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THIRD READING

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Bill No: AB 554  
Author: Mark González (D) and Haney (D), et al.  
Amended: 9/3/25 in Senate  
Vote: 21

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SENATE HEALTH COMMITTEE: 9-0, 7/16/25

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

NO VOTE RECORDED: Valladares, Grove

SENATE APPROPRIATIONS COMMITTEE: 6-0, 8/29/25

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

NO VOTE RECORDED: Seyarto

ASSEMBLY FLOOR: 68-1, 6/3/25 - See last page for vote

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**SUBJECT:** Health care coverage: antiretroviral drugs, drug devices, and drug products

**SOURCE:** APLA Health  
Equality California  
Insurance Commissioner Ricardo Lara / California Department of Insurance  
Los Angeles LGBT Center  
San Francisco AIDS Foundation

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**DIGEST:** This bill prohibits nongrandfathered (established by the federal Affordable Care Act) health plans and insurance policies from imposing any cost-sharing for antiretroviral drugs, devices, or drug products that are approved by the federal Food and Drug Administration (FDA) for preexposure prophylaxis (PrEP). Applies this bill and the law it amends to an antiretroviral drug, drug device, or drug product regardless of whether or not it is self-administered.

*Senate Floor Amendments* of 9/3/25 delete requirements on grandfathered plans and policies; delete a prohibition on plans and insurers related to other protocols

designed to delay treatment; and, clarify that drugs, devices, and drug products that are not on the plan's or insurer's formulary but are therapeutically equivalent to those on the formulary and covered without cost-sharing are limited to those that are FDA-approved for HIV PreP.

## **ANALYSIS:**

Existing law:

- 1) Establishes the Department of Managed Health Care (DMHC) to regulate health plans under the Knox-Keene Health Care Services Plan Act of 1975; the California Department of Insurance (CDI) to regulate health and other insurers; Covered California as California's health benefit exchange for individual and small business purchasers as authorized under the federal Patient Protection and ACA; 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., Government Code (GOV) §100500 -100522, and Welfare and Institutions Code (WIC) §14000, et seq.]
- 2) Requires health plans and insurers, at a minimum, to provide coverage for and prohibits any cost-sharing requirements for several services including, but not limited to evidence-based items or services that have in effect a rating of "A" or "B" in the recommendations of the United State Preventive Services Task Force (USPSTF) and immunizations that have in effect a recommendation from the Advisory Committee on Immunization Practices of the CDC. [HSC §1367.002 and INS §10112.2]
- 3) Prohibits health plans and insurers from subjecting antiretroviral drugs that are medically necessary for the prevention of AIDS/HIV, including preexposure prophylaxis (PrEP) and postexposure prophylaxis (PEP), to prior authorization or step therapy, except that if the FDA approves one or more therapeutic equivalents of a drug, device, or product for the prevention of AIDS/HIV, in which case health plan and insurers are only required to cover at least one therapeutically equivalent version without prior authorization or step therapy. [HSC §1342.74(a) and INS §10123.1933(a)]
- 4) Exempts Medi-Cal managed care plans to the extent that the services are excluded from coverage under the contract between the Medi-Cal managed care plans and DHCS. [HSC §1342.74(e)]

This bill:

