Office of Senate Floor Analyses
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THIRD READING

Bill No: AB 1682
Author: Hart (D), et al.
Amended: 8/13/26 in Senate
Vote: 21

SENATE HEALTH COMMITTEE: 11-0, 6/24/26
AYES: Weber Pierson, Valladares, Caballero, Durazo, Gonzalez, Grove, Menjivar, Padilla, Pérez, Rubio, Smallwood-Cuevas

SENATE APPROPRIATIONS COMMITTEE: 7-0, 8/13/26
AYES: Cervantes, Seyarto, Cabaldon, Dahle, Grayson, Richardson, Wahab

ASSEMBLY FLOOR: 67-1, 5/27/26 - See last page for vote

SUBJECT: Health care coverage: scalp cooling

SOURCE: Author

DIGEST: This bill (1) requires large group health care service plan contracts or health insurance policies to provide coverage, and small group health care service plan contracts or health insurance policies to offer coverage, for scalp cooling as prescribed by a health care provider in connection with chemotherapy in which alopecia-inducing chemotherapeutic agents are used; (2) expands the Medi-Cal schedule of benefits to include scalp cooling, subject to utilization controls and medical necessity.

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; California Department of Insurance (CDI) to regulate health and other insurance; and the Department of Health Care Services (DHCS) to administer the Medi-Cal program. [Health & Safety Code (HSC) §1340, et seq., Insurance

Code (INS) §106, et seq., and Welfare & Institutions Code (WIC) §14000, et seq.]

2) Requires an individual and small group health plan contracts and insurance policies to include at a minimum coverage for Essential Health Benefits (EHBs) pursuant to the Affordable Care Act (ACA), and as outlined below:
   a) Health benefits within the ten federally required categories identified in the ACA;
   b) Health benefits covered by the Kaiser Foundation Health Plan Small Group HMO 30 (Kaiser Small Group HMO), as this plan was offered during the first quarter of 2014, regardless of whether the benefits are specifically referenced in the evidence of coverage or in the contract or policy;
   c) Medically necessary basic health care services, as specified;
   d) Health benefits mandated to be covered pursuant to statutes enacted before December 31, 2011, as described; and,
   e) Health benefits covered by the plan or policy that are not otherwise required to be covered, as specified. [HSC §1367.005 and INS §10112.27]

3) Defines "basic health care services" as physician services including consultation and referral, hospital inpatient services and ambulatory care services, diagnostic laboratory and therapeutic radiologic services, home health services, preventative health services, emergency health care services, including ambulance and ambulance transport services and out-of-area coverage (including those provided through the 911 emergency response system), and hospice care. [HSC §1345]

4) Requires health plan contracts and insurance policies, except specialized plans and policies, to provide coverage for screening for, diagnosis of, and treatment for, breast cancer. [HSC §1367.6 and INS §10123.8]

This bill:

1) Requires large group health plan contracts and insurance policies to cover scalp cooling as prescribed by a health care provider in connection with chemotherapy with alopecia-inducing chemotherapeutic agents.

2) Requires small group health plan contracts and insurance policies to offer coverage for scalp cooling as prescribed by a health care provider in connection with chemotherapy with alopecia-inducing chemotherapeutic agents.

3) Requires Medi-Cal benefits to include scalp cooling as prescribed by a health care provider in connection with chemotherapy with alopecia-inducing chemotherapeutic agents, subject to utilization controls and medical necessity.

4) Defines "scalp cooling" as the use of a medical device or system cleared by the federal Food and Drug Administration (FDA) applied to the scalp before, during, or after the administration of chemotherapy to reduce the incidence or severity of chemotherapy-induced alopecia (hair loss). Clarifies that "scalp cooling" does not include non-FDA-cleared scalp cooling products.

Comments

According to the author of this bill:

"This bill is a critical step toward improving supportive cancer care and ensuring that patients receiving chemotherapy can have access to medically necessary treatment. Scalp cooling is an FDA-cleared, evidence-based therapy for chemotherapy-induced hair loss, but insurance coverage remains inconsistent and unpredictable. This leaves many patients to pay significant out-of-pocket costs during an already difficult time. By requiring California health plans and health insurers to cover scalp cooling when prescribed by a provider, this bill helps remove a major financial barrier and supports patients' mental health."

Background

Chemotherapy-induced alopecia. According to a 2020 review in *Current Oncology*, chemotherapy-induced alopecia is the hair loss that occurs when the cytotoxic drugs in chemotherapy regimens kill rapidly proliferating cells, which, beyond cancerous cells, includes growing hair follicle cells. Because up to 90% of scalp hair follicles are in the growth phase at any given time, scalp hair loss within the first several weeks of chemotherapy initiation can be significant. According to the American Cancer Society, the likelihood of hair loss is dependent on the chemotherapy regimen prescribed. Chemotherapy-induced alopecia is generally reversible three to six months after cessation of chemotherapy, although the new hair may show different texture and color, and some patients experience no hair regrowth or only partial hair regrowth. The *Current Oncology* review highlights that chemotherapy-related hair loss has been shown to have a negative impact on patients' self-esteem, body image, sexuality, and overall quality of life.

