

California Delays Implementing Mandated Fertility Benefits

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The effective date of California Senate Bill 729, which expands fertility coverage for fully insured plans, has been delayed. Originally set to be in effect for contracts issued, amended, or renewed on or after July 1, 2025, the law is now effective for fully insured health policies and HMO contracts **issued, amended, or renewed on or after January 1, 2026**.

■ Background

California Senate Bill 729 (“SB 729”), signed into law on September 29, 2024, requires large group policies and HMO contracts to cover the diagnosis and treatment of infertility and fertility services, including a maximum of three completed in-vitro fertilization treatments. Small group health insurance policies and HMO contracts are required to offer the employer (or other policyholder) the option to cover these same services but are not mandated to provide this coverage automatically. In California, “small group” is generally defined as a plan covering an employer that employs at least one, but not more than 100, full-time equivalent employees on at least 50% of its working days during the preceding calendar quarter or preceding calendar year, the majority of whom were employed in California.

The new state law applies to every health insurance policy that is issued, amended, or renewed to residents of California, regardless of the situs of the contract. It does not apply to self-funded group health plans or to health insurance policies or HMO contracts maintained by a “religious employer.”

The law was originally set to be effective for insurance policies and HMO contracts issued, amended, or renewed on or after July 1, 2025. The new state law does not apply to health plans and policies with CalPERS (the benefit system for state employees) until July 1, 2027.

■ What’s New

Upon signing SB 729, Governor Newsom requested the California Legislature to delay the implementation date from July 1, 2025, to January 1, 2026.

The extension became official on June 30, 2025, when Governor Newsom signed Assembly Bill 116 (“AB 116”), the health omnibus trailer bill, as part of the 2025-2026 state budget. AB 116 included a provision extending the implementation date of SB 729 for both large and small group plans to January 1, 2026. It also gave the Department of Insurance and the Department of Managed Health Care until January 1, 2027, to issue compliance guidance.

The benefit mandate will now take effect for fully insured group health insurance policies and HMO contracts that are **issued, amended, or renewed on or after January 1, 2026**.

Employer Action

Large employers with fully insured plans should be aware of the new fertility requirements that will take effect for plan years beginning on or after January 1, 2026.

Large employers with fully insured policies written outside of California, but providing coverage to California residents, should discuss compliance with the insurance carrier.

Small employers with fully insured plans should determine whether to opt in to the fertility coverage with the first renewal on or after January 1, 2026.