
SENATE COMMITTEE ON APPROPRIATIONS

Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

SB 1037 (Weber Pierson) - Health care coverage: rate review

Version: April 7, 2026

Urgency: No

Hearing Date: May 14, 2026

Policy Vote: HEALTH 7 - 1

Mandate: Yes

Consultant: Agnes Lee

Bill Summary: SB 1037 would require the Department of Managed Health Care (DMHC) and the California Department of Insurance (CDI) to conduct an enhanced rate review of health plans and insurers to determine if health care premiums are affordable for individual and group purchasers.

***** **ANALYSIS ADDENDUM – SUSPENSE FILE** *****

The following information is revised to reflect amendments
adopted by the committee on May 14, 2026

Fiscal Impact:

- Unknown ongoing costs, likely high hundreds of thousands, for the DMHC for state administration (Managed Care Fund).
- Unknown ongoing costs for the CDI for state administration (Insurance Fund).
- Unknown ongoing General Fund costs for the Department of Health Care Access and Information (HCAI) to work in collaboration with DMHC and CDI in the rate review process.

Author Amendments: Revise the requirements related to the consideration of tangible net equity and clarify the enhanced rate review process.

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