- 1) Requires a health plan or insurer to cover PrEP and PEP furnished by a pharmacist at an out-of-network pharmacy in the case of a medical emergency.
- 2) Requires a nongrandfathered health plan contract or health insurance policy to provide coverage, without cost-sharing, for antiretroviral drugs, devices, or drug products that are approved by the FDA for HIV PrEP.
- 3) Prohibits a health plan or insurer from imposing cost-sharing on nonformulary antiretroviral drug, drug device, or drug product covered pursuant to an exception request if the nonformulary antiretroviral drug, drug device, or drug product approved by the FDA for HIV PrEP is therapeutically equivalent to an on formulary antiretroviral drug, drug device, or drug product approved by the FDA for HIV PrEP that is covered by the health plan without cost-sharing.
- 4) Requires plans and insurers that cover non-self-administered antiretroviral drugs, drug devices, or drug products that are approved by the FDA for the prevention of HIV/AIDS as a medical benefit to also cover those that are non-self-administered as an outpatient prescription drug benefit.
- 5) Indicates a long-acting drug, drug device, or drug product is not therapeutically equivalent to a long-acting drug, drug device, or drug product with a different duration.
- 6) Exempts specialized health plan contracts and insurance policies that cover only dental, mental or vision benefits or a Medicare supplement contract.
- 7) Applies this bill and the law it amends to an antiretroviral drug, drug device, or drug product regardless of whether or not it is self-administered.
- 8) Requires a high deductible health plan (HDHP) under federal law to comply with cost-sharing requirements of this bill unless there is a conflict with federal requirements for HDHPs, in which case the cost-sharing exemption applies after deductible has been satisfied.

## Comments

*Author's statement.* According to the author, amid the chaos and attacks on healthcare access from the federal administration, California must take bold steps to safeguard and expand lifesaving HIV prevention. The HIV epidemic continues to disproportionately affect historically disadvantaged communities, yet cost and access remain major barriers to effective treatment. This bill ensures that all health

insurance policies cover HIV PrEP without cost-sharing, eliminating out-of-pocket costs for one million Californians. Additionally, current laws exclude certain FDA-approved long-lasting injectable medications, further limiting patient choice and disproportionately impacting Latino and Black/African American communities, which face the highest rates of new HIV diagnoses. By mandating full coverage for safe and effective prevention methods and allowing local clinics to receive reimbursement, this bill protects patient and provider choice while reducing the risk of HIV/AIDS in marginalized communities. California must lead where the federal government fails—ensuring equitable access to HIV prevention for those who need it most.

*USPSTF recommendation.* The current USPSTF recommendation (Grade A) for adults and adolescents weighing at least 77 pounds at increased risk of HIV acquisition is to prescribe PrEP with effective antiretroviral therapy\* to decrease the risk of acquiring HIV. \*Effective formulations of PrEP with current FDA approval include:

- a) Oral tenofovir disoproxil fumarate/emtricitabine (TDF/FTC) and injectable cabotegravir are approved for use in at-risk adults and adolescents weighing at least 35 kg (77 lb) to reduce the risk of sexually acquired HIV.
- b) Oral TAF/FTC is approved for use in at-risk adults and adolescents weighing at least 35 kg (77 lb) to reduce the risk of sexually acquired HIV, excluding individuals at risk from receptive vaginal sex.
- c) No PrEP medications have FDA approval for the indication of reducing the risk of acquiring HIV via injection drug use, but Centers for Disease Control and Prevention (CDC) guidelines note that persons who inject drugs are likely to benefit from PrEP with any FDA-approved PrEP medication.
- d) It is important that persons taking PrEP receive counseling about medication adherence and safer sex including condom use, regular testing for HIV, and other necessary testing.

In August of 2023, the USPSTF updated its 2019 recommendation, which recommended that clinicians offer PrEP with effective antiretroviral therapy to persons at high risk of HIV acquisition. For the updated recommendation, the USPSTF reviewed additional evidence on new formulations of PrEP and recommends that clinicians prescribe PrEP using effective antiretroviral therapy to persons at increased risk of HIV acquisition, after the clinician and patient have discussed PrEP and the patient agrees.

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

According to the Senate Appropriations Committee,

- DMHC estimates costs of approximately \$55,000 in 2026-27 and \$133,000 in 2027-28 and annually thereafter for state administration (Managed Care Fund).
- CDI estimates costs of \$13,000 in 2025-26, \$25,000 in 2026-27, and \$2,000 in 2027-28 and ongoing thereafter for state administration (Insurance Fund).
- Unknown potential General Fund costs due to increases in CalPERS plan premiums.

