

Date of Hearing: April 8, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 2011 (Hart) – As Introduced February 17, 2026

Policy Committee: Health Vote: 13 - 2

Urgency: No State Mandated Local Program: Yes Reimbursable: No

SUMMARY:

This bill generally codifies into state law the federal Mental Health Parity and Addiction Equity Act (MHPAEA) regulations.

MHPAEA generally provides that financial requirements (such as copays) and treatment limitations (such as visit limits) imposed on mental health (MH) and substance use disorder (SUD) benefits may not be more restrictive than the predominant financial requirements and treatment limitations that apply to substantially all medical/surgical benefits in a classification. MHPAEA also prohibits separate financial requirements and treatment limitations that apply only to MH/SUD benefits. MHPAEA also imposes several important disclosure requirements on group health plans and health insurers.

For a description of the specific provisions of this bill, please see the Assembly Health Committee analysis.

FISCAL EFFECT:

The California Department of Insurance (CDI) anticipates no costs.

Costs of an unknown, but likely minor and absorbable, amount to the Department of Managed Health Care.

COMMENTS:

- 1) **Purpose.** This bill is sponsored by the California Academy of Child and Adolescent Psychiatry, California State Association of Psychiatrists, Steinberg Institute, The Kennedy Forum, and Insurance Commissioner Ricardo Lara / CDI. According to the author:

[This bill] addresses a serious risk patients face when seeking mental health or substance use disorder care. Access to care is at risk for millions of Californians because the Trump administration has...[stopped] enforcing federal protections that require insurers provide equal access to mental health care as they do with traditional medical treatment. This bill will enshrine protections in state law, ensuring that state regulators can continue to enforce these parity requirements on insurers, regardless of the changes that occur at the federal level.

- 2) **Background. 2024 MHPAEA Regulations.** In September 2024, the federal Departments of Labor, Health and Human Services, and Treasury released finalized MHPAEA regulations to implement provisions of the Consolidated Appropriations Act of 2021 and update other regulations. The final rule strengthens standards for health plans and insurers demonstrating parity in coverage, clarifies critical terminology, requires that non-quantitative treatment limitations (NQTLs) be comparable in both design and application between MH/SUD and medical/surgical benefits, prohibits the use discriminatory factors or standards that systematically disadvantage MH/SUD care, and mandates a data-driven comparative analysis to monitor compliance.

In 2025, a trade group filed a complaint against the federal government seeking to invalidate the 2024 MHPAEA rules. The federal administration subsequently announced it would not enforce key requirements. CDI and DMHC continued to enforce the MHPAEA requirements. In November 2025 the Association of California Life & Health Insurance Companies (ACLHIC) filed suit against CDI and the Insurance Commissioner, seeking to invalidate state regulations that incorporate the 2024 MHPAEA rules.

- 3) **Opposition.** The California Association of Health Plans (CAHP), ACLHIC, and Association for Behavioral Health and Wellness (ABHW) oppose this bill, stating codifying the existing federal rule, which is under review, rather than adhering to longstanding statutory framework, would introduce legal and operational uncertainty. Opponents argue this bill closely mirrors the federal MHPAEA Final Rules issued in September 2024, which, in May 2025, the U.S. Department of Justice announced it would not enforce while the Trump Administration considers whether to modify or rescind.

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