Scalp cooling. According to the American Cancer Society, scalp cooling works to prevent hair loss by restricting the blood flow to the scalp, which decreases the amount of chemotherapy drug that gets to the hair follicles. Scalp cooling is used

before, during, and after each chemotherapy session. Scalp cooling is an established practice in oncology care; in 2022, the American Medical Association adopted a resolution supporting insurance coverage for scalp cooling and recently updated its billing codes for scalp cooling to Category 1, or permanent codes that reflect accepted procedures or services.

Scalp cooling can be performed with either manual cold caps or automated scalp cooling systems. According to the American Cancer Society, manual cold caps are manually cooled in a freezer or with dry ice and must be switched every 30 minutes to manually regulate the temperature and prevent the cap from warming. In contrast, automated scalp cooling devices automatically circulate a liquid or gel around a snug-fitting silicone cap to cool the scalp to a specific temperature. Three automated scalp cooling systems are available for patients: DigniCap, Paxman, and Amma. Medicare currently covers automated scalp cooling when performed with FDA-approved, automated scalp cooling systems, not manual cold caps. One 2024 meta-analysis examining the efficacy of automatic scalp-cooling devices and manual cooling products showed no significant differences in hair preservation on various chemotherapy regimens.

California Health Benefit Review Program (CHBRP) analysis. Key findings include:

- *Coverage impacts and enrollees covered*. This bill applies to all state-regulated health insurance. CHBRP estimates that 22.8 million Californians (60% of the state) have Medi-Cal or CDI- and DMHC-regulated insurance subject to this bill. Approximately 47% of Californians have plans already compliant with this bill. This bill would extend a scalp cooling benefit to the remaining 12 million enrollees.
- *Medical effectiveness*. There is strong evidence that FDA-cleared automated scalp cooling devices are effective in reducing chemotherapy-induced alopecia. Some evidence suggests that scalp cooling may be less effective for patients with different hair types, such as for Black patients with curly hair. There is strong evidence that scalp cooling does not raise the risk of scalp metastasis.
- *Utilization.* CHBRP estimates that 630 enrollees use scalp cooling to prevent chemotherapy-induced hair loss, 440 of which have coverage at baseline and 190 of which do not. This bill would result in 680 additional enrollees receiving scalp cooling therapy, 90 of which had coverage at baseline and would continue to have coverage, but with increased utilization due to an increase in availability and awareness. The remaining 590 additional enrollees are those who did not have coverage but would have coverage with the enactment of this bill.

- *Medi-Cal*. This bill includes Medi-Cal enrollees. Because Medi-Cal coverage generally does not include enrollee cost-sharing, those with Medi-Cal will not experience any change in the cost of utilizing the scalp cooling benefit.
- *Impact on expenditures*. CHBRP estimates that the average cost of scalp cooling per enrollee for a course of chemotherapy over a year is $3,700 (consisting of $5,000 for commercial enrollees and $1,500 for Medi-Cal enrollees). With bill enactment, changes in payer mix will increase the average cost to $4,100.
- *Impacts on premiums.* To cover the new scalp cooling benefit, CHBRP estimates that total annual premiums paid by employers and enrollees would increase by approximately $4,010,000—an increase of 0.0023%, or between $0.005 and $0.029 per member per month (PMPM). Employer premiums are expected to increase by $2,672,000 (between $0.0104 and $0.0235 PMPM), enrollee premiums in the large- and small-group markets are expected to increase by $647,000 (about $0.005 PMPM), and premiums in the individual market are expected to increase by $511,000 ($0.005 PMPM in CDI-regulated plans and $0.0173 PMPM in DMHC-regulated plans). Medi-Cal Managed Care expenses are expected to increase by $180,000 ($0.0019 PMPM).
- *Impacts on benefit users.* CHBRP projects an increase in utilization including both new users and those who did not previously purchase a noncovered service, increasing total enrollee cost-sharing by $305,000. For users who did not have baseline coverage, projected expenses are projected to decrease by $934,000. Average annual enrollee out-of-pocket expenses depend on the user and their insurance type. While users with scalp cooling coverage would experience no change in their expenses, a user without baseline coverage would experience significant average annual savings, ranging from $0 for Medi-Cal enrollees, to $4,000 in the individual market and $4,810 in the CalPERS market. Because new users of the scalp-cooling benefit will be subject to cost-sharing, their average annual expenses are expected to increase by a range of $180 in CalPERS to $1,010 in the individual market (excluding Medi-Cal, which is not subject to cost-sharing).
- *Essential health benefits (EHBs).* Due to amendments adopted in Senate Appropriations, this bill is not expected to exceed EHBs.
- *Public health*. Based on a literature-based rate of meaningful hair preservation of about 49%, CHBRP estimates that this bill would result in 333 of the newly-covered 680 enrollees experiencing significantly less hair loss than they otherwise would. Although 680 users is too small a number to impact public health outcomes at the population level, the individual-level benefit of scalp cooling may be clinically meaningful. According to CHBRP, although randomized control trials of scalp cooling have not found significant

