

Date of Hearing: May 6, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 1843 (Elhawary) – As Amended March 2, 2026

Policy Committee: Health

Vote: 12 - 2

Urgency: No

State Mandated Local Program: Yes

Reimbursable: No

SUMMARY:

This bill prohibits a health care service plan and health insurer (collectively, health plan) from subjecting medically necessary direct-acting antiviral drugs for the treatment of hepatitis C to prior authorization (PA).

Specifically, this bill:

- 1) Prohibits a health plan from subjecting direct-acting antiviral drugs that are medically necessary for the treatment of hepatitis C, including, but not limited to, sofosbuvir/velpatasvir, sofosbuvir/ledipasvir, glecaprevir/pibrentasvir, or elbasvir/grazoprevir, to PA, except as provided in item 2, below.
- 2) Allows a health plan to not cover every therapeutically equivalent version of a drug, device, or product for the treatment of hepatitis C, without PA, if the U.S. Food and Drug Administration (FDA) has approved one or more therapeutic equivalents and at least one therapeutically equivalent version is covered without PA.
- 3) Requires a health plan's clinical criteria for hepatitis C treatment and PA to align with current guidelines and the standard of care, as specified and prohibits PA requirements, including the following:
 - a) A liver biopsy.
 - b) Genotype testing.
 - c) Sobriety requirements.
 - d) Fibrosis staging thresholds.
 - e) Elastography or FibroScan documentation.
 - f) Ultrasound documentation.
 - g) A specialist referral or evaluation.

FISCAL EFFECT:

Costs to the Department Insurance of \$7,000 in fiscal year (FY) 2026-27 and \$19,000 in FY 2027-28 to review forms for compliance (Insurance Fund).

The Department of Managed Health Care (DMHC) anticipates minor and absorbable costs.

The California Health Benefits Review Program (CHBRP) estimates this bill would increase premiums for DMHC-regulated plans in the California Public Employees Retirement System (CalPERS) by \$38,000, of which about \$18,000 would be state General Fund costs. There would be additional General Fund costs for the CDI-regulated CalPERS insurance policies, possibly around \$10,000.

No costs to the Medi-Cal program.

COMMENTS:

- 1) **Purpose.** This bill is sponsored by San Francisco Aids Foundation and End HepC SF. According to the author:

Hepatitis C is a life-threatening disease that disproportionately affects marginalized communities if left untreated, but it is highly curable, with modern treatments curing over 95% of infections.

This bill ensures health plans follow current medical guidelines and eliminate extra requirements that are not medically necessary for accessing treatment. By streamlining access to care, [This bill] helps prevent serious health complications, reduces transmission, saves lives, reduces long-term healthcare costs, and moves California closer to eliminating hepatitis C.

- 2) **Background.** Hepatitis C is a liver disease caused by infection from the hepatitis C virus (HCV), which is transmitted through exposure to infected blood. Acute hepatitis C occurs within the first 6 months of exposure to HCV; chronic hepatitis C occurs if acute hepatitis C is not recognized and treated and the virus is not cleared by the body within 6 months. Acute hepatitis C leads to chronic infection in most patients. Most people with acute and chronic Hepatitis C are asymptomatic, and evidence suggests one-third of people with hepatitis C are unaware they are infected and can transmit the virus to others. Studies estimate that, on average, one person with HCV infection transmits it to one to four others. HCV is primarily transmitted by sharing contaminated needles, syringes, or other equipment used to prepare or inject drugs. Other risk factors for HCV infection include multiple sexual partners, nonprofessional tattoo or piercing, prior incarceration, workplace exposure to needle sticks, or being born to an HCV-infected person.

CHBRP states the average cost for a course of DAA treatment is \$33,000, including an average enrollee cost share of \$1,094. CHBRP estimates that this bill would increase the treatment rate for enrollees diagnosed with hepatitis C to 11%, leading to 34 additional enrollees receiving direct-acting antiviral drugs for treatment. CHBRP projects that of these newly treated enrollees, 95% will be cured, reducing average annual costs associated with clinical complications of untreated hepatitis C by \$7,650 per treated enrollee.

- 3) **Opposition.** The California Association of Health Plans and Association of California Life Insurance Companies state this bill could impact a plan's ability to manage healthcare spending, among other arguments. The opposition urges the Legislature, as they consider mandates that affect a health plan's/insurer's ability to manage costs, to take careful consideration of the significant costs associated with prescription drugs, which continue to be one of the primary drivers of health care spending.
- 4) **Related Legislation.** SB 306 (Becker), Chapter 408, Statutes of 2025, excludes from PA requirements covered health care services that have been approved by the plan or insurer 90% or more of the time.

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