**SUPPORT:** (Verified 9/3/25)

APLA Health (co-source)

Equality California (co-source)

Insurance Commissioner Ricardo Lara / California Department of Insurance  
(co-source)

Los Angeles LGBT Center (co-source)

San Francisco AIDS Foundation (co-source)

AIDS Healthcare Foundation

AltaMed Health Services Corporation

American College of Obstetricians & Gynecologists - District IX

API Equality-LA

Asian Americans Advancing Justice -- Southern California

Beyond AIDS Foundation

Biocom California

Black Women for Wellness Action Project

Buen Vecino

California Academy of Preventive Medicine

California Community Foundation

California Federation of Teachers

California Legislative LGBTQ Caucus

California LGBTQ Health and Human Services Network

California Life Sciences Association

California Nurses Association

California Pharmacists Association

California Physicians Alliance

California School-Based Alliance

California Society of Health-System Pharmacists

City of Long Beach

City of San Jose

City of West Hollywood

Clinica Monseñor Oscar A. Romero

Coachman Moore & Associates, Inc.  
Community Access National Network  
Community Clinic Association of Los Angeles County  
Community Health Project LA  
County Health Executives Association of California  
County of Santa Clara  
Courage California  
El/la Para Translatinas  
End the Epidemics: Californians Mobilizing to End HIV, Viral Hepatitis, STIs,  
and Overdose  
Essential Access Health  
GLIDE  
Health Access California  
LGBTQ+ Inclusivity, Visibility, and Empowerment  
Long Beach Forward  
Northeast Valley Health Corporation  
PFLAG Los Angeles  
PFLAG San Jose/Peninsula  
Planned Parenthood Affiliates of California  
Pride At the Pier  
Rainbow Families Action Bay Area  
Sacramento LGBT Community Center  
Sunburst Projects  
The San Diego LGBT Community Center  
The Translatin@ Coalition  
The Wall Las Memorias Project  
TransFamilies of Silicon Valley  
UCLA Center for LGBTQ+ Advocacy, Research, & Health  
Venice Family Clinic  
Viet Voices  
Viiv Healthcare  
Youth Leadership Institute  
One individual

**OPPOSITION:** (Verified 9/3/25)

Association of California Life & Health Insurance Companies  
California Association of Health Plans

**ARGUMENTS IN SUPPORT:** Equality California, one of the cosponsors of this bill, writes despite groundbreaking advancements in HIV prevention—including

the approval of multiple oral and long-acting injectable PrEP medications—barriers to access persist, particularly for Black and Latino Californians. According to the CDC, recent estimates suggest 94% of white people who could benefit from PrEP have been prescribed it, but only 13% of Black and 24% of Latino people who could benefit have been prescribed PrEP. Insurance Commissioner Lara, another cosponsor, writes no one should have to jump through hoops or face financial burdens to access FDA-approved and CDC-recommended treatments that can prevent the spread of HIV/AIDS. Commissioner Lara says by eliminating cost-sharing for these essential medications, we are taking a significant step toward health equity—especially for communities disproportionately impacted by the HIV epidemic.

**ARGUMENTS IN OPPOSITION:** The California Association of Health Plans and the Association of Life and Health Insurance Companies write with concerns regarding this bill’s financial implications on the healthcare system, specifically the CHBRP estimates that this bill would increase total premiums paid by employers and enrollees by almost \$136 million following full implantation in Year two, and enrollees in the Covered California individual market plan would see an increase in premiums of almost \$11 million in Year two.

ASSEMBLY FLOOR: 68-1, 6/3/25

AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Connolly, Davies, Elhawary, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

NOES: DeMaio

NO VOTE RECORDED: Castillo, Chen, Dixon, Ellis, Flora, Hadwick, Lackey, Sanchez, Ta, Tangipa

Prepared by: Teri Boughton / HEALTH / (916) 651-4111  
9/8/25 21:13:58

\*\*\*\* END \*\*\*\*