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# SENATE COMMITTEE ON APPROPRIATIONS

Senator Sabrina Cervantes, Chair  
2025 - 2026 Regular Session

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## SB 1089 (Richardson) - Preventive Treatment Health Care Act

**Version:** April 23, 2026

**Policy Vote:** HEALTH 10 - 0, L., P.E. & R.  
5 - 0

**Urgency:** No

**Mandate:** No

**Hearing Date:** May 4, 2026

**Consultant:** Agnes Lee

**Bill Summary:** SB 1089 would require a health plan that contracts with CalPERS to offer coverage for chronic weight disease management, including nutritional information and at least one GLP-1 anti-obesity medication, as specified; and authorize the California Health and Human Services Agency to enter into partnerships for at least one GLP-1 anti-obesity medication, as specified.

### Fiscal Impact:

- Unknown significant General Fund costs, at least tens of millions annually until January 1, 2032, due to increases in CalPERS plan premiums.
- The Department of Health Care Access and Information (HCAI) estimates General Fund costs of approximately \$450,000 for staffing resources to enter into partnerships (this assumes the California Health and Human Services Agency would delegate these responsibilities to HCAI). In addition, HCAI estimates General Fund costs of several million dollars to effectuate partnerships for development, distribution, or procurement.

### Background:

Glucagon-Like Peptide-1 (GLP-1) Medications. According to the California Health Benefits Review Program (CHBRP), the treatment of obesity is multi-faceted and includes behavioral and lifestyle changes, as well as anti-obesity medications, and surgery if indicated. Anti-obesity medications can be broken into two types of drugs: GLP-1 medications, and non-GLP-1 medications. GLP-1 medications are a class of drugs that activate the body's GLP-1 receptors. This activation triggers several downstream effects, including lowering glucose (sugar) levels within the bloodstream, reducing digestion rate, and increasing the sensation of fullness for longer. Non-GLP-1 medications treat obesity through a variety of different mechanisms, including blocking fat absorption and deposition, suppressing appetite, and increasing metabolism. As of April 2026, there are four GLP-1 medications approved for chronic weight management. CHBRP indicates that benefit coverage for GLP-1 medications for weight loss is limited for enrollees in commercial DMHC-regulated plans and CDI-regulated policies.

CalRx. Current law authorizes the California Health and Human Services Agency, subject to an appropriation by the Legislature, to enter into partnerships to increase competition, lower prices, and address supply shortages under any of the following circumstances:

- For over-the-counter naloxone products. Partnerships may allow the development, manufacturing, or distribution of over-the-counter naloxone products by an entity that is authorized to do so under federal or state law.
- For generic or brand name drugs to address emerging health concerns, including in reproductive health care or gender affirming health care.
- For the development, production, procurement, or distribution of vaccines, by an entity that is authorized to do so under federal or state law, with the intent that these vaccines be made widely available to public and private purchasers, providers, suppliers, and pharmacies.
- For the manufacture, purchase, or distribution of medical supplies or medical devices.

**Proposed Law:** Specific provisions of the bill would:

- Require, commencing January 1, 2028, a health benefit plan or contract that contracts with CalPERS to offer coverage for chronic weight disease management, including nutritional information and at least one GLP-1 anti-obesity medication, as defined, approved by the United States Food and Drug Administration (FDA); require that chronic weight disease management must be offered at the cost previously provided to Medi-Cal beneficiaries in the year 2025 or the most favored nation pricing, as described, or better pricing; require chronic weight disease management to follow FDA label indications for usage; and sunset these provisions on January 1, 2032.
- Authorize the California Health and Human Services Agency to additionally enter into partnerships for at least one GLP-1 anti-obesity medication, as defined, approved by the FDA; and require the California Health and Human Services Agency to make its best effort to negotiate pricing at or lower than the most favored nation or Medi-Cal.

**Staff Comments:**

CalPERS estimates SB 1089 would increase CalPERS plan premiums, ranging from \$199.6 million to \$437.3 million, in year one; and that from years two through five, these costs would increase by tens of millions annually due to increased awareness and utilization.

The CHBRP analysis of SB 1089 (March 24, 2026 version) estimates the bill would result in an increase in CalPERS plan premiums of \$35,273,000.