

AMENDED IN ASSEMBLY JUNE 23, 2003

AMENDED IN SENATE JUNE 3, 2003

AMENDED IN SENATE MARCH 18, 2003

SENATE BILL

No. 2

Introduced by Senators Burton and Speier

December 2, 2002

An act to add Part 8.5 (commencing with Section 2020) to Division 2 of the Labor Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

SB 2, as amended, Burton. Health care coverage.

Existing law does not provide a system of health care coverage for all California residents and does not require employers to provide health care coverage for employees and dependents, other than coverage provided as part of the workers' compensation system for work-related employee injuries. Existing law provides for the creation of various programs to provide health care services to persons who have limited incomes and meet various eligibility requirements. These programs include the Healthy Families Program administered by the Managed Risk Medical Insurance Board, and the Medi-Cal program administered by the State Department of Health Services. Existing law provides for the regulation of health care service plans by the Department of Managed Health Care and health insurers by the Department of Insurance.

This bill would declare the intent of the Legislature to ensure health care coverage for working Californians and their families.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the
2 following:

3 (a) The Legislature finds and declares that working
4 Californians and their families should have health insurance
5 coverage.

6 (b) The Legislature further finds and declares that most
7 working Californians obtain their health insurance coverage
8 through their employment.

9 (c) The Legislature finds and declares that in 2001, more than
10 6,000,000 Californians lacked health insurance coverage at some
11 time and 3,600,000 Californians had no health insurance coverage
12 at any time.

13 (d) The Legislature finds and declares that more than 80
14 percent of Californians without health insurance coverage are
15 working people or their families. Most of these working
16 Californians without health insurance coverage work for
17 employers who do not offer health benefits.

18 (e) The Legislature finds and declares that people who are
19 covered by health insurance have better health outcomes than
20 those who lack coverage. Persons without health insurance are
21 more likely to be in poor health, more likely to have missed needed
22 medications and treatment, and more likely to have chronic *health*
23 conditions that are not properly managed.

24 (f) The Legislature finds and declares that employers who do
25 not provide health benefits to their workers have an unfair
26 competitive advantage over those employers who provide health
27 benefits. Employers who provide health benefits often pay directly
28 for the failure of other employers to provide health benefits by
29 providing health benefits to spouses and other dependents who
30 should be covered by the spouse's or dependent's employer.
31 Employers who provide health benefits also pay directly when a
32 previously uninsured person becomes an employee and the
33 accumulated health costs due to lack of insurance burden the
34 employer providing health benefits.

35 (g) The Legislature further finds and declares that health
36 benefit costs in California generally are lower than costs in other
37 states but employers generally are less likely to offer coverage.



1 (h) The Legislature further finds and declares that controlling
2 health care costs can be more readily achieved if all working
3 people and their families have health benefits so that cost shifting
4 is minimized.

5 (i) It is therefore the intent of the Legislature to assure that
6 working Californians and their families have health benefits and
7 that their employers shall either provide those benefits or pay a
8 user fee to the State of California so that the state may serve as a
9 purchasing agent to pool those fees to purchase coverage that
10 would otherwise have been purchased directly by employers.

11 (j) The Legislature further finds and declares that, while
12 covering all working people and their families will substantially
13 reduce the number of Californians without health insurance
14 coverage, several million Californians will still lack ~~health~~
15 coverage.

16 (k) It is therefore not the intent of the Legislature to reduce or
17 eliminate funding for safety net programs that provide access to
18 care for those who remain uninsured.

19 SEC. 2. Part 8.5 (commencing with Section 2020) is added to
20 Division 2 of the Labor Code, to read:

21

22 PART 8.5. EMPLOYEE HEALTH INSURANCE

23

24 CHAPTER 1. GENERAL PROVISIONS

25

26 Article 1. Title and Purpose

27

28 2020. This part shall be known and may be cited as the Health
29 Insurance Act of 2003.

30 2020.5. It is the purpose of this part to ensure that all working
31 Californians and their families are provided health care coverage.

32 2021. This part shall not be construed to diminish any
33 protection already provided pursuant to collective bargaining
34 agreements or employer-sponsored plans that are more favorable
35 to the employees than the health care coverage required by this
36 part.

