

ASSEMBLY BILL

No. 575

Introduced by Assembly Member Arambula

February 12, 2025

An act to add Section 1374.6 to the Health and Safety Code, and to add Section 10123.62 to the Insurance Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

AB 575, as introduced, Arambula. Obesity Prevention Treatment Parity Act.

Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care and makes a willful violation of the act's requirements a crime. Existing law provides for the regulation of disability and health insurers by the Department of Insurance. Existing law sets forth specified coverage requirements for plan contracts and insurance policies.

This bill, the Obesity Prevention Treatment Parity Act, would require an individual or group health care service plan contract or health insurance policy that provides coverage for outpatient prescription drug benefits, as specified, and is issued, amended, or renewed on or after January 1, 2026, to include coverage for at least one anti-obesity medication and intensive behavioral therapy for the treatment of obesity without prior authorization. Because a willful violation of these provisions by a health care service plan would be a crime, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. This act shall be called, and may be cited as, the
- 2 Obesity Prevention Treatment Parity Act.
- 3 SEC. 2. The Legislature finds and declares all of the following:
- 4 (a) Obesity is a serious chronic disease that is recognized as
- 5 such by major medical organizations, including the American
- 6 Medical Association since 2013, the American Association of
- 7 Clinical Endocrinology, the American College of Cardiology, the
- 8 Endocrine Society, the American Society for Reproductive
- 9 Medicine, the Society for Cardiovascular Angiography and
- 10 Interventions, the American Urological Association, and the
- 11 American College of Surgeons.
- 12 (b) Obesity is linked to more than 200 comorbid conditions.
- 13 (c) Obesity is associated with an increased risk of 13 types of
- 14 cancer.
- 15 (d) From 2005 to 2014, most cancers associated with obesity
- 16 and being overweight increased in the United States, while cancers
- 17 associated with other factors decreased.
- 18 (e) Obesity reduces a patient's overall survival rate and
- 19 cancer-specific survival rate, as well as increases the risk of cancer
- 20 recurrence.
- 21 (f) Obesity is a complex chronic disease, one in which genetics,
- 22 the environment, and biology all play important factors.
- 23 (g) Obesity disproportionately affects communities of color, in
- 24 part because of barriers to accessing affordable healthy food options
- 25 and safe environments to live an active lifestyle.
- 26 (h) In rural communities, Black and Latino populations have
- 27 the highest rates of obesity.
- 28 (i) Obesity is impacted by socioeconomic status.
- 29 (j) Californians living below the poverty line are 1.5 times more
- 30 likely to be obese.

1 (k) Adults suffering from obesity have a 55-percent higher risk
2 of developing depression over their lifetime.

3 (l) Complications with obesity can lead to increased risk of
4 chronic disease including hypertension, diabetes, cardiovascular
5 diseases, or mortality.

6 (m) Obesity accounts for 47 percent of the total cost of chronic
7 diseases in the United States.

8 (n) Obesity is a highly stigmatized disease.

9 (o) Barriers to accessing obesity treatments include stigma,
10 racism, and discrimination.

11 (p) In California, one out of four adults are obese, and
12 obesity-related costs are estimated to be \$15.2 billion annually.

13 (q) The California Code of Regulations currently requires
14 coverage of outpatient prescription drugs for the treatment of
15 obesity, but only when a patient is diagnosed with “morbid
16 obesity,” modernly referred to as “severe obesity.”

17 (r) Chronic diseases without the stigma, racism, and
18 discrimination of obesity do not require patients to reach the
19 designation of “morbid” to be worthy of treatment options that
20 include outpatient prescription drugs.

21 (s) Recently, the United States Food and Drug Administration
22 approved several glucagon-like peptide-1 receptor agonists
23 (GLP-1RAs) for weight management.

24 (t) Glucagon-like peptide-1 receptor agonists are medications
25 that help lower blood sugar levels and promote weight loss.
26 However, not all insurance companies provide coverage for
27 GLP-1RA medications despite mounting evidence indicating that
28 this class of medications is safe and effective.

