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## SENATE COMMITTEE ON APPROPRIATIONS

Senator Anthony Portantino, Chair  
2023 - 2024 Regular Session

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### AB 425 (Alvarez) - Medi-Cal: pharmacogenomic testing

**Version:** March 30, 2023

**Urgency:** No

**Hearing Date:** July 10, 2023

**Policy Vote:** HEALTH 11 - 0

**Mandate:** No

**Consultant:** Agnes Lee

**Bill Summary:** AB 425 would add pharmacogenomic testing, as defined, as a benefit in the Medi-Cal program.

**Fiscal Impact:** Unknown, ongoing costs in the Medi-Cal program, likely tens of millions (General Fund and federal funds), due to increased utilization of pharmacogenomic testing.

**Background:** According to the Centers of Disease Control and Prevention (CDC), pharmacogenomics is an important example of the field of precision medicine, which aims to tailor medical treatment to each person or to a group of people. According to the National Human Genome Research Institute under the federal National Institutes of Health, pharmacogenomics uses information about a person's genetic makeup, or genome, to choose the drugs and drug doses that are likely to work best for that particular person. This field combines the science of how drugs work, called pharmacology, with the science of the human genome, called genomics.

The Medi-Cal program, administered by the Department of Health Care Services (DHCS), provides health coverage to eligible low-income individuals. Current law establishes a schedule of benefits under the Medi-Cal program, which includes benefits required under federal law and benefits provided at state option but for which federal financial participation through Medicaid is available. The schedule of benefits includes Rapid Whole Genome Sequencing for any Medi-Cal beneficiary who is one year of age or younger and is receiving inpatient hospital services in an intensive care unit and prescription drugs.

**Proposed Law:** AB 425 would add pharmacogenomic testing, as defined, to the Medi-Cal schedule of benefits, subject to utilization controls.

**Related Legislation:** SB 1191 (Bates, 2022) was similar to this bill. The bill was vetoed by the Governor.

**Staff Comments:** The Department of Finance (DOF) analysis of SB 1191, which cited the California Health Benefits Review Program (CHBRP) analysis of SB 1191, estimated the costs to be between \$17.6 million (\$8.8 million General Fund and \$8.8 million federal funds) and \$54.2 million (\$27.1 million General Fund and \$27.1 million federal funds) annually.

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