SENATE RULES COMMITTEE AB 1032
Office of Senate Floor Analyses
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THIRD READING

Bill No: AB 1032
Author: Harabedian (D) and Rivas (D), et al.
Amended: 8/29/25 in Senate
Vote: 27 - Urgency

SENATE HEALTH COMMITTEE: 8-0, 7/9/25
AYES: Menjivar, Durazo, Gonzalez, Limón, Padilla, Richardson, Rubio, Wiener
NO VOTE RECORDED: Valladares, Grove, Weber Pierson

SENATE APPROPRIATIONS COMMITTEE: 4-1, 8/29/25
AYES: Caballero, Cabaldon, Grayson, Richardson
NOES: Wahab
NO VOTE RECORDED: Seyarto, Dahle

ASSEMBLY FLOOR: 74-1, 6/2/25 - See last page for vote

SUBJECT: Coverage for behavioral health visits

SOURCE: Author

DIGEST: This bill requires a large group health plan contract or large group insurance policy to reimburse an eligible enrollee or insured for up to 12 visits with a behavioral health provider if the enrollee or insured lives in a county or counties where a local or state emergency has been declared due to wildfires and has experienced a loss, trauma, or displacement because of the fire. Exempts these benefits from utilization review regardless of the network status of the provider. Includes coverage in a health benefit plan or contract entered into with the Board of Administration of the Public Employees Retirement System and for members of the State Teachers' Retirement System, as specified.

ANALYSIS:

Existing law:

1) Establishes the Department of Managed Health Care (DMHC) to regulate health plans under the Knox-Keene Health Care Service Plan Act of 1975 (Knox-Keene Act) and the California Department of Insurance (CDI) to regulate health and other insurance. [Health and Safety Code (HSC) §1340, et seq. and Insurance Code (INS) §106, et seq.]

2) Requires health plans or insurers to provide an enrollee or insured who has been displaced or affected by a state of emergency declared by the Governor, or a health emergency declared by the State Public Health Officer, access to medically necessary health care services. Requires the health plan or insurer, within 48 hours, to file a notification describing whether the plan or insurer has experienced or expects to experience any disruption to operations, explaining how the plan or insurer is communicating with potentially impacted enrollees and insureds, and summarizing the actions taken or in the process of taking to ensure that the health care needs of enrollees and insureds are met. Authorizes DMHC and CDI to require the plan or insurer to take actions, including, shortening time limits to approve prior authorization, precertification, or referrals, and extend the time that prior authorizations, precertifications, and referrals remain valid; and, allowing an enrollee or insured to access an appropriate out-of-network provider if an in-network provider is unavailable due to the state of emergency or if the enrollee or insured is out of the area due to displacement. [HSC §1368.7 and INS §10112.95]

3) Requires every health plan contract and insurance policy that provides hospital, medical, or surgical coverage to provide coverage for medically necessary treatment of mental health and substance use disorders under the same terms and conditions applied to other medical conditions, as specified. [HSC §1374.72 and INS §10144.5]

4) Requires the plans and insurers that offer contracts and policies described in 3) above to base any medical necessity determination or utilization review criteria used to determine medical necessity on current generally accepted standards of mental health and substance use disorder care. Requires the utilization review criteria and guidelines to be based on the most recent versions of treatment guidelines for the specialty; and, prohibits, for those decisions involving level of care placement or other patient care within this scope of care, from applying different, additional, conflicting, or more restrictive utilization review criteria, as specified. [HSC §1374.721 and INS §10144.52]

5) Requires health plans or insurers, when medically necessary treatment of a mental health or substance use disorder services are not available in network within the geographic and timely access standards set by law or regulation, to arrange coverage to ensure the delivery of medically necessary out-of-network services and any medically necessary follow-up services that, to the maximum extent possible, meet those geographic and timely access standards. Requires "arrange coverage to ensure the delivery of medically necessary out-of-network services" to include, but not be limited to, providing services to secure medically necessary out-of-network options that are available to the enrollee or insured within geographic and timely access standards. Requires the enrollee or insured to pay no more than the same cost-sharing that would be paid for the same covered services received from an in-network provider. [HSC §1374.72 and INS §10144.5]

