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THIRD READING

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Bill No: AB 224  
Author: Bonta (D), et al.  
Amended: 7/8/25 in Senate  
Vote: 21

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SENATE HEALTH COMMITTEE: 10-0, 7/16/25

AYES: Menjivar, Valladares, Durazo, Gonzalez, Limón, Padilla, Richardson,  
Rubio, Weber Pierson, Wiener

NO VOTE RECORDED: Grove

SENATE APPROPRIATIONS COMMITTEE: 7-0, 8/29/25

AYES: Caballero, Seyarto, Cabaldon, Dahle, Grayson, Richardson, Wahab

ASSEMBLY FLOOR: 60-1, 5/29/25 - See last page for vote

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**SUBJECT:** Health care coverage: essential health benefits

**SOURCE:** Author

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**DIGEST:** This bill adds, if approved by the federal government, hearing aids, treatment for infertility, and additional durable medical equipment to California's essential health benefits, which are benefits that are required to be covered for health insurance policies purchased by individuals and small groups.

**ANALYSIS:**

Existing federal law establishes, pursuant to the Patient Protection and Affordable Care Act (ACA), federal Essential Health Benefits (EHBs) requirements, including that the Secretary of the United States Department of Health and Human Services (HHS) not make coverage decisions, determine reimbursement rates, establish incentive program, or design benefits in ways that discriminate against individuals because of their age, disability, or expected length of life. [42 United States Code (U.S.C.) §18022]

Existing state 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 (Knox-Keene Act); 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 and Safety Code (HSC) §1340, et seq., Insurance Code (INS) §106, et seq. and Welfare and Institutions Code (WIC) §14000, et seq.]
- 2) Requires an individual or small group health plan contract or insurance policy to include at a minimum, coverage for EHBs pursuant to the ACA, and as outlined below:
  - a) Health benefits within the ten categories identified below in the ACA:
    - i) Ambulatory patient services;
    - ii) Emergency services;
    - iii) Hospitalization;
    - iv) Maternity and newborn care;
    - v) Mental health and substance use disorder services;
    - vi) Prescription drugs;
    - vii) Rehabilitative and habilitative services and devices;
    - viii) Laboratory services;
    - ix) Preventive and wellness services and chronic disease management;
    - x) Pediatric services, including oral and vision care;
  - 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 plan contract for that plan;
  - c) Medically necessary basic health care services, as specified;
  - d) Health benefits mandated to be covered by the plan pursuant to statutes enacted before December 31, 2011, as described; and,
  - e) Health benefits covered by the plan that are not otherwise required to be covered, as specified. [HSC §1367.005 and INS §10112.27]
- 3) Requires pediatric vision care to be the same health benefits for pediatric vision care covered under the Federal Employees Dental and Vision Insurance Program vision plan with the largest national enrollment as of the first quarter of 2014. [HSC §1367.005 and INS §10112.27]

- 4) Requires pediatric oral care to be the same health benefits for pediatric oral care covered under the dental benefit received by children under the Medi-Cal program as of 2014, including the provision of medically necessary orthodontic care provided pursuant to the federal Children's Health Insurance Program Reauthorization Act of 2009. [HSC §1367.005 and INS §10112.27]

This bill:

- 1) Adds to California's EHB benchmark as it exists in the Insurance Code, the following services, if approved by federal HHS, beginning January 1, 2027:
  - a) Services to evaluate, diagnose, and treat infertility. Requires the services to include:
    - i) Artificial insemination;
    - ii) Three attempts to retrieve gametes;
    - iii) Three attempts to create embryos;
    - iv) Three rounds of pre-transfer testing;
    - v) Cryopreservation of gametes and embryos;
    - vi) Two years of storage for cryopreserved embryos;
    - vii) Unlimited storage for cryopreserved gametes;
    - viii) Unlimited embryo transfers;
    - ix) Two vials of donor sperm;
    - x) Ten donor eggs; and,
    - xi) Surrogacy coverage for the aforementioned services, as well as health testing of the surrogate for each attempted round of covered services.
  - b) The following additional durable medical equipment (DME):
    - i) Mobility devices, including walkers and manual and power wheelchairs and scooters;
    - ii) Augmented communications devices, such as speech generating devices, communications boards, and apps;
    - iii) Continuous positive airway pressure (CPAP) machines;
    - iv) Portable oxygen; and,
    - v) Hospital beds.
  - c) An annual hearing exam and one hearing aid per ear every three years.
- 2) Authorizes the Insurance Commissioner to issue guidance, not subject to the Administrative Procedures Act, to health insurers regarding compliance with this bill.

## Comments

*Author's statement.* According to the author, the ACA requires health insurance sold in the individual and small group markets to offer a comprehensive package of items and services, known as EHBs. Under this federal legislation each state has the authority to choose its benchmark EHB plan, which details the EHBs that must be included in the scope of benefits for each health plan. California's current EHB benchmark plan does not include coverage for a variety of benefits – such as hearing aids, infertility treatment or DME. In order to change California's EHBs, the state was required to update its existing benchmark plan through a review process, which included an actuarial analysis and stakeholder process. In order for new benefits to be in place for the 2027 plan year, the state must notify the federal government of its intention and proposed plan by May of this year. California has completed its review process and has submitted a proposal to the federal government to add hearing aids, infertility treatment, and DME to California's EHB benchmark plan. This bill will codify these new EHBs if that proposal is approved.

