
UNFINISHED BUSINESS

Bill No: SB 418
Author: Menjivar (D), et al.
Amended: 9/5/25 in Assembly
Vote: 27 - Urgency

SENATE HEALTH COMMITTEE: 9-0, 4/9/25

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

NO VOTE RECORDED: Valladares, Grove

SENATE JUDICIARY COMMITTEE: 11-1, 4/22/25

AYES: Umberg, Allen, Arreguín, Ashby, Caballero, Durazo, Laird, Stern, Wahab,
Weber Pierson, Wiener

NOES: Valladares

NO VOTE RECORDED: Niello

SENATE APPROPRIATIONS COMMITTEE: Senate Rule 28.8

SENATE FLOOR: 28-10, 5/28/25

AYES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon,
Caballero, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Hurtado, Laird,
McGuire, McNerney, Menjivar, Padilla, Pérez, Richardson, Rubio, Smallwood-
Cuevas, Stern, Umberg, Wahab, Weber Pierson, Wiener

NOES: Alvarado-Gil, Choi, Dahle, Grove, Jones, Niello, Ochoa Bogh, Seyarto,
Strickland, Valladares

NO VOTE RECORDED: Limón, Reyes

ASSEMBLY FLOOR: 54-18, 9/10/25 – Roll call not available

SUBJECT: Health care coverage: prescription hormone therapy and
nondiscrimination

SOURCE: Women's Foundation California

DIGEST: This bill permits a person to receive coverage for a 12-month supply of federal Food and Drug Administration-approved prescription hormone therapy, and necessary supplies for self-administration, prescribed by an in network provider and dispensed at one time, as specified. This bill prevents a person from being excluded from enrollment or participation in, denied the benefits of, or subjected to discrimination by, any health plan or health insurer licensed in this state on the basis of race, color, national origin, age, disability, or sex. Defines “discrimination on the basis of sex” to include, but not be limited to, discrimination on the basis of sex characteristics, including intersex traits; pregnancy or related conditions; sexual orientation; gender identity; and, sex stereotypes. Contains an urgency clause that will make this bill effective upon enactment.

Assembly Amendments permit a pharmacist to dispense, at a patient request, up to a 12-month supply of a federal Food and Drug Administration (FDA)-approved prescription hormone therapy pursuant to a valid prescription that specifies an initial quantity followed by periodic refills, as specified. Requires health plans and insurers that provide outpatient prescription drug benefits to cover up to 12-month supply of FDA-approved prescription hormone therapy, and necessary supplies for self-administration, prescribed by a network provider and dispensed at one time, as specified. Exempts Medi-Cal managed care plans. However, requires Medi-Cal to also cover a 12-month supply as a Medi-Cal benefit subject to utilization controls and medical necessity. Sunset the health plan, insurer coverage requirements of this bill on January 1, 2035. Adds an urgency clause.

ANALYSIS:

Existing federal law Prohibits, under Section 1557 of the Patient Protection and Affordable Care Act of 2010 (ACA), discrimination on the grounds of race, color, national origin, sex, age, and disability in certain health programs and activities. [42 United States Code (U.S.C.) §18116]

Existing state law:

- 1) Establishes the Department of Managed Health Care (DMHC) to regulate health plans under the Knox-Keene Health Care Service Plan Act of 1975 and the California Department of Insurance to regulate health insurers under the Insurance Code. [Health & Safety Code (HSC) §1340, et seq., and Insurance Code (INS) §106, et seq.]
- 2) Authorizes a pharmacist to furnish up to a 12-month supply of an FDA-approved, self-administered hormonal contraceptive at the patient’s request

under protocols developed by the Board of Pharmacy. (Business and Professions Code § 4064.5)

This bill:

- 1) Requires a pharmacist to dispense, at a patient's request, up to a 12-month supply of a FDA-approved prescription hormone therapy pursuant to a valid prescription that specifies an initial quantity followed by periodic refills, unless 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; or
 - d) The prescription hormone therapy is a controlled substance. If the prescription hormone therapy is a controlled substance, the pharmacist is required to dispense the maximum supply allowed under state and federal law to be obtained at one time by the patient.
- 2) Indicates 1) above does not require a pharmacist to dispense or furnish a drug that would violate existing law.
- 3) Requires a health plan contract or health insurance policy issued, amended, renewed, or delivered on or after the operative date of this bill, that provides outpatient prescription drug benefits, to cover up to a 12-month supply of a 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 or insured by a provider or pharmacist, or at a location licensed or otherwise authorized to dispense drugs or supplies. Prohibits the use of utilization controls or other forms of medical management with respect to the amount dispensed.
- 4) Requires if prescriptions for medically necessary FDA-approved prescription hormone therapy are unavailable to a plan enrollee or insured within the network, the plan or insurer to arrange for the prescription hormone therapy to be provided by an out-of-network provider.
- 5) Applies this bill only to prescription hormone therapy that is able to be safely stored at room temperature without refrigeration.

- 6) Defines “prescription hormone therapy” to mean all drugs approved by the FDA as of January 1, 2025, and all drugs approved by the FDA thereafter, 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. “Prescription hormone therapy” does not include glucagon-like peptide-1 or glucagon-like peptide-1 receptor agonists.
- 7) Requires Medi-Cal to cover up to a 12-month supply of a FDA-approved prescription hormone therapy as described in 3) above subject to utilization controls and medical necessity.
- 8) Sunsets this bill’s provisions on prescription hormone therapy coverage on January 1, 2035.
- 9) Prohibits a subscriber, enrollee, policyholder, or insured from being excluded from enrollment or participation in, be denied the benefits of, or be subjected to discrimination by, any health plan licensed in this state on the basis of race, color, national origin, age, disability, or sex.
- 10) Defines “discrimination on the basis of sex” to include, but not be 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; and,
 - e) Sex stereotypes.
- 11) Indicates this 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, the health care service or determining that the health care 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 determination under this provision from being based on unlawful animus or bias, or constitute a pretext for discrimination.

Comments

Author's statement. According to the author, within the first month of the Trump Administration, the president issued sixty-four executive orders (EOs). EO 14187 directed the Secretary of the federal Department of Health and Human Services to review the legality of Section 1557 of the ACA, which currently makes it unlawful for any healthcare provider who receives federal funding to refuse to treat an individual based on race, color, national origin, sex, age or disability. This rule is crucial in supporting multiple vulnerable communities from discrimination. The author also notes that, in the past couple of years, 70 clinics that provide gender-affirming care have closed, and recently, the largest provider for this essential health care in Los Angeles, the Children's Hospital of Los Angeles, ceased operating in July. The author indicates essential care includes Hormone Replacement Therapy, which affects a large community of individuals, such as individuals undergoing cancer, transgender individuals, and individuals experiencing perimenopause, menopause, osteoporosis prevention, or other hormone deficiencies, to treat conditions like hyperthyroidism. The author states that, as the Trump Administration attempts to roll back essential protections, California needs to reaffirm these protections. With this bill, the author states we are taking a proactive step to codify these protections in state law to ensure health care access for all in California and provide a 12-month supply of hormone replacement therapy in one lump sum due to the ever-changing nature of the federal administration.

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

According to the Assembly Appropriations Committee:

- 1) 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).
- 2) 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.

- 3) CDI estimates costs of \$6,000 in FY 2025-26, and \$23,000 in FY 2026-27 (Insurance Fund).
- 4) 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).
- 5) Minor and absorbable costs to the Board of Pharmacy.

SUPPORT: (Verified 9/10/25)

Women's Foundation California (source)
AIDS Healthcare Foundation
Alliance for Children's Rights
Alliance for TransYouth Rights
American Association of University Women – California
American Civil Liberties Union California Action
American College of Obstetricians and Gynecologists
API Equality-LA
APLA Health
Asian Americans Advancing Justice Southern California
Asian Resources, Inc.
Bienestar Human Services
California Academy of Child and Adolescent Psychiatry
California Academy of Family Physicians
California Advocates for Nursing Home Reform
California Behavioral Health Association
California Chapter of the American College of Emergency Physicians
California Dental Association
California Federation of Teachers
California Immigrant Policy Center
California Latinas for Reproductive Justice
California Legislative LGBTQ Caucus
California LGBTQ Health and Human Services Network
California Pan - Ethnic Health Network
California State Council of Service Employees International Union
California Women's Law Center
Center for Community Action & Environmental Justice
Central Coast Coalition for Inclusive Schools
Children Now
Citizens for Choice