6) Requires health plans or health insurers to cover the completion of covered services by a terminated provider, if requested by an enrollee or insured for the treatment of certain conditions, and if the provider and plan agree on terms and reimbursement, as specified. Requires health plans to cover the completion of covered services by non-participating providers for new enrollees under similar circumstances. [HSC §1373.96 and INS §10133.56]

7) Establishes as one condition eligible for completion of services (there are other conditions not relevant to this bill), a serious chronic condition that is a medical condition due to a disease, illness, or other medical disorder that is serious in nature and that persists without full cure or worsens over an extended period of time or requires ongoing treatment to maintain remission or prevent deterioration. Requires completion of covered services to be provided for a period of time necessary to complete a course of treatment and to arrange for a safe transfer to another provider, as determined by the health plan or insurer in consultation with the enrollee or insured and the terminated provider or nonparticipating provider and consistent with good professional practices. Limits completion of covered services for a serious chronic condition to not more than 12 months from the contract termination date or 12 months from the effective date of coverage for a newly covered enrollee. [HSC §1373.96 and INS §10133.56]

This bill:

1) Requires a large group health plan contract or insurance policy issued, amended or renewed on or after January 1, 2026, to cover or reimburse an eligible

enrollee or insured for up to 12 visits per year with a licensed behavioral health provider if the enrollee or insured lives in a county or counties where a local or state emergency has been declared due to wildfires, and the enrollee or insured has experienced a loss, trauma, or displacement because of the fire. Exempts these 12 visits from utilization review regardless of the network status of the behavioral health provider. Clarifies this is in addition to covering all medical necessary treatment of mental health and substance use disorders, as required by law.

2) Requires a health plan and insurer to assure continuity of care consistent with existing law. Defines state of emergency, and local emergency, as specified.

3) Requires the enrollee or insured to pay no more than in-network cost-sharing. Requires cost-sharing to accrue toward the enrollee's or insured's annual deductible, regardless of network status of the provider.

4) Applies this bill to a health benefit plan or contract entered into with the Board of Administration of the Public Employees Retirement System and members of the State Teachers' Retirement System, as specified. Applies this bill to a "high deductible health plan," as specified once the deductible is satisfied.

5) Requires a noncontracting provider to be paid consistent with existing law.

6) Defines licensed behavioral health provider as a health care provider defined under specified law.

7) Requires the plan or insurer to provide notice of the benefit in this bill to all affected enrollees and insureds, as specified.

8) Contains an urgency clause that will make this bill effective upon enactment.

Comments

According to the author of this bill:

> As wildfires continue to devastate our communities, we cannot ignore the lasting emotional toll they take on survivors. The data is clear—anxiety, depression, and post-traumatic stress disorder (PTSD) are real consequences and the demand for behavioral health support skyrockets in the aftermath.

We must act now to ensure those affected have the behavioral health services they need to heal and rebuild their lives.

Background

California Health Benefits Review Program (CHBRP) report. The past 10 years have seen some of the most destructive and deadliest fires in California history, including the 2018 Camp Fire and 2025 Eaton Fire. Serious wildfires can result in harmful environmental conditions such as smoke and poor water quality, and disrupt residents' way of life through forced evacuations and burned or damaged property, land, and structures, as well as through the loss or fracture of jobs, income, social and community networks, food and water security, and more. Residents of an affected region can experience adverse physical and behavioral health conditions that last beyond the end of the fire. Common behavioral health conditions among people impacted by wildfires and other natural disasters are PTSD, anxiety, depression, sleep disorders, general mood or behavior disorders, and substance use disorder. Individuals who lose loved ones are at greater risk for serious psychological distress.

Related/Prior Legislation

SB 979 (Dodd, Chapter 421, Statutes of 2022) expands provisions of law permitting DMHC and CDI to take actions to protect enrollee and insured access to health care during a state of emergency proclaimed by the Governor by extending this ability to health emergencies declared by the state Public Health Officer, and by extending this authority to when the emergency affects health care providers or the enrollee's or insured's health, rather than just when the emergency displaces enrollees.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

According to the Senate Committee on Appropriations, unknown ongoing costs for DMHC, likely low hundreds of thousands, for state administration (Managed Care Fund). Unknown costs for CDI, likely minor, for state administration (Insurance Fund). Unknown potential General Fund costs to the extent there are increases in premiums for CalPERS plans.

