

ASSEMBLY THIRD READING  
AB 2011 (Hart)  
As Introduced February 17, 2026  
Majority vote

## SUMMARY

Codifies federal Mental Health Parity and Addiction Equity Act (MHPAEA) regulations into state law.

## COMMENTS

*Mental Health (MH) Parity.* Federal MH Parity laws require if a health plan includes services for mental health and substance use disorders as part of their benefits that those services must be covered under the same terms and conditions as other medical services. The Affordable Care Act (ACA) also specifies coverage of the ten essential health benefits, including MH and substance use disorder (SUD) treatment services. The ACA went beyond existing federal law by mandating coverage instead of requiring parity only if coverage is provided.

SB 855 (Wiener), Chapter 151, Statutes of 2020, requires commercial health plans and insurers in California to provide full coverage for the treatment of all MH conditions and SUDs. SB 855 also establishes specific standards for what constitutes medically necessary treatment and criteria for the use of clinical guidelines. SB 855 applies to all state-regulated health plans and insurers that provide hospital, medical, or surgical coverage, and to any entity acting on the plan or insurer's behalf. A health plan cannot limit benefits or coverage for MH or SUD treatments or services when medically necessary.

*2024 MHPAEA Regulations.* In September 2024, the federal Departments of Labor, Health and Human Services, and Treasury released updated MHPAEA regulations to implement provisions of the Consolidated Appropriations Act of 2021 and update 2013 regulations that implemented the law. The final rule strengthens standards for demonstrating parity in coverage. It clarifies critical terminology, requires that non-quantitative treatment limits (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-drive comparative analysis to monitor compliance. In 2025, the ERISA Industry Committee (ERIC) filed a complaint against the federal government seeking to invalidate the 2024 rules, the federal administration subsequently announced that it would not enforce key requirements.

In November 2025 the Association of California Life & Health Insurance Companies (ACLHIC) filed suit against the California Department of Insurance (CDI) and the Insurance Commissioner, seeking to invalidate state regulations that incorporate the 2024 rule. The legal complaint relies heavily on the federal non-enforcement announcement. However, states, as the primary enforcers of health insurance standards, are still able to enforce the 2024 federal rule and additional protections in their respective laws. According to the Commonwealth Fund, a few states have moved to adopt the 2024 federal MHPAEA rule into state law. Washington enacted legislation that requires insurers to comply with the federal rule as published in 2024. Colorado similarly leveraged the 2024 federal rule to add state protections through legislation. This bill similarly aims to codify the 2024 federal rule into California law to clarify its application and ensure it remains in place regardless of action at the federal level.

**According to the Author**

This bill addresses a serious risk patients face when seeking MH or SUD care. The author argues that access to care is at risk for millions of Californians because the Trump administration has recklessly decided to stop enforcing federal protections that require insurers provide equal access to MH care as they do with traditional medical treatment. The author continues that 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. The author concludes that at a time when our state is working to expand behavioral health, this bill ensures that the promise of equal access becomes a reality for Californians.

**Arguments in Support**

The Kennedy Forum, Steinberg Institute, California State Association of Psychiatrists, and California Academy of Child & Adolescent Psychiatry are co-sponsoring this bill. The sponsors state that in 2024, federal regulators issued final MHPAEA regulations that clarify how existing statutory parity obligations must be evaluated and enforced, including standards for demonstrating compliance both as written and in operation. The sponsors continue that these regulations did not create new parity requirements; rather, they provided needed clarity to support consistent enforcement of existing law. The sponsors argue that this bill codifies those federal standards into California statute to ensure continuity and enforceability, regardless of future federal administrative or judicial actions. The sponsors note that California has taken this approach before, including during the first Trump administration when the state codified key provisions of the ACA to protect Californians from federal rollbacks. The sponsors continue that this bill does not create new benefit mandates, expand coverage, or impose new obligations on state regulators. The sponsors state that regulators are already enforcing parity consistent with these standards under existing authority and this bill simply affirms and preserves those practices in state law. The sponsors conclude that this bill reaffirms California's commitment to strong, enforceable parity protections and preserving the progress achieved.

**Arguments in Opposition**

The California Association of Health Plans and ACLHIC are opposed to this bill, stating that they have significant concerns that codifying the existing federal rule, which is currently under review, rather than adhering to longstanding statutory framework, would introduce legal and operational uncertainty. The opposition argues that this bill does not merely preserve parity; it goes beyond the existing federal and state standards and creates a separate and much more onerous structure. The opposition continues that this bill closely mirrors the federal MHPAEA Final Rules issued in September 2024, which, in May 2025, the U.S. Department of Justice announced that it would not enforce while the Administration considers whether to modify or rescind. The opposition argues that by embedding these requirements into state law now, this bill risks locking California carriers into conflicting and potentially irreconcilable obligations without clear evidence of improved access or quality for patients. The opposition believes there are more targeted, effective approaches California can pursue to expand access to MH/SUD services, such as investments that directly increase the availability of care, such as improving access to high-quality, affordable, and evidence-based behavioral health services for children and adolescents.

**FISCAL COMMENTS**

According to the Assembly Appropriations Committee, the California Department of Insurance anticipates no costs. Costs of an unknown, but likely minor and absorbable, amount to the Department of Managed Health Care.

**VOTES****ASM HEALTH: 13-2-1**

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

**NO:** Chen, Johnson

**ABS, ABST OR NV:** Patterson

**ASM APPROPRIATIONS: 10-4-1**

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

**NO:** Hoover, Dixon, Ta, Tangipa

**ABS, ABST OR NV:** Calderon

**UPDATED**

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