City of San Jose
Clinica Monseñor Oscar A. Romero
Community Clinic Association of Los Angeles County
County Behavioral Health Directors Association California
Courage California
Culver City Democratic Club
Disability Rights California
East Bay Community Law Center
El/La Para Translatinas
Essential Health Access
Equality California
Feminist Majority Foundation
Flux
Gender Alchemy
Gender Justice Los Angeles
Green Policy Initiative
Health Access California
Indivisible CA: StateStrong
Insurance Commissioner Ricardo Lara / California Department of Insurance
Latino Coalition for a Healthy California
LGBTQ+ Inclusivity, Visibility, and Empowerment
Los Angeles LGBT Center
Mental Health America of California
Mirror Memoirs
Mixteco/Indigena Community Organizing Project
National Health Law Program
Nourish California
Orange County Equality Coalition
Our Time to Act
PFLAG Los Angeles
Poder San Francisco
Public Health Advocates
Radiant Health Centers
Rainbow Families Action Bay Area
Sacramento LGBT Community Center
San Francisco Marin Medical Society
Santa Monica Democratic Club
South Asian Network
Southeast Asia Resource Action Center
The Children's Partnership

The Los Angeles Trust for Children's Health
The San Diego LGBT Community Center
The TransLatin@ Coalition
The Trevor Project
TransCanWork
TransFamily Support Services
Viet Rainbow of Orange County
Youth Leadership Institute
Western Center on Law & Poverty, INC.
Women's Health Specialists
One individual

OPPOSITION: (Verified 9/10/25)

California Catholic Conference
California Family Council
Californians United for Sex-Based Evidence in Policy and Law
Fieldstead and Company, Inc.
Our Duty
Real Impact.
Women Are Real
Women's Declaration International
One individual

ARGUMENTS IN SUPPORT: LGBTQ+ Inclusivity, Visibility, and Empowerment (LIVE) writes as healthcare institutions face increasing scrutiny from the federal administration for providing gender-affirming care, denials of such care are expected to rise unless specific protections are established. These denials include limiting access to essential services and adopting policies that restrict or exclude the LGBTQ+ community from receiving gender-affirming care. Mental Health America of California writes this bill strengthens protections for the LGBTQ+ population by explicitly defining discrimination based on sex to include sex characteristics, pregnancy and related conditions, sexual orientation, gender identity, and sex stereotypes. Ensuring access to gender-affirming care is critical for the well-being of transgender individuals, as it provides access to necessary medical, mental health, and substance use services and supports. Disability Rights California believes this bill will help address overlapping forms of discrimination in health care. Orange County Equality Coalition writes this rule is crucial in supporting multiple vulnerable communities from discrimination including LGBTQ+ (especially transgender individuals), non-English speaking individuals,

and women seeking abortion care services, along with many others who have historically struggled to access medical care.

ARGUMENTS IN OPPOSITION: The California Catholic Conference writes that no insurer or plan sponsor should be required as a condition of participating in the market for health plans, to violate the very religious and moral convictions that prompt them to offer those benefits in the first place. Catholic employers forced to provide insurance coverage that finances the destruction of healthy organs and body systems would violate established human rights norms, and the Christian virtues of charity, integrity, and justice. The Trump administration already struck down the HHS Rule 1557. Passing this bill will place service providers in a paradox, either requiring that they follow state law to cover gender transition procedures and thus face federal challenges, or suffer financial losses from defense against lawsuits from violation of state law. This catch-22 may force more service providers to go out of business or shut down their services. The California Association of Health Plans (CAHP) and the Association of California Life and Health Insurance Companies (ACLHIC) write in opposition to 9 health insurance mandate bills including this one. The opposition writes these bills will increase costs, reduce choice and competition, and further incent some employers and individuals to avoid state regulation by seeking other coverage options. According to the opposition, benefit mandates impose a one-size-fits all approach to medical care and benefit design without consideration for consumer choice.

Prepared by: Teri Boughton / HEALTH / (916) 651-4111
9/10/25 15:42:01

**** END ****