

# AB2431 • California

## Downcoding medical claims.

Introduced

Risk: Medium

Amendment

Last Action (Apr 13, 2026): Re-referred to Com. on APPR. pursuant to Assembly Rule 96.

## Summary

AB2431 proposes adding sections to the Health and Safety Code and Insurance Code to regulate downcoding medical claims, though specific guidelines for insurers are unconfirmed.

## Business Impact

If you handle medical claims, monitor AB2431 for potential changes in downcoding regulations.

## Key Provisions

- Adds Section 1371.01 to the Health and Safety Code to regulate downcoding, though specific guidelines for insurers are unconfirmed.
- Adds Section 10123.148 to the Insurance Code to regulate downcoding, though specific guidelines for insurers are unconfirmed.

## Compliance Checklist

- Ensure downcoding decisions are made by licensed professionals. | Who: Health care service plans and insurers. | Penalty: Monetary penalties and potential reprocessing of claims.
- Provide clear written explanations for downcoded claims. | Who: Health care service plans and insurers. | Penalty: Fines and enforcement actions for non-compliance.
- Implement a process for disputing downcoded claims. | Who: Health care service plans and insurers. | Penalty: Potential fines and restitution.

## Industries Affected

Healthcare

Finance

Insurance

Health Care

## Topics

AI Healthcare

AI in Insurance

## Bill Sponsors

Name	Party	Role
Mathis		Author
Garcia		Author
Weber		Author
Koretz		Coauthor
Bowen		Coauthor
Committee on Governmental Organization		Author
Runner		Author
Carter		Author
Aguiar		Author
Ayala		Coauthor
Hughes		Coauthor
Fletcher		Author

## Official Source

[https://leginfo.legislature.ca.gov/faces/billStatusClient.xhtml?bill\\_id=202520260AB2431](https://leginfo.legislature.ca.gov/faces/billStatusClient.xhtml?bill_id=202520260AB2431)

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