Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

SB 415, as introduced, Alquist. Prescription drugs: Alzheimer's disease.

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 violation of the act a crime. Existing law also provides for the licensure and regulation of health insurers by the Department of Insurance. Under existing law, a health care service plan and a health insurance policy that include coverage for prescription drugs must comply with certain conditions with regard to providing that benefit.

This bill would require a health care service plan and a health insurance policy providing coverage for prescription drugs, to include medications in that benefit for the treatment of Alzheimer's disease.

Because the bill would specify an additional requirement for health care service plans, the violation of which would be a crime, it 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. (a) The Legislature finds and declares the
2 following:

3 (1) A class of medications called cholinesterase inhibitors has
4 been shown to be effective in slowing the progress of
5 Alzheimer's disease when utilized early in the onset of symptoms
6 of dementia.

7 (2) Studies have shown that these medications can allow a
8 person to maintain a relatively normal life and avoid institutional
9 care for nine months to a year.

10 (3) In addition to avoiding institutional care, the improved
11 quality of life for those suffering from Alzheimer's disease
12 results in an improved quality of life for their family caregivers
13 allowing the caregivers to continue to work more productively
14 and to avoid the stress, depression, and other problems
15 commonly associated with having a family member suffering
16 from Alzheimer's disease.

17 (4) Notwithstanding the demonstrated effectiveness and
18 cost-effectiveness of these medications, some health care service
19 plans and health insurers have not included coverage for these
20 medications in their prescription drug formularies.

21 (b) It is the intent of the Legislature to rectify this omission.

22 SEC. 2. Section 1373.15 is added to the Health and Safety
23 Code, to read:

24 1373.15. Every health care service plan contract that provides
25 prescription drug benefits, except a specialized health care
26 service plan contract, that is issued, amended, renewed, or
27 delivered in this state on or after July 1, 2006, shall include in its
28 prescription drug formularies, cholinesterase inhibitors and other
29 medications approved by the federal Food and Drug
30 Administration for the treatment of Alzheimer's disease.

31 SEC. 3. Section 10124.1 is added to the Health and Safety
32 Code, to read:

33 10124.1. Every group or individual policy of health insurance
34 that provides hospital, medical, or surgical benefits that is issued,
35 amended, renewed, or delivered in this state on or after July 1,

1 2006, that also includes a prescription drug benefit, shall offer
2 coverage for cholinesterase inhibitors and other medications
3 approved by the federal Food and Drug Administration for the
4 treatment of Alzheimer's disease.

5 SEC. 4. No reimbursement is required by this act pursuant to
6 Section 6 of Article XIII B of the California Constitution because
7 the only costs that may be incurred by a local agency or school
8 district will be incurred because this act creates a new crime or
9 infraction, eliminates a crime or infraction, or changes the
10 penalty for a crime or infraction, within the meaning of Section
11 17556 of the Government Code, or changes the definition of a
12 crime within the meaning of Section 6 of Article XIII B of the
13 California Constitution.

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