



OFFICE OF THE GOVERNOR

OCT 13 2025

To the Members of the California State Assembly:

I am returning Assembly Bill 554 without my signature.

This bill would prohibit nongrandfathered health plans established by the federal Affordable Care Act (ACA) and insurance policies from imposing any cost-sharing for antiretroviral drugs, devices, or drug products that are approved by the federal Food and Drug Administration (FDA) for preexposure prophylaxis (PrEP).

I wholeheartedly support efforts to ensure affordable and accessible prevention and treatment of HIV/AIDS, and I share the author's desire to address politically motivated changes to long-standing preventive services requirements by the current hostile federal administration. This year's budget specifically codified the January 1, 2025 recommendations made by the U.S. Preventive Services Task Force for no-cost preventive services – ensuring the prior federal administration's guidelines are a matter of state law. As a result, the California Department of Public Health now has the explicit authority to modify or supplement these baseline guidelines based on recommendations and guidance from medical and scientific organizations.

However, certain components of this measure raise concerns about affordability. By exceeding the cost-sharing provisions under the ACA, this bill would result in increased costs to health plans, which would then be passed on to consumers. At a time when individuals are facing double-digit rate increases in their health care premiums across the nation, the state must weigh the



potential benefits of all new mandates against the comprehensive costs to the entire health care delivery system.

For these reasons, I cannot sign the bill.

Sincerely,



Gavin Newsom