

## California Enacts Healthcare Law Covering Uninsured Workers

by John Buckley

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On October 5, 2003, the Governor of California signed the Health Insurance Act of 2003, which will provide health insurance to an estimated 1.1 million working Californians currently without coverage. The provisions of the act will be introduced in two stages:

- Large employers--those with 200 or more employees statewide--are required to provide health insurance to employees and their dependents beginning January 1, 2006.
- Smaller employers--those with 50 to 199 employees statewide--are required to provide health insurance to employees and their dependents beginning January 1, 2007.

Employers with fewer than 20 employees are exempt from the act. Employers with 20 to 49 employees are not required to comply unless a tax credit is enacted and available to those employers.

The act creates the State Health Purchasing Program, which will be administered by the Managed Risk Medical Insurance Board. The act requires employers to provide specified health benefits either directly or through the program. It also requires the board to determine the fee employers must pay and states that the associated employee contributions collected by employers may not exceed 20 percent of the employer fee.

The text of the act can viewed at the California State Senate website at [http://info.sen.ca.gov/pub/bill/sen/sb\\_0001-0050/sb\\_2\\_bill\\_20031006\\_chaptered.pdf](http://info.sen.ca.gov/pub/bill/sen/sb_0001-0050/sb_2_bill_20031006_chaptered.pdf).