Office of Senate Floor Analyses
(916) 651-1520 Fax: (916) 327-4478

UNFINISHED BUSINESS

Bill No: SB 62
Author: Menjivar (D), et al.
Amended: 7/1/25
Vote: 21

SENATE HEALTH COMMITTEE: 11-0, 4/30/25
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, 5/27/25
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: 76-0, 9/3/25 - See last page for vote

SUBJECT: Health care coverage: essential health benefits

SOURCE: Author

DIGEST: This bill expands California's Essential Health Benefits (EHBs) benchmark coverage for health plans to include services to evaluate, diagnose, and treat infertility; durable medical equipment such as mobility devices; and, hearing aids. EHB's are benefits that are mandated to be included in health coverage that is sold in California for individuals and small businesses pursuant to the federal Affordable Care Act.

Assembly Amendments strike the Insurance Code provisions from this bill, eliminate emergency regulation authority, provide authority for the Department of Managed Health Care (DMHC) to issue guidance not subject to the Administrative Procedure Act (APA), give DMHC authority to promulgate regulations subject to the APA, and, require DMHC to consult with the Department of Insurance in issuing guidance or regulations.

ANALYSIS:

Existing federal law: Establishes, pursuant to the Patient Protection and Affordable Care Act (ACA), federal EHBs requirements, including that the Secretary of the United States Department of Health and Human Services (HHS) not make coverage decisions, determine reimbursement rates, establish incentive program, or design benefits in ways that discriminate against individuals because of their age, disability, or expected length of life. [42 United States Code (U.S.C.) §18022]

Existing state law:

1) Establishes DMHC to regulate health plans under the Knox-Keene Health Care Service Plan Act of 1975 (Knox-Keene Act); CDI to regulate health and other insurance; and, the Department of Health Care Services to administer the Medi-Cal program. [Healthy and Safety Code (HSC) §1340, et seq., Insurance (INS) §106, et seq., and Welfare and Institutions Code (WIC) §14000, et seq.]

2) Requires an individual or small group health plan contract or insurance policy to include at a minimum, coverage for EHBs pursuant to the ACA, and as outlined below:

   a) Health benefits within the categories identified in the ACA;
   b) Ambulatory patient services;
   c) Emergency services;
   d) Hospitalization;
   e) Maternity and newborn care;
   f) Mental health and substance use disorder services;
   g) Prescription drugs;
   h) Rehabilitative and habilitative services and devices;
   i) Laboratory services;
   j) Preventive and wellness services and chronic disease management; and,
   k) Pediatric services, including oral and vision care;
   l) Health benefits covered by the Kaiser Foundation Health Plan Small Group HMO 30 (Kaiser Small Group HMO), as this plan was offered during the

first quarter of 2014, regardless of whether the benefits are specifically referenced in the evidence of coverage or plan contract for that plan;
m) Medically necessary basic health care services, as specified;
n) Health benefits mandated to be covered by the plan pursuant to statutes enacted before December 31, 2011, as described; and,
o) Health benefits covered by the plan that are not otherwise required to be covered, as specified. [HSC §1367.005 and INS §10112.27]

3) Requires pediatric vision care to be the same health benefits for pediatric vision care covered under the Federal Employees Dental and Vision Insurance Program vision plan with the largest national enrollment as of the first quarter of 2014. [HSC §1367.005 and INS §10112.27]

4) Requires pediatric oral care to be the same health benefits for pediatric oral care covered under the dental benefit received by children under the Medi-Cal program as of 2014, including the provision of medically necessary orthodontic care provided pursuant to the federal Children's Health Insurance Program Reauthorization Act of 2009. [HSC §1367.005 and INS §10112.27]

This bill adds to California's EHB benchmark for health plans the following services beginning January 1, 2027, if approved by HHS:

a) Services to evaluate, diagnose, and treat infertility. Requires the services to include:
   i) Artificial insemination;
   ii) Three attempts to retrieve gametes;
   iii) Three attempts to create embryos;
   iv) Three rounds of pre-transfer testing;
   v) Cryopreservation of gametes and embryos;
   vi) Two years of storage for cryopreserved embryos;
   vii) Unlimited storage for cryopreserved gametes;
   viii) Unlimited embryo transfers;
   ix) Two vials of donor sperm;
   x) Ten donor eggs; and,
   xi) Surrogacy coverage for the aforementioned services, as well as health testing of the surrogate for each attempted round of covered services.

b) The following additional durable medical equipment (DME):

   i) Mobility devices, including walkers and manual and power wheelchairs and scooters;

ii) Augmented communications devices, such as speech generating devices, communications boards, and apps;
iii) Continuous positive airway pressure (CPAP) machines;
iv) Portable oxygen; and,
v) Hospital beds.

c) An annual hearing exam and one hearing aid per ear every three years.

Comments

Author's statement. According to the author, gaps have been identified in coverage in California's EHB benchmark plan for health insurance under the ACA. For example, the existing benchmark excludes coverage for hearing aids, some medically necessary durable medical equipment and infertility treatment. California's benchmark plan can be updated to expand benefits to cover these needed services and treatment. After a stakeholder process held by DMHC which included an actuarial report comparing California's EHB to the most generous typical employer health plan, California decided to keep the current benchmark plan but add coverage for hearing aids, additional durable medical equipment, and infertility diagnosis and treatment. This bill is needed to update California's EHB law to incorporate these changes.

