

Date of Hearing: August 20, 2025

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

SB 418 (Menjivar) – As Amended July 9, 2025

Policy Committee:	Health	Vote:	12 - 2
	Business and Professions		12 - 5

Urgency: Yes State Mandated Local Program: Yes Reimbursable: No

SUMMARY:

This bill prohibits a health plan or insurer from discriminating against an enrollee on the basis of race, color, national origin, age, disability, or sex characteristics. The bill requires a health plan contract, health insurance policy, and the Medi-Cal program cover up to a 12-month supply of prescription hormone therapy at one time, without utilization controls.

Specifically, this bill:

- 1) States the intent of the Legislature to expand the state’s existing prescription hormone therapy coverage policy by requiring all health care service plan contracts and health insurance policies, and the Medi-Cal program to cover a 12-month supply of prescription hormone therapy and necessary supplies for self-administration.
- 2) Defines “prescription hormone therapy” to mean all drugs approved by the FDA that are used to medically suppress, increase, or replace hormones that the body is not producing at intended levels, and the necessary supplies for self-administration.
- 3) Requires a pharmacist dispense, at a patient’s request, up to a 12-month supply of an FDA-approved prescription hormone therapy pursuant to a valid prescription that specifies an initial quantity followed by periodic refills, unless any of the following is true:
 - a) The patient requests a smaller supply.
 - b) The prescribing provider instructs that the patient must have a smaller supply.
 - c) The prescribing provider temporarily limits refills to a 90-day supply due to an acute dispensing shortage.
 - d) The prescription hormone therapy is a controlled substance. If the prescription hormone therapy is a controlled substance, the pharmacist shall dispense the maximum refill allowed under state and federal law to be obtained at one time by the patient.
- 4) Clarifies that the bill does not require a pharmacist to dispense or furnish a drug if it would constitute unprofessional conduct, as defined.

- 5) Defines “prescription hormone therapy” to mean all FDA-approved drugs that are used to medically suppress, increase, or replace hormones that the body is not producing at intended levels, and the necessary supplies for self-administration.
- 6) Provides that the bill does not require a provider to prescribe, furnish, or dispense 12 months of prescription hormone therapy at one time.
- 7) Prohibits an enrollee from being excluded from enrollment or participation in, denied the benefits of, or subjected to discrimination by, any licensed health plan or any health insurer on the basis of race, color, national origin, age, disability, or sex.
- 8) Specifies that discrimination on the basis of sex includes, but is not limited to, discrimination on the basis of any of the following:
 - a) Sex characteristics, including intersex traits.
 - b) Pregnancy or related conditions.
 - c) Sexual orientation.
 - d) Gender identity.
 - e) Sex stereotypes.
- 9) Prohibits a licensed health plan or insurer from specified discriminatory practices in arranging for the provision of health care services and in providing or arranging the provision of health services or other health-related coverage.
- 10) Clarifies that the bill does not require access to, or coverage of, a health care service for which the health plan or insurer has a legitimate, nondiscriminatory reason for denying or limiting access to, or coverage of, a health service or determining that the health service is not clinically appropriate for a particular individual, or fails to meet applicable coverage requirements, including reasonable medical management techniques, such as medical necessity requirements. Prohibits a health plan’s or health insurer’s determination from being based on unlawful animus or bias, or constituting a pretext for discrimination.
- 11) Requires a health plan’s or health insurer’s evidences of coverage, disclosure form, and combined evidence of coverage and disclosure form include a notice to enrollees and insureds regarding the prohibition on discrimination on the basis of race, color, national origin, age, disability, or sex; how to file a grievance; and related information.
- 12) Requires a health plan contract and health insurance policy issued, amended, renewed, or delivered on or after January 1, 2026, and the Medi-Cal program, to cover up to a 12-month supply of an FDA-approved prescription hormone therapy and the necessary supplies for self-administration that is prescribed by a network provider within their scope of practice and dispensed at one time for an enrollee by a provider or pharmacist, or at a location licensed or otherwise authorized to dispense drugs or supplies.
- 13) Provides that the bill does not require Medi-Cal or the health plan or insurer cover prescription hormone therapy provided by an out-of-network provider, and does not prohibit a health plan or insurer from limiting refills obtained in the last quarter of the plan year if a

12-month supply of the prescription hormone therapy has already been dispensed during the plan year.

