
UNFINISHED BUSINESS

Bill No: SB 257
Author: Wahab (D), et al.
Amended: 9/4/25
Vote: 21

SENATE HEALTH COMMITTEE: 11-0, 4/23/25

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

SENATE APPROPRIATIONS COMMITTEE: 6-0, 5/23/25

AYES: Caballero, Seyarto, Cabaldon, Grayson, Richardson, Wahab
NO VOTE RECORDED: Dahle

SENATE FLOOR: 39-0, 6/3/25

AYES: 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
NO VOTE RECORDED: Reyes

ASSEMBLY FLOOR: 56-0, 9/9/25 – Roll call not available.

SUBJECT: PARENT Act

SOURCE: Insurance Access
Equity Alliance

DIGEST: This bill establishes pregnancy as a health plan/insurer triggering event for a special enrollment opportunity in the individual health insurance market.

Assembly Amendments of 9/4/25 delete prohibitions on plans and insurers with respect to coverage of maternity, newborn, and pediatric services when an enrollee or insured acts as a gestational carrier. Assembly amendments also delete, related

to pregnancy as a triggering event, a restriction on enrollment being affected by circumstances of conception, such as acting as a gestational carrier.

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; and the Medi-Cal program, administered by the Department of Health Care Services (DHCS), under which low-income individuals are eligible for medical coverage. [Health & Safety Code (HSC) §1340, et seq., Insurance Code (INS) §106, et seq. and Welfare & Institutions Code (WIC) §14000, et seq.]
- 2) Requires health plan and insurers to fairly and affirmatively offer, market, and sell all of their health benefit plans that sold in the individual health insurance market to all individuals and dependents in each service area in which health care services are provided or arranged, and limit enrollment to specified open enrollment periods, annual enrollment periods, and special enrollment periods, as specified. Prohibits the imposition of any preexisting condition provision upon any individual. [HSC §1399.849 and INS §10965.3]
- 3) Requires a health plan or insurer to allow an individual to enroll in or change individual health benefit plans, or add a dependent, as a result of the following triggering events:
 - a) Individual or dependent loses minimum essential coverage;
 - b) Individual gains or becomes a dependent;
 - c) Individual is mandated to be covered as a dependent pursuant to a valid state or federal court order;
 - d) Individual is released from incarceration;
 - e) Individual's health coverage issuer substantially violated a material provision of the health coverage contract;
 - f) Individual gains access to a new health benefit plan as a result of a permanent move;
 - g) The individual was receiving services from a contracting provider under another health plan, for a specified conditions and that provider is no longer participating in the health benefit plan. The conditions include an acute or serious condition, pregnancy including maternal mental health treatment, terminal illness, newborn care, and surgery;

- h) The individual demonstrates to Covered California, with respect to health plans offered through Covered California, or DMHC and CDI, with respect to plans offered outside of Covered California, that the individual did not enroll during the immediate preceding enrollment period because the individual was misinformed that individual was covered with minimum essential coverage;
 - i) The individual is a member of the reserve forces of the U.S. military returning from active duty or a member of the California National Guard returning from active duty; or,
 - j) With respect to Covered California, any triggering events listed in federal regulations. [HSC §1399.849 and INS §10965.3]
- 4) Prohibits a lien asserted by a DMHC or CDI licensee, or, a medical group or independent practice association, to the extent it asserts or enforces a lien, for the recovery of money paid or payable to or on behalf of an enrollee or insured for health care services provided from exceeding reasonable costs actually paid, as specified. [Civil Code (CIV) §3040]

This bill establishes pregnancy as a health plan or insurer, enrollment triggering event in the individual health insurance market.

Comments

According to the author of this bill:

This bill closes an unfair loophole in health insurance coverage for pregnancy. Health insurers are increasingly exploiting surrogacy contracts to demand reimbursement for maternal healthcare coverage. This discriminatory practice penalizes gestational carriers, people pursuing family building through surrogacy, and the professionals who support them. It forces intended parents to pay exorbitant out-of-pocket expenses, putting surrogacy further out of reach for people facing infertility and LGBTQ+ individuals who want to be parents. Without proper regulation, some insurers even seek reimbursement beyond deductibles or out-of-pocket maximums, skirting their mandate to cover maternity care. This bill also makes pregnancy a qualifying life event to enroll in health insurance outside of open enrollment, because neither the method nor timing of conception should affect one's access to prenatal healthcare. This bill will ensure consistent, equitable pregnancy-related coverage and protect access to

affordable care for all pregnant individuals, including gestational carriers, and the families they help create.

Background

Existing programs for pregnancy coverage without enrollment periods. A person can apply for Medi-Cal coverage at any time, as there are no open enrollment periods or special enrollment periods. To qualify for Medi-Cal, there are different eligibility categories which may have different income eligibility limits. For example, a person can apply for full scope Medi-Cal coverage if they are an adult under age 65, parents with incomes up to 138% of the FPL (\$29,187 in 2025), or children with family incomes up to 266% of the FPL (\$56,259 in 2025). There are also programs for pregnant women and infants with family income up to 322% of the FPL (\$68,103 in 2025). Medi-Cal grants presumptive eligibility to cover prenatal benefits for a pregnant person, and makes a person Medi-Cal eligible as though that person was pregnant for all pregnancy-related and postpartum services for a 60-day period beginning on the last day of pregnancy.

California Health Benefits Review Program (CHBRP) report. 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.

Other states. According to CHBRB, New York was the first state to make pregnancy a triggering event for special enrollment in 2015. Seven other states and the District of Columbia have done the same (Connecticut, New Jersey, Maryland, Maine, Rhode Island, Colorado, and Vermont) with Illinois and Virginia recently enacting legislation that will take effect in 2026.

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

According to the Assembly Appropriations Committee:

The Department of Insurance estimates costs of \$6,000 in fiscal year (FY) 2025-26 and \$18,000 in FY 2026-27 for state administration (Insurance Fund).

The Department of Managed Health Care estimates minor and absorbable costs.

Covered California anticipates minor and absorbable systems and outreach costs.

SUPPORT: (Verified 9/9/25)

AFSCME, AFL-CIO

American College of Obstetricians and Gynecologists District IX

California WIC Association

County of Santa Clara

Equality California

National Association of Pediatric Nurse Practitioners

OPPOSITION: (Verified 9/9/25)

Association of California Life & Health Insurance Companies

California Association of Health Plans

California Family Council

Women's Liberation Front

1 Individual

ARGUMENTS IN SUPPORT: Proponents believe the enactment of this bill would signify a monumental step forward in eliminating discriminatory practices in healthcare coverage related to pregnancy, and that it aligns with California's longstanding commitment to reproductive freedom and the protection of individual rights. The American College of Obstetricians and Gynecologists (ACOG) writes 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. ACOG says 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. The California WIC Association writes this bill is especially timely and needed given California's ongoing efforts to reduce maternal mortality, eliminate racial disparities in birth outcomes, and expand reproductive justice.

ARGUMENTS IN OPPOSITION: The California Association of Health Plans (CAHP) and the Association of California Life and Health Insurance Companies (ACLHIC) write "tying special enrollment periods to a specific medical condition sets a concerning precedent, undermining market rules that ensure broad participation and affordability. CHBRP analysis estimates [this bill] would increase net expenditures by nearly \$70 million annually and raise individual plan premiums by \$2.04 PMPM, making coverage less affordable for Californians. Allowing enrollment triggered by pregnancy risks encouraging individuals to defer

purchasing insurance until they need care, weakening California's coverage model."

Prepared by: Teri Boughton / HEALTH / (916) 651-4111
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