UNFINISHED BUSINESS

Bill No: SB 950
Author: Weber Pierson (D), et al.
Amended: 8/19/26
Vote: 21

SENATE HEALTH COMMITTEE: 9-0, 4/15/26
AYES: Weber Pierson, Valladares, Caballero, Durazo, Gonzalez, Grove, Padilla, Rubio, Smallwood-Cuevas
NO VOTE RECORDED: Menjivar, Pérez

SENATE APPROPRIATIONS COMMITTEE: 7-0, 4/27/26
AYES: Cervantes, Seyarto, Cabaldon, Dahle, Grayson, Richardson, Wahab

SENATE FLOOR: 38-0, 5/19/26
AYES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Ochoa Bogh, Padilla, Pérez, Reyes, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener
NO VOTE RECORDED: Hurtado, Niello

ASSEMBLY FLOOR: Passed, 8/24/26

SUBJECT: Health care coverage: dementia

SOURCE: Alzheimer's Association

DIGEST: This bill requires health plans and insurers to cover all medically necessary treatments or medications, as determined by a health care provider, that are approved by the federal Food and Drug Administration (FDA) for the treatment of Alzheimer's disease or other medical conditions affecting memory. Prohibits health plans and insurers from imposing step therapy protocols when one or more medications are approved by the FDA, unless a plan or insurer has covered at least one anti-amyloid therapy without step therapy.

Assembly Amendments delete a provision that indicates that coverage for all medically necessary treatment or medications does not require a plan or insurer to cover more than one pharmaceutically equivalent drug product if the FDA has approved more than one medication or treatment that is pharmaceutically equivalent. An additional amendment replaces the terms "related dementia" with "medical conditions affecting memory."

ANALYSIS:

Existing 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 (Knox-Keene Act) and the California Department of Insurance (CDI) to regulate health insurers under the Insurance Code. [Health and Safety Code (HSC) §1340, et seq. and Insurance Code (INS) §106, et seq.]

2) Permits health plans and insurers to require step therapy and prior authorization and defines step therapy as a type of protocol that specifies the sequence in which different prescription drugs for a given medical condition that are medically appropriate for a particular patient are to be prescribed. Includes utilization review organizations that perform utilization review or utilization management functions. [HSC §1342.71 and §1367.206, Title 28 California Code of Regulations (CCR) §1300.67.205, and INS §10123.193 and §10123.201]

3) Requires a health plan contract that provides coverage for outpatient prescription drugs to cover medically necessary prescription drugs, including nonformulary drugs determined to be medically necessary consistent with the Knox-Keene Act. Excludes specified drugs such as drugs for cosmetic purposes and indicates drugs for mental performance are not excluded when they are used to treat diagnosed mental illness or medical conditions affecting memory, including, but not limited to treatment of the conditions or symptoms of dementia or Alzheimer's disease. [HSC §1342.71, Title 28, CCR §1300.67.24 and INS §10123.193]

This bill:

1) Requires a health plan contract or health insurance policy issued, amended, or renewed on or after January 1, 2027, to include coverage for all medically necessary treatments or medications, as determined by a health care provider, that are approved by the FDA for the treatment of Alzheimer's disease or other

medical conditions affecting memory. Indicates medically necessary treatments or medications include, but are not limited to, those that reduce clinical decline.

2) Indicates medically necessary treatments or medications include those administered through a medical benefit, an outpatient prescription drug benefit to the extent the plan contract or policy covers outpatient prescription drugs, or both.

3) Prohibits a health plan or health insurer from imposing step therapy protocols as a prerequisite to authorizing coverage of medically necessary treatments or medications approved by the FDA for the treatment of Alzheimer's disease, except as provided in 5) below. Prohibits step therapy for both self-administered drugs and physician-administered drugs, except as provided in 5) below.

4) Permits a health plan or health insurer to cover only one anti-amyloid therapy (disease modifying medication) without step therapy if the FDA has approved one or more types of treatment for Alzheimer's disease or other medical conditions affecting memory.