improvements in quality-of-life measures, chemotherapy-induced alopecia is consistently associated with psychological distress, anxiety, and reduced wellbeing in the broader literature. Beyond patient discomfort that could lead to the discontinuation of the treatment, scalp cooling is not associated with patient harm. Studies have shown no difference in rates of scalp metastasis between patients who used scalp cooling and those who did not.

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

According to the Senate Appropriations Committee, there are unknown, likely minor costs for DMHC and CDI for state administration, and unknown ongoing General Fund costs, potentially tens of thousands, due to increased CalPERS plan premiums.

SUPPORT: (Verified 8/14/26)

Association of Northern California Oncologists
Biocom California
California Medical Association
CenCal Health
Cooler Heads Care, Inc.
Cottage Health
Health Access California
Medical Oncology Association of Southern California
Oncology Nursing Society
Paxman US, Inc.
The Rapunzel Project
Two individuals

OPPOSITION: (Verified 8/14/26)

America's Health Insurance Plans
Association of California Life & Health Insurance Companies
California Association of Health Plans

ARGUMENTS IN SUPPORT: Groups like the California Medical Association, Cottage Health, and the Oncology Nursing Society share that this bill is an important step toward improving supportive care for cancer patients. For many patients, hair loss represents a loss of privacy, identity, and control during a particularly vulnerable period, particularly for working adults and parents whose personal and professional lives may be significantly affected by chemotherapy-induced hair loss. Paxman and Cooler Heads Care share that even though

supportive remedies are available for nearly every major chemotherapy side effect, scalp cooling is mostly a cash-pay service, and they support this bill's efforts to align insurance coverage with established clinical practice, professional guidelines, and existing treatment infrastructure. Health Access states that although Medicare expanded coverage for scalp cooling systems in January, they are not yet a Medi-Cal benefit and inconsistently covered by private insurance, often leaving patients to pay out-of-pocket costs ranging from $3,000 to $6,000. Health Access appreciates that this bill provides the same supportive care to low-income Californians despite their income status, a sentiment echoed by CenCal Health, the local Medi-Cal managed care plan in Santa Barbara and San Luis Obispo counties. Biocom specifically supports the bill's use of the FDA regulatory framework as its coverage standard. The Rapunzel Project requests an amendment to reimburse scalp cooling regardless of the method by which scalp cooling is delivered. They claim that including manual cold caps is essential for equitable access, as automatic scalp cooling devices are less common in smaller community practices and rural areas. They provide language from New York, Louisiana, West Virginia, Maryland, and Connecticut legislation that defines scalp cooling systems in a technology-neutral way.

ARGUMENTS IN OPPOSITION: A coalition letter from the Association of Life and Health Insurance Companies, the California Association of Health Plans, and America's Health Insurance Plans state that this bill is one of eleven health insurance mandate bills that they oppose this session on the principle that the bills will increase health insurance premiums, harming health care affordability, access, and flexibility for small businesses and individuals. They share that the Office of Health Care Affordability (OHCA) has established statewide health care spending growth target of 3%, which is being phased in at 3.5% for 2025 and 2026, 3.2% in 2027 and 2028, and 3% percent in 2029 and beyond. These associations emphasize that while OHCA is working to curb healthcare costs and ensure resources are allocated efficiently, adding new mandates could disrupt these efforts by driving up costs for insurers, employers, and consumers, making it difficult for health care entities to meet the established targets. They claim that at this moment, the state should focus on healthcare stability and affordability for all Californians.

ASSEMBLY FLOOR: 67-1, 5/27/26
AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Connolly, Davies, Elhawary, Fong, Gabriel, Garcia, Gipson, Jeff Gonzalez, Mark González, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Johnson, Kalra, Krell, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-

Norris, Quirk-Silva, Ramos, Ransom, Michelle Rodriguez, Rogers, Blanca Rubio, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas
NOES: DeMaio
NO VOTE RECORDED: Castillo, Chen, Dixon, Ellis, Flora, Gallagher, Hadwick, Lackey, Celeste Rodriguez, Sanchez, Ta, Tangipa

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