29 (u) The Obesity Prevention Treatment Parity Act would address
30 health equity gaps and social determinants of health for
31 Californians by ensuring the full range of treatment options are
32 available to patients, without them having to reach a level of
33 obesity considered “morbid.”

34 SEC. 3. Section 1374.6 is added to the Health and Safety Code,
35 to read:

36 1374.6. (a) Notwithstanding any other law, a group or
37 individual health care service plan contract that provides coverage
38 for outpatient prescription drug benefits that is issued, amended,
39 or renewed on or after January 1, 2026, shall include coverage,

1 without prior authorization, for all of the following for the
2 treatment of obesity:

3 (1) At least one FDA-approved anti-obesity medication,
4 including, but not limited to, glucagon-like peptide-1 receptor
5 agonists (GLP-1RAs).

6 (2) Intensive behavioral therapy.

7 (b) This section does not prohibit a plan from applying
8 utilization management to determine the medical necessity for the
9 treatment of obesity under this section if appropriateness and
10 medical necessity determinations are made in the same manner as
11 those determinations are made for the treatment of any other illness,
12 condition, or disorder covered by a contract.

13 (c) Coverage criteria for FDA-approved anti-obesity medications
14 shall not be more restrictive than the FDA-approved indications
15 for those treatments.

16 (d) This section does not apply to a specialized health care
17 service plan contract that covers only dental or vision benefits or
18 a Medicare supplement contract.

19 (e) For purposes of this section, the following terms have the
20 following meanings:

21 (1) “FDA-approved anti-obesity medication” means a
22 medication approved by the United States Food and Drug
23 Administration with an indication for chronic weight management
24 in patients with obesity.

25 (2) “Glucagon-like peptide-1 receptor agonists (GLP-1RAs)”
26 means a class of medications that helps lower blood sugar levels
27 and promote weight loss.

28 SEC. 4. Section 10123.62 is added to the Insurance Code, to
29 read:

30 10123.62. (a) Notwithstanding any other law, a group or
31 individual health insurance policy that provides coverage for
32 outpatient prescription drug benefits that is issued, amended, or
33 renewed on or after January 1, 2026, shall include coverage,
34 without prior authorization, for all of the following for the
35 treatment of obesity:

36 (1) At least one FDA-approved anti-obesity medication,
37 including, but not limited to, glucagon-like peptide-1 receptor
38 agonists (GLP-1RAs).

39 (2) Intensive behavioral therapy.

1 (b) This section does not prohibit an insurer from applying
2 utilization management to determine the medical necessity for the
3 treatment of obesity under this section if appropriateness and
4 medical necessity determinations are made in the same manner as
5 those determinations are made for the treatment of any other illness,
6 condition, or disorder covered by a contract.

7 (c) Coverage criteria for FDA-approved anti-obesity medications
8 shall not be more restrictive than the FDA-approved indications
9 for those treatments.

10 (d) This section does not apply to a specialized health insurance
11 policy that covers only dental or vision benefits or a Medicare
12 supplement contract.

13 (e) For purposes of this section, the following terms have the
14 following meanings:

15 (1) “FDA-approved anti-obesity medication” means a
16 medication approved by the United States Food and Drug
17 Administration with an indication for chronic weight management
18 in patients with obesity.

19 (2) “Glucagon-like peptide-1 receptor agonists (GLP-1RAs)”
20 means a class of medications that helps lower blood sugar levels
21 and promote weight loss.

22 SEC. 5. No reimbursement is required by this act pursuant to
23 Section 6 of Article XIII B of the California Constitution because
24 the only costs that may be incurred by a local agency or school
25 district will be incurred because this act creates a new crime or
26 infraction, eliminates a crime or infraction, or changes the penalty
27 for a crime or infraction, within the meaning of Section 17556 of
28 the Government Code, or changes the definition of a crime within
29 the meaning of Section 6 of Article XIII B of the California
30 Constitution.