

## CONCURRENCE IN SENATE AMENDMENTS

AB 594 (Solache)

As Amended July 7, 2025

Majority vote

**SUMMARY**

Requires, when a student certificate holder (a student who purchases student health insurance), or a dependent of a student, chooses to terminate their student health insurance coverage during the policy year, the student to only pay the premium through the date of their termination of coverage. Prohibits a student or dependent of a student from being liable for a premium payment during the time that they are not enrolled in student health insurance coverage. Requires, in the case of premium paid in full for an academic term, the student to be refunded pro rata for any time they are not enrolled in student health insurance coverage, and requires notice of the ability to terminate coverage to be provided in the student health insurance enrollment materials provided to a student or a dependent of a student. Requires a student or dependent of a student to also be notified of premium liability to the student or dependent of the student, if any, if a student or dependent of a student chooses not to terminate coverage. Requires a student that obtains or maintains health coverage that is minimum essential coverage and who requests a waiver to be granted a waiver from obtaining student health insurance coverage from their institution of higher education and prohibits the student from being required to pay a fee or premium for student health insurance coverage. Requires the above-described provisions to commence July 1, 2026.

**Senate Amendments**

- 1) Codify the legislative intent language encouraging self-funded student health insurance covered by the University of California (UC) to maintain or exceed coverage standards of the federal Affordable Care Act.
- 2) Require a student, in the case of premium paid in full for an academic term, to be refunded pro rata for any time they are not enrolled in student health insurance coverage.
- 3) Require notice of the ability to terminate coverage to be provided in the student health insurance enrollment materials provided to a student or a dependent of a student.
- 4) Apply the provisions of this bill allowing a student to request termination of coverage during the policy year to apply when a student graduates or takes a leave of absence (in addition to no longer being enrolled) at an institution of higher education.
- 5) Require an institution of higher learning, upon receipt of the request to terminate coverage, to terminate coverage effective within the same calendar month if feasible, but no later than the last day of the calendar month in which the 30-day period ends.
- 6) Delay the operative date for specified provisions of this bill until July 1, 2026.

**COMMENTS**

*Background.* The California Department of Insurance (CDI) regulates student insurance policies provided by state-regulated insurers. Major carriers include Aetna, Anthem LHIC, United, Wellfleet, and KPIC (Kaiser). Unlike other college and universities student health insurance

plans, the University of California's (UC) Student Health Insurance Plan (SHIP) is self-insured and exempt from the Insurance Code provisions that apply to student health insurance policies. CDI estimates approximately 85,000 students are enrolled in student health insurance policies.

Colleges and universities often require students to have health insurance coverage as a condition of enrollment. While California State University (CSU) and California's Community Colleges do not have a system-wide student health insurance mandate, the University of California (UC), the University of Southern California (USC), Stanford, Santa Clara, and the Claremont Colleges (including Claremont McKenna, Pomona, Harvey Mudd, Scripps, and Pitzer) among others require that students enroll in the college or university's student health plan unless the student opts out by showing proof of other acceptable health coverage.

Individual campus policies vary, but college and universities' definition of acceptable coverage often requires a student have coverage that provides access to health care services in a specified geographic area (e.g., within a certain number of miles) near the college or university. Students must typically submit a waiver request to opt out of the university-offered plan by a date certain. Student health insurance premiums are typically collected each quarter or semester as part of student fees, and the duration of coverage varies by institution. Premium amounts vary by institution and depend upon the duration of coverage (semester versus quarter and number of months of coverage), whether the student is a graduate student versus an undergraduate, cost-sharing amounts, and the scope of coverage (for example, whether dental is included). Premiums for USC SHIP entering undergraduate students for Spring 2025 are \$1,977, \$1,789 for the Claremont McKenna colleges for Spring 2025, and \$3,175 for entering undergraduate students of Stanford for Spring 2025.

### **According to the Author**

During the first year after AB 1823 (Bryan), Chapter 688, Statutes of 2022 went into effect (AB 1823 defined student health insurance as individual health insurance and specifies which Affordable Care Act (ACA) requirements apply to student health insurance), CDI identified areas where current law falls short in protecting students from unnecessary charges and surprise rate changes with college-provided health insurance plans. Existing law does not prevent colleges from charging premiums to students who may have withdrawn from their school, enrolled in coverage elsewhere, and no longer qualify for student health insurance coverage. Some students have been charged premiums even when no longer qualifying for coverage. Additionally, nothing in existing law requires that students be sent information about their actual rate increase. The author concludes this bill provides necessary protections for students navigating school-provided health insurance plans, by safeguarding against unnecessary charges and ensuring transparency when rates change.

### **Arguments in Support**

This bill is jointly sponsored by California Insurance Commissioner Ricardo Lara and Generation Up, Inc. (GENup). Commissioner Lara writes this bill would protect students from unnecessary charges and surprise rate changes on their student health insurance. Commissioner Lara argues this bill strengthens consumer protections for students by allowing them to opt out of coverage when they are no longer enrolled and ensuring they receive timely notice of any premium increases.

GENup describes itself as a student-led educational advocacy organization dedicated to making the education system more equitable by amplifying students' voices in the legislative process.

GENup writes that as the costs of higher education continue to rise, students must be able to control their finances and make informed choices about their health care, and universities should be supporting the health and safety of their students, not exploiting or trapping them into unnecessary premium charges.

### **Arguments in Opposition**

None.

### **FISCAL COMMENTS**

According to the Senate Appropriations Committee, pursuant to Senate Rule 28.8, negligible state costs.

### **VOTES:**

#### **ASM HEALTH: 15-0-0**

**YES:** Bonta, Chen, Addis, Aguiar-Curry, Arambula, Carrillo, Flora, Mark González, Krell, Patel, Celeste Rodriguez, Sanchez, Schiavo, Sharp-Collins, Stefani

#### **ASM APPROPRIATIONS: 15-0-0**

**YES:** Wicks, Sanchez, Arambula, Calderon, Caloza, Dixon, Elhawary, Fong, Mark González, Hart, Pacheco, Pellerin, Solache, Ta, Tangipa

#### **ASSEMBLY FLOOR: 73-0-6**

**YES:** Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Jackson, Kalra, Krell, Lackey, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

**ABS, ABST OR NV:** Arambula, Boerner, Jeff Gonzalez, Irwin, Lee, Celeste Rodriguez

#### **SENATE FLOOR: 35-0-5**

**YES:** Allen, Archuleta, Arreguín, Ashby, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNeerney, Menjivar, Niello, Ochoa Bogh, Pérez, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Valladares, Wahab, Weber Pierson, Wiener

**ABS, ABST OR NV:** Alvarado-Gil, Becker, Padilla, Reyes, Umberg

### **UPDATED**

VERSION: July 7, 2025

CONSULTANT: Scott Bain / HEALTH / (916) 319-2097

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