5) Permits a health plan or insurer to apply utilization management, including prior authorization, to determine medical necessity for the treatment of Alzheimer's or other medical conditions affecting memory, if appropriateness and medical necessity determinations are made in the same manner as treatment of any other illness, condition, or disorder covered by the plan contract or insurance policy.

6) Prohibits coverage criteria for FDA-approved treatments from being more restrictive than the FDA-approved indications for those treatments.

7) Requires health plan and insurer authorization to be considered an exigent circumstance, consistent with existing law.

8) Exempts a specialized health plan or insurer that covers only dental, vision, or Medicare supplement contracts or policies, Medi-Cal managed care plan contracts with Department of Health Care Services, as specified, accident-only, specified disease, or hospital indemnity policies.

Comments

According to the author of this bill:

Alzheimer's disease, while often thought of as a condition of aging, reflects broader disparities in our public health system. Californian women, lower-income Californians, and Californians of color face disproportionately elevated risks, higher diagnosis rates, and poorer outcomes once living with the disease. This devastating diagnosis is life- and community-changing. As Alzheimer's progresses, individuals lose independence and the memories that connect them to their loved ones. Families often sacrifice their livelihoods to become caregivers while navigating a complex health system. During one of the most difficult times in their lives, California cannot allow barriers to delay or prevent access to appropriate treatment. Today, FDA-approved therapies offer new hope by slowing the progression of Alzheimer's disease in its early stages. Removing the plaque responsible for progression can preserve precious time, memories, and quality of life. But, because they are only effective early in the disease, any delays can take away the opportunity to receive this treatment altogether. As a state, we must ensure timely access to these treatments and alleviate pressure from our families and healthcare system. Families deserve more time and support when navigating Alzheimer's.

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

According to the Assembly Appropriations Committee DMHC and CDI anticipate minor and absorbable costs.

The California Public Employees Retirement System anticipates no costs.

SUPPORT: (Verified 8/20/26)

Alzheimer's Association (source)
AIDS Healthcare Foundation
Alliance for Patient Access
Alzheimer's Greater Los Angeles
Alzheimer's Orange County
Alzheimer's San Diego
American Federation of State, County, and Municipal Employees
Association of California Healthcare Districts
Biocom California
California Alliance for Retired Americans
California Assisted Living Association
California Black Health Network
California Chronic Care Coalition

California Coalition on Family Caregiving
California Life Sciences
California Long Term Care Ombudsman Association
California PACE Association
Clean Earth 4 Kids
Disability Rights California
Family Caregiver Alliance
LeadingAge California
Multipurpose Senior Services Program Site Association
Western Center on Law & Poverty, Inc.
Two individuals

OPPOSITION: (Verified 8/20/26)

Association of California Life & Health Insurance Companies
California Association of Health Plans
One individual

ARGUMENTS IN SUPPORT: This bill's sponsor, the Alzheimer's Association, writes that "this legislation expedites access for monoclonal antibody therapies that target amyloid plaque buildup in the brain to reduce cognitive decline. These are among the first disease modifying treatments to become available for Alzheimer's disease. The advent of these treatments along with blood-based biomarker testing and new research on lifestyle interventions' efficacy staving off cognitive decline have encouraged early detection and diagnosis of Alzheimer's disease. Perspectives have changed because these developments provide proactive measures to manage cognitive decline for individuals contending with a diagnosis. Presently, these therapies are only available for those in the early stage of Alzheimer's disease, making access crucial."

ARGUMENTS IN OPPOSITION: The California Association of Health Plans (CAHP) and the Association of California Life and Health Insurance Companies (ACLHIC) indicate that the demonstrated effectiveness of anti-amyloids has not been clearly substantiated, and they reference CHBRP statements that there is not enough research to determine whether amyloid plaque reduction improves health outcomes and that the small effect sizes did not meet the threshold for minimum clinically important differences. They are also concerned that this bill will accelerate utilization of these drugs before their value is proven and the infrastructure for treatment is available. Regarding the step therapy requirement, CAHP and ACLHIC are concerned that it further grants immediate access to a

drug that has not been proven to improve health outcomes, which is a concern because an individual course of treatment is between $26,500 - $32,000.

Prepared by: Teri Boughton / HEALTH / (916) 651-4111
8/24/26 16:06:45

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