

Health Care Reform and How it Affects California Businesses

While the Affordable Care Act (ACA) has created many new rules and regulations that



affect most Americans and American businesses, not everyone is aware that California has its own healthcare regulations that supersede the rules imposed by the ACA.

Changes to eligibility waiting periods beginning 2014

Under the ACA, federally, employers are only allowed to require a maximum 90-day waiting period for any new employee to receive benefits in 2014. California's AB 1083, however, is much more rigid in its requirement that California employers must end the waiting period no later than 60 calendar days after the employee is hired. The first day of your plan year in 2014 is when this rule will take effect. In order to avoid any difficulties in implementing this change, we recommend that the employee benefit enrollment process begins on the 31st day of eligibility so that by the 61st day, all new employees will have their benefits.

What's new in California?

You're probably aware that depending on where you are based in California, there are some very different health care regulations in place. The City of San Francisco has several new ordinances that will become effective on January 1, 2014.

Health Care Expenditure Rates

Under the Health Care Security Ordinance (HCSO), the expenditure rates for 2014 will apply to all businesses with at least 20 employees where one or more employees works a minimum of 8 hours per week in San Francisco. Each employee who has worked for 90 days will require a defined contribution toward health care for each hour worked. For large employers, which the HCSO defines as having more than 100 employees, the contribution is \$2.44 per hour. For medium employers, those employing 20-99 employees, the contribution rate will be \$1.63 per hour. This requirement will take effect January 1, 2014. To learn more on how the HCSO and ACA overlap, you may visit [this website](#).

The Family Friendly Workplace Ordinance (FFWO)

On October 8, 2013, the FFWO was enacted. It will go into effect on January 1, 2014.

As with the other ordinances in effect in San Francisco, this ordinance will affect employers with 20 employees. Any employee working in San Francisco, who has been employed for at least six months and works a minimum of eight hours per week on a regular basis will be able to request a “flexible or predictable” working arrangement to facilitate management of care giving responsibilities. These employees may make these requests for the following persons:

Children under eighteen years of age;

- A family member with a serious health condition;
- An elderly parent (age 65 or older)

To be in compliance with this ordinance, the employer must meet with the employee regarding the request within 21 days of the request. The employee must have his response within 21 days of the initial meeting.

If the request is denied, the denial must be made via written response with a legitimate business reason explaining the reason for the denial. Employees must be given notice of the right to request reconsideration. More information about the details of the FFWO can be found [here](#).

There are many new changes coming for 2014, but [working with a knowledgeable and experienced HR professional](#) will help to ensure compliance and a smooth transition.