- 14) Clarifies that the bill does not require a provider to prescribe, furnish, or dispense 12 months of prescription hormone therapy at one time.
- 15) Prohibits Medi-Cal or the health plan or insurer from imposing utilization controls or other forms of medical management limiting the supply of an FDA-approved prescription hormone therapy that may be dispensed by a provider or pharmacist, or at a location authorized to dispense drugs or supplies to less than a 12-month supply. Prohibits a health plan or insurer from requiring an enrollee to make a formal request for coverage, other than a pharmacy claim.
- 16) If a health plan or insurer delegates relevant responsibilities to a contracted entity, requires the delegated entity comply with this bill.
- 17) Provides that the bill applies only to prescription hormone therapy that can be safely stored at room temperature without refrigeration.
- 18) Provides that this bill does not require Medi-Cal or a health plan or insurer cover experimental or investigational treatments.
- 19) Sunsets on January 1, 2035, and includes an urgency clause.

FISCAL EFFECT:

The Department of Managed Health Care (DMHC) estimates costs of approximately \$468,000 in fiscal year (FY) 2026-27, \$510,000 in FY 2027-28, and \$579,000 in 2028-29 and ongoing. DMHC expects most of these costs would result from the need to address an increased volume of complaints from enrollees and health care providers (Managed Care Fund).

The California Health Benefits Review Program (CHBRP) estimates annual costs to the Medi-Cal program of \$231,000 (General Fund, federal funds). If dispensing 12 months of hormone therapy is not consistent with federal Medicaid rules, federal financial participation might not be available and the entire Medi-Cal cost would be paid from the General Fund.

The Department of Insurance estimates costs of \$6,000 in FY 2025-26, and \$23,000 in FY 2026-27 (Insurance Fund).

CHBRP estimates California Public Employees Retirement System (CalPERS) premiums would increase by \$9,000 overall; approximately \$4,000 would be costs to the state (General Fund).

Minor and absorbable costs to the Board of Pharmacy.

COMMENTS:

- 1) **Purpose.** This bill is co-sponsored by California LGBTQ Health and Human Services Network, Equality California, Gender Justice LA, Planned Parenthood Affiliates of California, ¡PODER!, Public Health Advocates, The Translatin@ Coalition, Alliance for TransYouth Rights and TransFamily Support Services, and Women's Foundation California.

The author states that during the first month of the Trump Administration, the president directed the Secretary of the Department of Health and Human Services (DHHS) to review the legality of Section 1557 of the federal Affordable Care Act (ACA), which prohibited individuals from being excluded from participation in, denied the benefits of, or subjected to discrimination on the basis of certain protected characteristics under any health program or activity receiving federal financial assistance. The author also notes that in the past couple of years, 70 clinics that provide gender-affirming care have closed, and recently, the largest clinic for this essential care in Los Angeles announced it will cease operating on July 22. The author argues that as the Trump Administration rolls back essential protections, California must reaffirm these protections.

- 2) **Background. Gender Affirming Care.** Gender-affirming care encompasses medical interventions such as prescription hormone therapy, surgical procedures, and mental health support aimed at aligning an individual's physical body with their gender identity. For many transgender individuals, these interventions are necessary for alleviating gender dysphoria and improving overall well-being. Prescription hormone therapy is frequently used to help patients develop physical characteristics that are more consistent with their gender identity. Hormone therapy is also used for other indications, such as treating menopausal symptoms, supporting bone health, managing endocrine disorders, and in fertility treatment.

Dispensing 12-Month Supplies of Prescriptions. SB 999 (Pavley), Chapter 499, Statutes of 2016, authorized a pharmacist to dispense a 12-month supply of FDA-approved, self-administered hormonal contraceptives. This bill would enact similar provisions for FDA-approved prescription hormone therapy.

Antidiscrimination Provisions. This bill includes provisions to prohibit health plans and insurers from engaging in discriminatory behavior on the basis of race, color, national origin, age, disability, or sex. Similar protections were enacted in Section 1557 of the ACA. On January 28, 2025, President Trump issued Executive Order (EO) 14187, which stated the U.S. "will not fund, sponsor, promote, assist, or support the so-called 'transition' of a child from one sex to another, and it will rigorously enforce all laws that prohibit or limit these destructive and life-altering procedures." The EO directed the Secretary of DHHS to rescind Biden Administration guidance on the application of Section 1557 to discrimination based on gender identity and gender expression. This bill prohibits health plans and insurers from impeding health services related to gender transition or other gender-affirming care if such denial, limitation, or restriction results in discrimination on the basis of sex.

- 3) **CHBRP Report.** Although CHBRP states this bill would have no measurable short-term public health impact, CHBRP notes there is potential to improve quality of life for some individuals who may secure a 12-month supply of hormones and can make fewer visits to a pharmacy. CHBRP notes accessing prescription medication can pose a challenge for some people. CHBRP cites research indicating transgender people are less likely than cisgender people to have insurance and more likely to delay or forego prescribed medications and report transportation as a barrier to accessing care, and more likely to experience discrimination and mistreatment from health care professionals.