

GOVERNOR'S VETO
AB 1032 (Harabedian and Rivas)
As Enrolled September 16, 2025
2/3 vote. Urgency.

SUMMARY

Requires a large group health care service plan (health plan) or health insurer to cover or reimburse an eligible enrollee or insured for up to 12 visits with a behavioral health (BH) provider if the enrollee or insured is in a county or counties where a local or state emergency has been declared due to wildfires. Prohibits the 12 visits from being subject to utilization review, and requires the visits to apply regardless of the network status of the BH provider. Prohibits an enrollee or insured from paying no more than the same cost sharing that the individual would pay for the same covered services received from an in-network provider. Requires the benefits in this bill to apply to a health care benefit plan or contract entered into with the Board of Administration of the California Public Employees' Retirement System (CalPERS) pursuant to the Public Employees Medical and Hospital Care Act, and to members of the State Teachers' Retirement System. Contains an urgency clause to ensure that the provisions of this bill go into immediate effect upon enactment.

Senate Amendments

- 1) Require the enrollee or insured to have experienced a loss, trauma, or displacement because of the fire as a condition of coverage under this bill.
- 2) Clarify the requirements of this bill are in addition to the requirement on health plans and insurers to cover all medically necessary treatment of mental health and substance use disorders under existing law, and prohibits this bill from excusing a plan or insurer from complying with existing law.
- 3) Require coverage for up to 12 visits, instead of 12 visits per year in the Assembly-approved version of this bill.
- 4) Require a health plan and insurer to assure continuity of care of the benefits required by this bill consistent with a specified provision of existing law and the regulations adopted thereunder.
- 5) Prohibit a non-contracting provider from collecting more than the in-network cost-sharing amount.
- 6) Allow a health insurer or a provider to seek relief in any court for the purpose of resolving a payment dispute.
- 7) Require the notice required to be provided by health plans and insurers under this bill to include specified information.

Governor's Veto Message

This bill would require large group health care service plans and insurers to reimburse an eligible enrollee for up to 12 visits with a licensed behavioral health (BH) provider if the enrollee lives in a county where a local or state emergency is proclaimed due to wildfires and experienced a loss, trauma, or displacement because of the fire. This bill would prohibit these benefits from being

subject to utilization review (UM) and would apply regardless of whether a licensed BH provider is a contracting provider.

While I share the authors' concerns regarding the increased need for behavioral health services following a wildfire disaster, all enrollees in commercial plans already maintain coverage for behavioral health visits, regardless of whether they live in a county where a local or state emergency is declared. Additionally, this bill creates a broad exception to UM practices, including out-of-network limits, which are standard managed care protocols that ensure appropriate care while limiting unnecessary costs. At a time when consumers are facing double-digit rate increases in their health care premiums across the nation, passing additional policies that would lead to further premium increases would be irresponsible.

COMMENTS

California's climate makes it naturally prone to wildfires. The Legislative Analyst's Office released a publication titled, "*Frequently Asked Questions about Wildfires in California*," which highlighted that starting in the spring, much of the state typically experiences low levels of rainfall and increasingly warm conditions. These conditions begin to dry out vegetation, which makes the state increasingly susceptible to wildfires during the summer and early fall—or even later in years when dry conditions persist through the winter. Some areas of the state face a particularly high risk of severe wildfires due to factors such as the type of vegetation present, the local weather patterns, and the forms and features of land surfaces. According to a 2022 study titled, "*Using wildland fire smoke modeling data in gerontological health research*," between 2007 and 2018, 99.5% of California's population lived in a county with at least one smoke wave, or chronic smoke event. Wildfires have increased in severity over time. Several of the state's largest and most destructive wildfires have occurred in recent years, including the Tubbs Fire (Santa Rosa, 2017), the Camp Fire (Butte County, 2018), the Eaton Fire (Los Angeles, 2025) and the Palisades Fire (Los Angeles, 2025).

Research is emerging regarding the links between severe wildfire incidence and population-wide harm to BH. According to the California Department of Public Health (DPH), emotional recovery after a wildfire can be incredibly challenging. The stress of coping with the loss of a home, personal items, pets, livestock and other traumatic events can trigger mood swings, sleep disruption, and cause extreme nervous tension and/or depression. Studies also suggest that even those who do not lose homes can have anxiety, depression or psychological distress for years after a wildfire dies out. Furthermore, both the situational and physical impacts of wildfire exposure can impact a person's BH status. A 2025 study published by researchers at the Harvard T.H. Chan School of Public health found that exposure to fine particle air pollution (PM 2.5) from wildfire smoke was associated with increased visits to emergency departments for mental health conditions.

According to the Author

As wildfires continue to devastate our communities, we cannot ignore the lasting emotional toll they take on survivors. The author states that the data is clear—anxiety, depression, and post-traumatic stress disorder are real consequences, and the demand for behavioral health support skyrockets in the aftermath. The author concludes that we must act now to ensure those affected have the behavioral health services they need to heal and rebuild their lives.

Arguments in Support

The California Behavioral Health Association (CBHA) supports this bill, stating that although Californians are entitled to a set amount of annual visits to their BH provider, it is most important to account for additional visits during times of crisis. CBHA continues that this bill would ensure critical access to BH services and promote recovery and resilience for residents who have experienced traumatic impacts. CBHA cites data from the California Parent & Youth Helpline which showed a dramatic surge in activity, with 62% of all calls related to mental and BH needs coming from Southern California during this year's wildfires. This spike in demand was accompanied by sharp increases across all communication channels, including a 366% jump in overnight calls, a 68% rise in live chat usage, a 45% increase in text messages, and a 22% overall boost in call volume. CBHA argues that these statistics call for an immediate resolution that provides additional volumes of support services and behavioral health resources to those in need.

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.

FISCAL COMMENTS

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

VOTES

ASM HEALTH: 16-0-0

YES: Bonta, Chen, Addis, Aguiar-Curry, Arambula, Carrillo, Flora, Mark González, Krell, Patel, Patterson, Celeste Rodriguez, Sanchez, Schiavo, Sharp-Collins, Stefani

ASM APPROPRIATIONS: 13-0-2

YES: Wicks, Arambula, Calderon, Caloza, Dixon, Elhawary, Fong, Mark González, Hart, Pacheco, Pellerin, Solache, Ta

ABS, ABST OR NV: Sanchez, Tangipa

ASSEMBLY FLOOR: 74-1-4

YES: 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

NO: DeMaio

ABS, ABST OR NV: Ellis, Gallagher, Macedo, Tangipa

SENATE FLOOR: 32-1-7

YES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Reyes, Richardson, Rubio, Smallwood-Cuevas, Stern, Strickland, Umberg, Wiener

NO: Niello

ABS, ABST OR NV: Choi, Jones, Ochoa Bogh, Seyarto, Valladares, Wahab, Weber Pierson

ASSEMBLY FLOOR: 77-0-3

YES: 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, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, 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

ABS, ABST OR NV: DeMaio, Johnson, Tangipa

UPDATED

VERSION: September 16, 2025

CONSULTANT: Riana King and Scott Bain / HEALTH / (916) 319-2097

FN: 0002198