SENATE COMMITTEE ON APPROPRIATIONS
Senator Anna Caballero, Chair
2025 - 2026 Regular Session

AB 536 (Patterson) - Health care coverage: colorectal cancer screening

Version: March 24, 2025
Urgency: No
Hearing Date: July 14, 2025
Policy Vote: HEALTH 8 - 1
Mandate: No
Consultant: Agnes Lee

Bill Summary: AB 536 would expand the criteria for colorectal cancer screening tests that health plans and insurers must cover without cost-sharing.

Fiscal Impact:

- Unknown potential General Fund cost pressures to CalPERS health plan premiums, to the extent health plans would be required to cover tests that that are not assigned either a grade of "A" or "B" by the United States Preventive Services Task Force.

- The Department of Managed Health Care (DMHC) anticipates minor and absorbable costs for state administration.

- The California Department of Insurance (CDI) estimates costs of $6,000 in 2025-26 and $18,000 ongoing thereafter for state administration (Insurance Fund).

Background: The United States Preventive Services Task Force (USPSTF) is an independent, volunteer panel of national experts in prevention and evidence-based medicine. The USPSTF makes evidence-based recommendations about clinical preventive services such as screenings, counseling services, and preventive medications. The USPSTF assigns one of five letter grades (A, B, C, D, or I) which describe the strength of a recommendation. Grades A and B are recommended for practitioners, C should be selectively offered, D is not recommended, and I means there is insufficient evidence. The USPSTF recommends: screening for colorectal cancer in all adults aged 50 to 75 years ("A" recommendation); screening for colorectal cancer in adults aged 45 to 49 years ("B" recommendation); and, that clinicians selectively offer screening for colorectal cancer in adults aged 76 to 85 years because evidence indicates that the net benefit of screening all persons in this age group is small. In determining whether this service is appropriate in individual cases, patients and clinicians should consider the patient's overall health, prior screening history, and preferences ("C" recommendation).The recommended tests and frequency of testing are:

- High-sensitivity guaiac fecal occult blood test (gFOBT) or fecal immunochemical test (FIT) every year;
- Stool DNA-FIT (sDNA-FIT) every one to three years;
- CT colonography every five years;
- Flexible sigmoidoscopy every five years;
- Flexible sigmoidoscopy every ten years + FIT every year;
- Colonoscopy screening every ten years.

The DMHC regulates health plans under the Knox-Keene Act and the CDI regulates health insurers. Current state law requires every health plan contract and insurance policy, except a specialized health plan contract or insurance policy, to provide coverage, without any cost-sharing, for a colorectal cancer screening test assigned either a grade of "A" or "B" by the USPSTF. Current law provides that a colonoscopy required for a positive result on a test or procedure (not a colonoscopy) that is a colorectal cancer screening examination or laboratory test assigned a grade of "A" or "B" by USPSTF must also be provided without any cost-sharing.

Proposed Law: Specific provisions of the bill would:

- Require in addition, every health plan contract and insurance policy, except a specialized health plan contract or insurance policy, to provide coverage, without any cost-sharing, for a colorectal cancer screening test that meets any of the following conditions:
    - Approved by the United States Food and Drug Administration (FDA) and meets the requirements for coverage established by the federal Centers for Medicare and Medicaid Services National Coverage Determination 210.3.
    - Approved by the FDA and included in the most recently published guidelines from the American Cancer Society.
- Provide in addition, that a colonoscopy required for a positive result on a test or procedure (not a colonoscopy) that is a colorectal cancer screening examination or laboratory test, as described above, must also be provided by the health plan or insurer without any cost-sharing.

Related Legislation: AB 3245 (Joe Patterson, 2024) would have expanded the criteria for colorectal cancer screening tests that health plans and insurers must cover without cost-sharing. The bill was vetoed by the Governor.

Staff Comments: The California Health Benefits Review Program (CHBRP) analysis of AB 3245 (introduced version) indicated that the bill would not result in a change in benefit coverage for enrollees in DMHC-regulated plans and CDI-regulated policies because the guidelines for colorectal cancer screening as recommended with an A or B grade by the USPSTF are the broadest, as of March 2024. Plans and policies are already required to cover colorectal cancer screening without cost sharing with these guidelines. However, CHBRP indicated that should another organization release colorectal cancer screening guidelines that are more expansive than those of the USPSTF, AB 3245 would result in a change in benefit coverage and therefore a change in utilization of screening tests and health care expenditures.

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