

SENATE THIRD READING
SB 257 (Wahab)
As Amended September 4, 2025
Majority vote

SUMMARY

Expands the existing law provisions that require health plans and health insurers to allow an individual to enroll in or change individual health benefit plans as a result of a triggering event by including, as an additional triggering event, when an individual is pregnant (the effect of this provision is to allow a pregnant individual to enroll in individual coverage, or switch their health plan coverage outside of open enrollment).

Major Provisions

COMMENTS

Under California law, a health plan or health insurer is required to limit enrollment in individual health benefit plans to open enrollment periods, annual enrollment periods, and special enrollment periods. A special enrollment period in the individual market is generally limited to individuals who experience a triggering event (also called a qualifying life event or QLE).

For Covered California, the current open enrollment period and annual enrollment period span the same time period of November 1st to January 31st. Without a qualifying event, individuals must wait until the next open enrollment period to apply for coverage, or change health coverage. This bill would make a two-fold change. First, it would allow individuals who are pregnant to purchase coverage outside of existing annual open enrollment periods. Second, it would allow pregnant individuals who already have individual insurance coverage to switch coverage.

California Health Benefits Review Program (CHBRP) Report. AB 1996 (Thomson), Chapter 795, Statutes of 2002 requests the University of California to assess legislation proposing a mandated benefit or service and prepare a written analysis with relevant data on the medical, economic, and public health impacts of proposed health plan and health insurance benefit mandate legislation. CHBRP was created in response to AB 1996, and reviewed this bill. CHBRP found some evidence that special enrollment periods increase take-up of health insurance among pregnant people, but that not enough research has been conducted to determine whether special enrollment periods improve utilization of maternity services or maternal and infant health outcomes. CHBRP estimates that 5,303 people would gain full coverage for maternity and pediatric newborn services who were previously uninsured and their dependents who would gain full coverage because of the special enrollment period.

According to the Author

This bill continues the state's work to support maternal health by creating a special enrollment period for pregnancy. While Medi-Cal provides free or low-cost maternity services for the lowest-income Californians, an uninsured pregnant person who is ineligible for Medi-Cal must pay out of pocket for maternity healthcare, which can cost over \$40,000 for an uncomplicated delivery, or may choose to forgo care altogether. This bill will bridge this gap for thousands of uninsured pregnant individuals, ensuring all Californians can access essential maternity care.

Arguments in Support

The California Chapters of the National Association of Pediatric Nurse Practitioners writes in support that this bill codifies pregnancy regardless of how it occurred as a qualifying event for special enrollment in individual health plans. This provision will ensure timely access to care for pregnant individuals and their dependents, without forcing them to wait for open enrollment periods, which could jeopardize the health of both parent and child.

The American College of Obstetricians and Gynecologists District IX writes in support that pregnancy is a significant medical and life circumstance that deserves the same flexibility and responsiveness currently afforded to other triggering events like marriage or job loss. Ensuring that individuals can access or adjust their health coverage when they become pregnant is a commonsense step that promotes maternal and infant health, especially in communities where coverage gaps contribute to disparities in care.

Arguments in Opposition

The California Association of Health Plans (CAHP) and the Association of California Life and Health Insurance Companies (ACLHIC) write in opposition that in 2014, California saw the complete implementation of the Affordable Care Act (ACA), which brought substantial reforms to the health care landscape. One of the pivotal changes was the introduction of guaranteed issue coverage in the individual market, granting individuals and families the ability to secure health insurance without preexisting condition restrictions. A balancing measure to sustain a healthy insurance market required establishing an individual mandate and limiting enrollment periods to annual open enrollments and designated special enrollment periods linked to life events. Historically, unregulated enrollment opportunities without coverage constraints have led to market instability, as demonstrated in Washington State during the 1990s.

CAHP and ACLHIC write that special enrollment periods are currently confined to "qualifying life events," such as relocation, marriage, family expansion, or the loss of employer-sponsored coverage. These exceptions, generic and universally applicable, maintain market integrity without tying access to specific medical conditions. This bill challenges this equilibrium by introducing condition-based enrollment provisions, potentially setting precedent for favoring particular medical conditions over others, thereby destabilizing the market. A significant component of California's strategy to ensure broad access to affordable quality health care is the encouragement and incentivization of insurance purchases, even in the absence of immediate medical need. CAHP and ACLHIC argue this practice sustains the financial robustness of the insurance market. CAHP and ACLHIC write that this bill risks undermining this objective by potentially permitting individuals to defer purchasing insurance until its necessity becomes apparent.

FISCAL COMMENTS

According to the Assembly Appropriations Committee:

- 1) Costs to the California Public Employees Retirement System (CalPERS) of an unknown amount, likely in the low to mid hundreds of thousands of dollars per year, based on a previous version of the bill.*
- 2) Costs to the Department of Insurance of an unknown, but likely absorbable amount.*

- 3) *Costs to the Department of Managed Health Care of an unknown, but likely absorbable amount.*
- 4) *Minor and absorbable costs to Covered California.*

VOTES

SENATE FLOOR: 39-0-1

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

ABS, ABST OR NV: Reyes

ASM HEALTH: 14-0-2

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

ABS, ABST OR NV: Chen, Patterson

ASM APPROPRIATIONS: 14-0-1

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

ABS, ABST OR NV: Tangipa

UPDATED

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