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

According to the Assembly Appropriations Committee, DMHC anticipates minor and absorbable costs.

SUPPORT: (Verified 9/3/25)

Alliance for Fertility Preservation
American Society for Reproductive Medicine
California Academy of Audiology
California Association of Medical Product Suppliers
California Children's Hospital Association
California State Council of Service Employees International Union
Children Now
Children's Specialty Care Coalition
County of Santa Clara Office of Education
Disability Rights Education and Defense Fund
Facing Our Risk of Cancer Empowerment
Health Access California
Indivisible CA: StateStrong

Insurance Commissioner Ricardo Lara
National Health Law Program
Reproductive Freedom for All California
Resolve: The National Infertility Association
Santa Clara County Office of Education
Western Center on Law & Poverty, Inc.

OPPOSITION: (Verified 9/3/25)

The Center for Bioethics and Culture

ARGUMENTS IN SUPPORT: Health Access California supports the additional items to be add to California's EHBs because hearing loss can result in delayed language development in children and social isolation among people of all ages. Health Access California writes many Californians do not have access to wheelchairs, augmentation communication devices, hearing aids, oxygen equipment and other DME that they need, and, California as a state is committed to reproductive rights: infertility treatment is as much a part of that as abortion. Western Center on Law and Poverty writes, "The current benchmark creates a significant gap in services due to its lack of coverage for DME. Without adequate coverage, people go without medically necessary devices, obtain inferior ones that put their safety at risk, or turn to publicly-funded health care programs for help." The Santa Clara County Office of Education writes this bill would establish a new benchmark plan for the 2027 plan year, which would include, among other things, a requirement that private health plans cover hearing aids for children, and, this bill would support our deaf and hard of hearing students by ensuring that all families have access to the choices that meet their needs. RESOLVE: The National Infertility Association writes, "As the American Society for Reproductive Medicine has declared in prior support letters, the proposed benchmark plan meets the standard of care for in vitro fertilization by covering three egg retrievals and an unlimited number of transfers, among other enumerated services. This standard is based on extensive U.S. and international literature, as well as professional consensus, which supports this approach as the most cost-effective way to maximize an individual's chances for a healthy pregnancy and neonatal outcome. This standard is maintained by most states with similar mandates and closely aligns with what commercial insurance companies provide for their covered lives. Without adequate insurance coverage for fertility care, the out-of-pocket costs for these treatments are simply insurmountable for most Californians. Hormone therapy alone can cost as much as $2,000 and intrauterine insemination can cost more than $5,000. IVF can run anywhere between $24,000 and $38,015 depending on the clinic and whether a patient needs donor eggs or sperm. For Californians

struggling with infertility, the very existence of the family they hope to build can depend on income alone." Children Now writes this legislation presents a welcome opportunity to update the EHB benchmark package to include hearing aid coverage for children and adults in 2027, pending federal approval, and, in closing the hearing aid coverage gap, these bills will ensure that all children in California have the opportunity to reach their full potential.

Concerns. The California Association of Health Plans (CAHP) and the Association of California Life and Health Insurance Companies (ACLHIC) express significant concerns with legislation seeking to expand California's EHB benchmark plan. They believe that proceeding with this legislation now is premature and warrants a delay to allow for a more thorough review and consultation on premium impact and affordability. CAHP and ACLHIC write, "The Wakely studies have already indicated a potential 2% premium increase to cover these benefits, a cost that will further strain the affordability of healthcare for many Californians. As Wakely themselves noted in their Benchmark Plan Benefit Valuation Report, the actual cost and premium impacts could be even higher depending on various factors. It is imperative that the State undertake a more comprehensive evaluation of these potential premium increases. CAHP and ACLHIC urge the State to consult with CHBRP to conduct a detailed analysis of the cost implications for these proposed services. Also, the looming expiration of the APTC subsidies at the end of 2025 presents a significant risk. The expiration of these subsidies could lead to higher insurance premiums for all 2.37 million Californians in the individual market, potentially increasing the number of uninsured individuals. Covered California has publicly testified that the loss of these subsidies would increase the ranks of the state's uninsured by an estimated 400,000 Californians."

ARGUMENTS IN OPPOSITION: The Center for Bioethics and Culture Network writes that it believes this bill is vague in scope, and is specifically concerned with the potential expansion of mandated insurance coverage for elective fertility procedures. The opposition writes, "Surrogacy involves complex medical interventions that carry substantial physical and psychological risks to the women who serve as gestational carriers. These include, but are not limited to: increased risk of pregnancy complications, including preeclampsia, placenta previa, gestational diabetes, and preterm labor, particularly when carrying multiples, which are more common in IVF or surrogacy; psychological and emotional trauma, including an increased risk for postpartum depression, associated with relinquishing a child they have carried to term, which is often underestimated or dismissed; exposure to intensive hormone treatments, which may have long-term implications for women's health and fertility (studies are

sorely lacking). Any legislative move that could incentivize or expand commercial surrogacy through mandated insurance coverage risks turning women—often financially vulnerable—into a means to an end for others' reproductive desires."

ASSEMBLY FLOOR: 76-0, 9/3/25
AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Chen, Connolly, Davies, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas
NO VOTE RECORDED: Castillo, DeMaio, Gallagher

Prepared by: Teri Boughton / HEALTH / (916) 651-4111
9/3/25 18:38:06

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