
THIRD READING

Bill No: AB 1418
Author: Schiavo (D)
Amended: 9/4/25 in Senate
Vote: 21

SENATE HEALTH COMMITTEE: 11-0, 7/9/25

AYES: Menjivar, Valladares, Durazo, Gonzalez, Grove, Limón, Padilla,
Richardson, Rubio, Weber Pierson, Wiener

SENATE APPROPRIATIONS COMMITTEE: 7-0, 8/29/25

AYES: Caballero, Seyarto, Cabaldon, Dahle, Grayson, Richardson, Wahab

ASSEMBLY FLOOR: 70-1, 6/3/25 - See last page for vote

SUBJECT: Department of Health Care Access and Information

SOURCE: California State Council of Service Employees International Union

DIGEST: This bill requires health facilities, clinics, home health agencies, and hospices to report to the Department of Health Care Access and Information (HCAI) on health care worker employer-sponsored health care coverage waiting periods, as specified. Requires HCAI to post the information at least annually.

Senate Floor Amendments of 9/4/2025:

- 1) Require the reporting entities to report:
 - a) Whether all of their health care employees eligible for employer-sponsored health care coverage are eligible to receive coverage at the commencement of employment without a waiting period.
 - b) If answer to a) is no, if the same waiting period applies to all eligible health care employees and the length of the waiting period.
 - c) If different waiting periods apply to different classifications of employees, the length for each classification.

- 2) Include fellows, orderlies, specialists, and clarify the other classifications of health care employees.
- 3) Require HCAI to allow reporting entities to report the waiting period information in the following date ranges:
 - a) Zero days;
 - b) 1 to 14 days;
 - c) 15 to 30 days;
 - d) 31 to 60 days;
 - e) 61 to 90 days;
 - f) More than 90 days.
- 4) Define waiting period as the number of days between the date of commencement of employment and the start date of employer-sponsored health care coverage eligibility.

ANALYSIS:

Existing law:

- 1) Establishes the Department of Health Care Access and Information (HCAI), and among other responsibilities, requires HCAI to establish a health care workforce research and data center to serve as the central source of health care workforce and educational data in the state to serve as the state's central source of healthcare workforce and education data. Requires the research and data center to be responsible for the collection, analysis, and distribution of information on the educational and employment trends for health care occupations and distribution in the state. Requires the activities of the research and data center to be funded by appropriations made from the California Health Data and Planning Fund. [Health and Safety Code (HSC) §128050]
- 2) Requires HCAI to work with the Employment Development Department's Labor Market Information Division, state licensing boards, and state higher education entities to collect data, to the extent available, on the supply of health care workers by specialty, geographical distribution, diversity, current and forecasted demand, and educational capacity to produce, trained, certified, and licensed health care workers, and other information. [HSC §128051]
- 3) Requires HCAI to prepare an annual Health Work Force Research and Data Report to the Legislature that:

- a) Identifies education and employment trends in the health care profession;
- b) Reports on the current supply and demand for health care workers in California and gaps in the educational pipeline producing workers in specific occupations and geographic areas;
- c) Recommends state policy needed to address issues of workforce shortage and distribution; and,
- d) Describes health care workforce program outcomes and effectiveness. [HSC §128052]

This bill:

- 1) Requires, commencing January 1, 2027, health facilities, clinics, home health agencies, and hospices to annually report to HCAI both of the following on forms supplied by HCAI:
 - a) Whether all of their health care employees eligible for employer-sponsored health care coverage are eligible to receive coverage at the commencement of employment without a waiting period.
 - b) If answer to a) is no, if the same waiting period applies to all eligible health care employees and the length of the waiting period.
 - c) If different waiting periods apply to different classifications of employees, the length for each classification.
- 2) Requires the information to be collected for the following classifications:
 - a) Physicians;
 - b) Physician interns, residents and fellows;
 - c) Registered nurses;
 - d) Licensed vocational nurses;
 - e) Aides and orderlies;
 - f) Medical assistants;
 - g) Home health aides;
 - h) Technicians and specialists;
 - i) Clerical and other administrative staff;
 - j) Environmental and food staff;
 - k) Management and supervision; and,
 - l) All other employee classifications.
- 3) Requires HCAI to allow reporting entities to report the waiting period information in the following date ranges:
 - a) Zero days;

- b) 1 to 14 days;
 - c) 15 to 30 days;
 - d) 31 to 60 days;
 - e) 61 to 90 days;
 - f) More than 90 days.
- 4) Requires HCAI, to the extent feasible, to integrate the reporting obligation imposed on health facilities, clinics, home health agencies, and hospices with existing reports that the health facilities, clinics, home health agencies, and hospices are required to submit to HCAI to minimize any additional burden. Exempts health facilities, clinics, home health agencies, and hospices that are not required to file reports with the department.
- 5) Requires HCAI to post the information on at least an annual basis.
- 6) Defines health facilities, clinics, home health agencies, and hospices, as specified, and excludes specified intermediate care facilities serving developmentally disabled individuals and correctional treatment centers from the definition of health facilities for the purposes of this bill.

Comments

According to the author of this bill:

Too many workers and their families must wait up to 90 days before accessing employer-sponsored health coverage due to allowable waiting periods under federal law. These delays leave families vulnerable, especially during transitions or emergencies. This bill seeks to address this gap by requiring HCAI to report annually to the Legislature on waiting period trends across healthcare sectors. With federal threats to health care access persisting, California must lead the way in ensuring that workers are not left without care. This bill brings visibility to the problem and builds momentum toward providing health coverage from day one for all employees.