SUPPORT: (Verified 8/29/2025)

AltaMed Health Services Corporation

California Academy of Child and Adolescent Psychiatry
California Access Coalition
California Behavioral Health Association
California Pan-Ethnic Health Network
California Retired Teachers Association
California-Hawaii State Conference of the NAACP
CleanEarth4Kids.org
County of Los Angeles Board of Supervisors
Eaton Fire Survivors Network
Mental Health America of California
National Alliance on Mental Illness
National Association of Social Workers
National Union of Healthcare Workers
Steinberg Institute
The Kennedy Forum

OPPOSITION: (Verified 8/29/2025)

Association of California Life and Health Insurance Companies
California Association of Health Plans

ARGUMENTS IN SUPPORT: AltaMed writes, "Wildfires have devastating effects not only on physical property but also on mental health. The Eaton and Palisades fires in Los Angeles County resulted in 30 deaths, over 18,000 destroyed structures, and approximately $30 billion in property damage. Studies show that wildfire survivors frequently experience anxiety, depression, PTSD, and other behavioral health challenges. Data from helplines indicate a dramatic surge in distress calls following these disasters, demonstrating the urgent need for accessible mental health services. AltaMed was directly impacted by the Eaton Fire, which destroyed our Pasadena clinic and displaced over 3,500 patients—many of them older adults and low-income families. Seventeen employees lost their homes, and hundreds more were affected. Despite these losses, AltaMed mounted a coordinated and compassionate response, becoming the only community health center to provide services at the Pasadena Convention Center evacuation site. Over 215 staff delivered more than 650 clinical encounters through mobile units and wellness teams, offering primary care, urgent services, and behavioral health support. Mental health emerged as a critical need for individuals from fire areas, stating that their households had experienced worsening mental health since the fire and needed help finding mental health support or counseling services. Our teams conducted daily wellness checks, provided mental health care within quarantine zones, and supported individuals showing signs of trauma, stress,

and anxiety. Through this response, AltaMed witnessed firsthand the urgent and ongoing need for behavioral health services during and after wildfire emergencies." The Steinberg Institute writes this bill, "takes a critical step forward by recognizing that the demand for services often intensifies in the wake of traumatic events. Californians—particularly those impacted by regional disasters such as wildfires—require more than the baseline number of appointments to support their recovery and resilience. Data from the California Parent & Youth Helpline highlights this need: during the most recent wildfire season, 62% of all calls came from Southern California, with a 366% surge in overnight calls, 68% increase in live chat usage, 45% rise in texts, and a 22% overall increase in call volume. These statistics underscore the urgent necessity for scalable and responsive behavioral health care access during emergencies."

ARGUMENTS IN OPPOSITION: The California Association of Health Plans (CAHP) and the Association of California Life and Health Insurance Companies (ACLHIC) write that this bill is duplicative of existing mental health parity laws and seems to undermine those existing protections by imposing arbitrary limits on services when related to a specific event. The opposition argues this bill duplicates protections and creates confusion and administrative complexity. The opposition believes this creates inequities and discrimination in the system by treating those impacted by wildfires differently than individuals affected by other natural disasters and by limiting the bill to the large group market. CAHP and ACLHIC believe this bill will create operational challenges and they believe utilization management is an essential tool for determining medical necessity, ensuring provider accountability, preventing fraud, waste, and abuse, and safeguarding against unnecessary costs.

ASSEMBLY FLOOR: 74-1, 6/2/25
AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, Dixon, Elhawary, Flora, Fong, Gabriel, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lackey, Lee, Lowenthal, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas
NOES: DeMaio
NO VOTE RECORDED: Ellis, Gallagher, Macedo, Tangipa

Prepared by: Teri Boughton / HEALTH / (916) 651-4111
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****** END ******