Date of Hearing: January 22, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS
Buffy Wicks, Chair
AB 298 (Bonta) – As Amended January 5, 2026

Policy Committee: Health Vote: 11 - 0

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

SUMMARY:

This bill prohibits a large group health care service plan (health plan) and a large group health insurer from imposing a deductible, coinsurance, copayment, or other cost-sharing for covered health services provided to enrollees or insureds younger than 21 years, as specified.

Specifically, this bill:

1) Prohibits a large group health plan contract or health insurance policy issued, amended, or renewed after January 1, 2027 from imposing a deductible, coinsurance, copayment, or other cost-sharing requirement for in-network health care services provided to enrollees or insureds under 21 years of age, and prohibits an individual or entity from seeking reimbursement for those services, except as provided in item 2, below.

2) Prohibits a large group high deductible health plan or insurance policy (HDHP) qualifying as eligible for combination with a health savings account (HSA), as specified, from imposing either of the following:

    a) A deductible, coinsurance, copayment, or other cost-sharing requirement for preventive care services provided to an enrollee or insured under 21 years of age.

    b) Coinsurance, copayment or other cost-sharing requirement for in-network health care services, as defined, provided to an enrollee or insured under 21 years of age once their deductible has been satisfied for the plan year.

FISCAL EFFECT:

1) General Fund costs will likely exceed $32 million for the state's share of increases in premiums for health coverage in the California Public Employees' Retirement System (CalPERS). The California Health Benefits Review Program (CHBRP) estimates premiums in CalPERS plans would increase over $70 million (0.83%) per year, or $7.61 per member per month (PMPM).

2) Minor and absorbable costs to the Department of Managed Health Care (DMHC).

3) The Department of Insurance (CDI) estimates costs of $109,000 in fiscal year (FY) 2025-26 and $123,000 in FY 2026-27 to review insurer forms and conduct actuarial analyses of effects on each market segment (Insurance Fund).

CHBRP estimates this bill will increase premiums in the large group market (including CalPERS) by nearly $711 million (0.85%), with the employer share of premiums increasing by $565 million (0.84%) and enrollees' share of premiums increasing by $146 million (0.85%).

COMMENTS:

1) **Purpose.** According to the author:

> Preventive care and timely treatment are essential for ensuring children stay healthy and thrive, yet out-of-pocket costs often deter families from seeking necessary care. This bill addresses financial barriers for…for children's health care services in large group commercial health plans, the source of health insurance for millions of California's children. By facilitating access to…early interventions and ongoing treatments, this bill promotes better health outcomes for children and helps avoid costly medical needs later in life.

2) **Background. *Cost-sharing*.** Typical forms of cost-sharing are deductibles, copays, and coinsurance. A deductible is typically an annual amount that an enrollee must pay for their care before the health plan begins to pay for the majority of care. After the enrollee meets the deductible, the plan might require another form of cost-sharing, such as copays or coinsurance. A copayment is a flat dollar amount paid by the enrollee for services. Coinsurance is a percentage of the total cost of a service that an enrollee may be required to pay.

   According to CHBRP, out-of-pocket costs such as copays can be a barrier to care, even among people with health coverage, and especially for low-income families or those with chronic illnesses. As CHBRP noted in its analysis of a prior version of this bill, reduced cost-sharing is associated with increased use of certain services and treatments, such as well-child visits, vaccinations, and diabetes monitoring and routine care. Such services and other types of routine care are considered preventive care, which are not subject to any cost-sharing under federal and state law, and would therefore not be affected by this bill. If increased utilization of services that are not already exempt from cost-sharing results in improved health outcomes, this bill could improve public health.

   Health Insurance Market Effects. CHBRP notes that this bill would increase premiums in the CDI-regulated large group insurance market by 1.25% ($11.36 PMPM). CHBRP states that because this increase exceeds 1%, CHBRP estimates the number of uninsured persons would increase 0.42% – in other words, 260 enrollees in the CDI-regulated commercial market would lose or drop coverage.

   CHBRP estimates the bill will reduce enrollee cost sharing by nearly $294 million (3.7%). For enrollees younger than 21 years in the large group market, average PMPM cost sharing would decrease by $12.72.

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