## Background

California's current benchmark plan is the Kaiser Small Group HMO plan. The benchmark plan and other state mandates existing prior to December 31, 2011 are used to determine EHBs. Any state mandate exceeding EHBs requires the state to defray the costs associated with the mandate. California last reviewed its benchmark plan in 2015. CMS finalized new rules for EHB benchmark updates through the HHS Notice of Benefit and Payment Parameters for 2025. On June 27, 2024, DMHC held a public meeting to discuss California's EHBs and the process for updating the benchmark plan. A second stakeholder meeting was held on January 28, 2025, with another public comment period established by February 4<sup>th</sup>. At a public meeting on January 28, 2025, the Wakely Consulting Group (Wakely) presented an actuarial analysis that identified the benefit allowance and potential options and prices for the proposed benchmark plan. On February 11, 2025, the Senate and Assembly Committees on Health held an informational hearing on California's EHB benchmark options. Testimony was provided by DMHC, Covered California, CHBRP, and the public. On March 28, 2025, DMHC announced that California intends to apply to CMS to update the state's benchmark plan to take effect January 1, 2027. A public comment period was held on the draft document submissions to CMS. The documents include a benchmark plan summary, confirmations, certifications, benefits and limits summary and a valuation report. The additional benefits are described in this bill. The DMHC

application was submitted to CMS on May 5, 2025. As of August 28, 2025, the state has not received a response.

### **Related/Prior Legislation**

SB 62 (Menjivar) is substantially similar, but amends the Health and Safety Code to apply to health plans. SB 62 is pending on the Assembly Floor.

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

According to the Senate Appropriations Committee, CDI estimates costs of \$25,000 in 2025-26 and \$157,000 in 2026-27 for state administration (Insurance Fund).

**SUPPORT:** (Verified 8/29/25)

Alliance for Fertility Preservation  
American Society for Reproductive Medicine  
California Academy of Audiology  
California Association of Medical Product Suppliers  
California State Council of Service Employees International Union  
Children Now  
Children's Specialty Care Coalition  
Disability Rights Education and Defense Fund  
Essential Access Health  
Facing Our Risk of Cancer Empowered  
Health Access California  
Indivisible CA: Statestrong  
Insurance Commissioner, Ricardo Lara  
National Association of Pediatric Nurse Practitioners  
National Health Law Program  
RESOLVE: The National Infertility Association  
Western Center on Law & Poverty, Inc.

**OPPOSITION:** (Verified 8/29/25)

The Center for Bioethics and Culture

**ARGUMENTS IN SUPPORT:** Children Now writes these bills represent a critical opportunity to address a longstanding gap in healthcare coverage for children with hearing loss and to promote equitable access to essential services

critical for their developmental and educational success, and reflect the outcome of months of public engagement and collaborative work with DMHC. Disability Rights Education and Defense Fund (DREDF) indicates that most individuals getting marketplace policies cannot afford a wheelchair and current exclusions mean when paid out of pocket it does not even count toward out-of-pocket limits. DREDF writes there is no substitute for a power wheelchair for anyone who does not have upper body strength or the stamina to propel themselves any distance beyond a few feet in a manual chair, to those who need and use wheelchairs every day it remains the single most vital link to maintaining independence, community integration, and well-being. The National Health Law Program writes the lack of coverage for these services (DME, hearing aids, and infertility treatment) leads to negative health consequences that disproportionately affect individuals with disabilities, Black, Indigenous, and People of Color, LGBTQ+ individuals, and other underserved populations, and, California should ensure that plans are addressing these gaps in coverage. The American Society for Reproductive Medicine writes the proposed benchmark plan meets the standard of care for in vitro fertilization and is based on extensive U.S. and international literature, as well as professional consensus, which is the most cost-effective way to maximize an individual's chances for a healthy pregnancy and neonatal outcome.

**ARGUMENTS IN OPPOSITION:** The Center for Bioethics and Culture Network writes that it believes this bill is vague in scope, and is specifically concerned with the potential expansion of mandated insurance coverage for elective fertility procedures. The opposition writes, “Surrogacy involves complex medical interventions that carry substantial physical and psychological risks to the women who serve as gestational carriers. These include, but are not limited to: increased risk of pregnancy complications, including preeclampsia, placenta previa, gestational diabetes, and preterm labor, particularly when carrying multiples, which are more common in IVF or surrogacy; psychological and emotional trauma, including an increased risk for postpartum depression, associated with relinquishing a child they have carried to term, which is often underestimated or dismissed; exposure to intensive hormone treatments, which may have long-term implications for women's health and fertility (studies are sorely lacking). Any legislative move that could incentivize or expand commercial surrogacy through mandated insurance coverage risks turning women—often financially vulnerable—into a means to an end for others’ reproductive desires.”

**ASSEMBLY FLOOR:** 60-1, 5/29/25

**AYES:** Addis, Aguiar-Curry, Ahrens, Alanis, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Calderon, Caloza, Carrillo, Connolly, Davies, Elhawary, Fong, Gabriel, Garcia, Gipson, Jeff Gonzalez,

Mark González, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Schiavo, Schultz, Stefani, Valencia, Wallis, Wicks, Wilson, Zbur, Rivas

NOES: DeMaio

NO VOTE RECORDED: Alvarez, Bryan, Castillo, Chen, Dixon, Ellis, Flora, Gallagher, Hadwick, Lackey, Nguyen, Sanchez, Sharp-Collins, Solache, Soria, Ta, Tangipa, Ward

Prepared by: Teri Boughton / HEALTH / (916) 651-4111  
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\*\*\*\* **END** \*\*\*\*