

ASSEMBLY THIRD READING
AB 1876 (Addis)
As Introduced February 12, 2026
Majority vote

SUMMARY

Prohibits a health plan or health insurance subscriber, enrollee or policyholder from being excluded from enrollment or participation in, being denied the benefits of, or being subjected to discrimination by, any health plan or health insurer on the basis of race, color, national origin, age, disability, or sex.

COMMENTS

Affordable Care Act (ACA). The ACA was signed into law on March 23, 2010, and is the most significant legislative reform of the U.S. health care system since the establishment of Medicare and Medicaid in 1965. The passage of the ACA brought sweeping changes to health care coverage in California, including establishing more generous eligibility rules and federal funding for Medi-Cal (California's Medicaid program), providing federally funded premium and cost-sharing subsidies offered through Covered California (the state's health benefit exchange), and imposing new requirements on health insurance that make it easier for individuals with pre-existing conditions to obtain coverage.

Section 1557 of the ACA provides that, except as otherwise provided in Title I of the ACA, an individual is prohibited from being excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any health program or activity, any part of which is receiving federal financial assistance. This includes credits, subsidies, or contracts of insurance, or under any program or activity that is administered by an executive agency or any entity established under Title I of the ACA. This anti-discrimination provision applies to health programs or activities administered by recipients of federal financial assistance from the federal Department of Health and Human Services (DHHS), DHHS-administered health programs or activities, and Title I entities that administer health programs or activities.

In 2020, the Supreme Court held in the decision in *Bostock v. Clayton County* that "discrimination on the basis of sex" under the federal Title VII, which prohibits discrimination in the workplace on the basis of race, color, religion, sex, or national origin, extends to discrimination on the basis of sexual orientation and gender identity. In 2021, in light of the Supreme Court's interpretation of the scope of "discrimination on the basis of sex," DHHS announced that it "would interpret Section 1557's prohibition on sex discrimination to include (i) discrimination on the basis of sexual orientation and (ii) discrimination on the basis of gender identity." DHHS subsequently issued proposed amendments to the guidance for implementing Section 1557 in 2022, and issued a final rule in 2024. Several federal district court judges issued nationwide injunctions to prevent DHHS's interpretation of Section 1557 and its proposed rules from taking effect.

Executive Order (EO) 14187. On January 28, 2025, President Trump issued EO 14187, which states "it is the policy of the United States that it will not fund, sponsor, promote, assist, or support the so-called 'transition' of a child from one sex to another, and it will rigorously enforce all laws that prohibit or limit these destructive and life-altering procedures." EO 14187 directed the Secretary of DHHS, consistent with applicable law, to take all appropriate actions to end the

"chemical and surgical mutilation of children," including regulatory and sub-regulatory actions, which may involve laws, programs, issues, or documents, including Medicare or Medicaid conditions of participation or conditions for coverage, clinical-abuse or inappropriate-use assessments relevant to State Medicaid programs, and Section 1557 of the ACA. EO 14187 also directed the Secretary of DHHS to promptly withdraw DHHS's Biden-era guidance from 2022, and directed the Secretary, in consultation with the Attorney General, to issue new guidance protecting whistleblowers who take action related to ensuring compliance with this order.

According to the Author

"While the federal government works to weaken nondiscrimination protections, California is standing firm in our values. The author argues that this bill ensures all Californian can access health care without fear of discrimination."

Arguments in Support

The TransLatin@ Coalition is a co-sponsor of this bill, stating that it would ensure that Transgender, Gender-Expansive, and Intersex (TGI), LGBTQ+, and non-English speaking people, along with pregnant people seeking abortion care services, cannot be denied or limited coverage for medically necessary health care. The TransLatin@ Coalition continues that in the first month of this administration, the current President issued sixty-four executive orders, one of which functions as a denial of the existence of TGI people and consequently directs federal agencies to withhold funding from healthcare institutions and providers that offer gender-affirming care. The TransLatin@ Coalition argues that this bill would make clear that health plans and insurers are prohibited from discriminating against individuals on the basis of race, color, national origin, age, disability, or sex. The TransLatin@ Coalition concludes that this bill would protect the rights of our TGI and immigrant community members who have seen longer life spans and greater quality of life when able to access these critical services.

Equality California (EQCA) is a cosponsor of this bill, stating that California law requires health plans and insurers to cover medically necessary health care for TGI people, and this bill strengthens and reaffirms these protections by codifying the nondiscrimination standards established under Section 1557 of the ACA into state law. By doing so, EQCA argues that this bill helps ensure that LGBTQ+ people—and all Californians—can continue to access medically necessary health care without discrimination, regardless of shifting federal policies.

Arguments in Opposition

The SFV Alliance opposes this bill, stating that its major goal is to mandate health provider insurance to pay for so called gender affirming care. The SFV Alliance continues that gender affirming care is, in their analysis, harmful to a person. The SFV Alliance argues that gender affirming care takes the body for a state of homeostasis to unpredictable, an unstable body state that will have to rely on medication to survive, with possible unknown side effects and complications that our modern medical technology will have no answer or treatment for. The SFV Alliance continues that this bill will create a newly increased cost to health care providers which would have to be absorbed by all of those with medical insurance in California. The SFV Alliance concludes that these procedures are not only going to be a financial burden on the overall base of the insured, they will cause the patient unnecessary harm.

The California Family Council (CFC) is also opposed to this bill, arguing that by treating an insurer's denial of coverage as unlawful discrimination this bill removes insurers' discretion to assess medical necessity, long-term risks, and evolving scientific evidence, particularly when the

patient is a minor. CFC argues that interventions carry serious lifelong consequences, including impacts on bone density, fertility, cardiovascular health, and neurological development. CFC continues that surgical procedures performed on minors are permanent and irreversible, and insurers should retain the ability to exercise careful medical and actuarial judgment without facing sweeping penalties. CFC concludes that compelling employers or individuals through insurance mandates to subsidize gender-transition procedures would violate deeply held religious beliefs and conscience protections.

FISCAL COMMENTS

According to the Assembly Committee on Appropriations, the Department of Insurance estimates costs of \$6,000 in fiscal year (FY) 2026-27 and \$18,000 in FY 2027-28 to review insurers' evidence of coverage and disclosure forms (Insurance Fund). The Department of Managed Health Care anticipates minor and absorbable costs.

VOTES

ASM HEALTH: 12-4-0

YES: Bonta, Addis, Aguiar-Curry, Ahrens, Caloza, Carrillo, Mark González, Patel, Rogers, Schiavo, Sharp-Collins, Stefani

NO: Chen, Johnson, Patterson, Sanchez

ASM JUDICIARY: 9-3-0

YES: Kalra, Bauer-Kahan, Bryan, Connolly, Harabedian, Pacheco, Papan, Stefani, Zbur

NO: Macedo, Dixon, Sanchez

ASM APPROPRIATIONS: 10-4-1

YES: Wicks, Arambula, Calderon, Caloza, Fong, Mark González, Krell, Pacheco, Pellerin, Solache

NO: Hoover, Dixon, Ta, Tangipa

ABS, ABST OR NV: Muratsuchi

UPDATED

VERSION: February 12, 2026

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FN: 0002441