July 17, 2026

Dear Sen. Weber-Pierson,

We, the undersigned organizations, are writing to share our concerns with amendments attached to SB 1199 after passing the Assembly Committee on Health on June 30. We strongly support the bill you introduced and appreciate your commitment to this critical issue in California. It is your leadership that has ensured the successful progress that has been made in 2026. **However, amendments adopted in the Assembly Health Committee weaken the patient protections of SB 1199, present significant barriers to care, and fundamentally undermine the intent of the bill.**

Our organizations are members of the All Copays Count Coalition, which was formed to ensure patients can access and afford their life-saving medications, by limiting or prohibiting health insurers and pharmacy benefit managers (PBMs) from using prescription drug copay accumulator adjustment programs (AAPs). To date, twenty-six states, the District of Columbia, and Puerto Rico have enacted similar legislation into law.[1]

The amendments adopted on June 30 include an expansion of the conditions to which an exception would be granted, including if a covered generic equivalent at a lower cost sharing tier is available a health care service plan does not have to count all payments toward an enrollee's cost-sharing (sometimes called the "generics exclusion").[2] The Coalition has supported modifications such as the "generics exclusion" in other state AAP bills as a reasonable compromise, despite concerns the impact exclusions like these will have on certain patient populations.

The amendments to SB 1199 follow Colorado's definition of exclusionary conditions. Colorado was the first state to go further than the "generic exclusion" to include biologics and interchangeable biosimilars.[3] It is key to note that interchangeable biosimilars are not the equivalent of a traditional generic drug. For example, there are numerous biological therapies for Hemophilia A that are considered interchangeable, while not being biosimilars. We know from patient experience that not every medication works effectively for every individual, and each patient has gone through years of medical appointments, tests, and trial-and-error to find the right treatment for them. A patient who is stable on their medication should not have to

[1] Arthritis Foundation, All Copays Count Coalition, https://www.arthritis.org/advocate/all-copays-count-coalition.
[2] See Section 1 (a)(1) (A-C)
[3] Colorado Senate Bill 23-195, attached

switch to another product - that may not be as effective – just to ensure they are not subjected to a copay accumulator adjustment program.

However, consistent with other state AAP bills, Colorado includes a key provision that clarifies that under these circumstances, for generics and interchangeable biosimilars, if a patient has been through the health plan's utilization management process and approved for a drug, health insurers and PBMs may not apply a copay accumulator adjustment program. **The Coalition would like to see that clarifying language added to Section 1 of SB 1199 as a reasonable measure of patient protections.**[4]

Even more concerning to the Coalition is Section 1 (3) of SB 1199 (page 3, lines 1-7). This language is inconsistent with all other state AAP bills and raises serious concerns about unnecessary barriers between a patient, their medical provider, and their medication. It is simply a tactic by insurers and PBMs to complicate the process, confuse pharmacies, and deter patients from getting their prescription drugs. Health plans and PBMs have argued they have no way to know when a patient is using third-party copayment assistance, and no way to track the assistance as part of a patient's cost sharing obligation. Three PBMs control nearly 80% of the U.S. prescription drug market.[5] The three largest health insurers in the country own these three PBMs, and these PBMs own the largest specialty pharmacies in the country. Through this vertical integration, the management of prescription drug benefits in the U.S. is the system they designed. If health plans are currently able to apply copay accumulator adjustment programs and exclude certain payments from an enrollee's deductible or out-of-pocket maximum, it demonstrates that health plans are already receiving individual enrollee information and the use of copay assistance. **The Coalition would like Section 1 (3) removed from the bill as it only serves to place an unfair burden on patients and block them from accessing and affording their life-saving medications.**

We believe these suggested modifications to SB 1199 would protect and ensure patients get their necessary medications, while still responsibly addressing the concerns of PBMs and health plans.

Access to high-cost specialty medicines is a critical part of managing many serious, rare and/or complex chronic conditions. Requiring health insurers and PBMs to count copayment assistance under appropriate circumstances would be a huge step toward ensuring patients can reliably and affordably access their medicines for better health outcomes. The Coalition is grateful for your steadfast leadership and for the support of the California Department of Insurance to

[4] Colorado Senate Bill 23-195, highlighted in attachment

[5] U.S. Federal Trade Commission, Interim Staff Report, "Pharmacy Benefit Managers: The Powerful Middlemen Inflating Drug Costs and Squeezing Main Street Pharmacies," July 2024.

successfully drive SB 1199 over the finish line. We look forward to continuing to work together to advance patient access.

Sincerely,

AiArthritis

Aimed Alliance

American Cancer Society - Cancer Action Network

Arthritis Foundation

Autoimmune Association

Biomarker Collaborative

Bleeding Disorders Council of California

California Rare Disease Access Coalition

Cancer Support Community San Francisco Bay Area

Children's Specialty Care Coalition

Coalition of State Rheumatology Organizations

Community Oncology Alliance

Crohn's and Colitis Foundation

Cystic Fibrosis Research Institute

EB Research Partnership

EveryLife Foundation

Exon 20 Group

HIV+Hepatitis Policy Institute

Immune Deficiency Foundation

Infusion Access Foundation

International Cancer Advocacy Network

Lupus and Allied Diseases Association, Inc.

MET Crusaders

National Bleeding Disorders Foundation

National Infusion Center Association

National Multiple Sclerosis Society

National Organization for Rare Disorders

National Psoriasis Foundation

Neuropathy Action Foundation

Northern California Bleeding Disorders Foundation

NRG1 Energizers

Oncology Nursing Society

Ovarian Cancer Research Alliance

PDL1 Amplifieds

RareRising

Redwood Bleeding Disorders Community

Spondylitis Association of America

Susan G. Komen

The AIDS Institute