Background

HCAI Report. HCAI just released its Health Workforce Research Data Report to the Legislature on April 2025, which builds a baseline for health professions data by summarizing the data collected and providing general information about the professions for which data is already available. There are more than a million licensed health professionals in California across more than 50 professions, each

playing a role in delivering health care to Californians. While basic supply data are available for many of these professions in the form of license counts, supply data have lacked important detail necessary for a comprehensive understanding of the workforce (i.e., in-depth demographic details, detailed practice metrics, education information, etc.). HCAI's ongoing collaboration with the Department of Consumer Affairs expanded the breadth and quality of licensure data and overhauled its supplemental workforce survey, which has provided high-quality, high-value data on topics like employment, education, demographics, and language fluency. This survey has greatly enriched and expanded upon HCAI's ability to analyze, evaluate, and model the workforce. These metrics have been incorporated into HCAI's most thorough workforce models on Behavioral Health and Nursing.

Health insurance waiting periods. The Public Health Services (PHS) Act section 2708, as added by the Affordable Care Act and incorporated into the Employee Retirement Income Security Act of 1974 (ERISA) and the Internal Revenue Code, provides that a group health plan or health insurance issuer offering group health insurance coverage shall not apply any waiting period that exceeds 90 days. The PHS Act, ERISA, and Internal Revenue Code define a "waiting period" to be the period that must pass with respect to an individual before the individual is eligible to be covered for benefits under the terms of the plan. In 2004, regulations defined a "waiting period" to mean the period that must pass before coverage for an employee or dependent who is otherwise eligible to enroll under the terms of a group health plan can become effective. PHS Act section 2708 does not require an employer to offer coverage to any particular individual or class of individuals, including part-time employees. Under the final regulations, a group health plan and a health insurance issuer offering group health insurance coverage may not apply any waiting period that exceeds 90 days. Being otherwise eligible to enroll in a plan means having met the plan's substantive eligibility conditions (such as, for example, being in an eligible job classification, achieving job-related licensure requirements specified in the plan's terms, or satisfying a reasonable and bona fide employment-based orientation period). The final regulations provide that one month is the maximum allowed length of an employment-based orientation period.

Background on data collection for hospitals and other health facilities. Under existing law, HCAI is designated as the single state agency to collect specified health facility or clinic data for use by all state agencies. All licensed health facilities are required to file annual financial reports detailing assets and liabilities, income and expenses, and patient revenue by payer, among other data elements. Additionally, licensed acute care hospitals are required to file a Hospital Discharge Abstract Data Record that includes 19 specified data elements for each admission,

including date of birth, sex, admission date, discharge date, principal diagnosis, other diagnoses, principal procedures, and disposition of the patient. In addition to this discharge report, hospitals are required to file an Emergency Care Data Record for each patient encounter in a hospital emergency department, and hospitals and freestanding ambulatory surgery clinics are required to file an Ambulatory Surgery Data Record for each patient encounter during which at least one ambulatory surgery procedure is performed.

Employer Health Benefits Survey 2024. Published by the Kaiser Family Foundation, summary findings indicate: In 2024, 54% of all firms offered some health benefits, similar to the percentage last year (53%). Large firms (200 or more workers) are much more likely than small firms to offer health benefits to at least some of their workers (98% vs. 53%). Most firms are very small, leading to fluctuations in the overall offer rate, as estimates of the offer rate for small firms can vary widely from year to year. Most workers, however, work for larger firms, where the offer rates are higher and much more stable. Over ninety percent (93%) of firms with 50 or more workers offer health benefits in 2024. Despite almost nine in ten workers being employed by firms that offer health benefits to at least some workers, many workers are not covered by their employers' plans. Some are not eligible to enroll (due to factors such as waiting periods or part-time or temporary work status), while others who are eligible choose not to enroll (they may feel the coverage is too expensive, or they may be covered through another source). Additionally, some firms provide incentives for workers to not enroll in their plans, or to enroll in a spouses' plan. This survey removed questions on waiting periods in 2024. In the 2023 survey report 65% of covered workers face a waiting period. Covered workers in small firms are more likely than those in large firms to have a waiting periods (75% vs. 60%). The average waiting period is two months. For a small percentage of covered workers the waiting period was more than three months. Respondents with waiting periods more than four months indicated that employees had training, orientation, or measurement periods in which they were employees but not eligible for health benefits. Some employers have measurement periods to determine whether variable hour employees will meet the requirements for the firm's health benefits.

Related/Prior Legislation

Prior legislation. SB 779 (Stern, Chapter 505, Statutes of 2023) required, beginning January 1, 2027, a clinic that owns or operates specified clinics to file with HCAI annually by February 15 each year, specified workforce information such as vacancies and number of full-time and contracted employees as well as

other information.

AB 133 (Senate Budget & Fiscal Review Committee, Chapter 143, Statutes of 2021) contained changes to implement the 2021-22 Budget, including renaming the Office of Statewide Health Planning and Development to HCAI, and transitioning the health care workforce clearing house to the California Health Workforce Research and Data Center, and requiring the annual Health Work Force Research and Data Report.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

According to the Senate Appropriations Committee, unknown ongoing General Fund costs, potentially low hundreds of thousands, for the HCAI for state administration.

SUPPORT: (Verified 9/4/25)

California State Council of Service Employees International Union (source)
Health Access California

OPPOSITION: (Verified 9/4/25)

None received

ARGUMENTS IN SUPPORT: This bill is sponsored by the Service Employees International Union California (SEIU). SEIU writes, “Today too many workers start their job without immediate access to employer sponsored health care coverage. And, in many cases, the employees are eligible for coverage, yet their employers have a waiting period that delays access to care for them and/or their families. Research shows that most workers who begin a new job face difficulty in affording healthcare during an employer’s health insurance coverage wait period. Nationally, more than one in seven (15.2%) adults in the U.S. were uninsured for at least part of the previous year. Last year, more than 6.2 million Californians began a new job over the course of the year, many of whom lacked access to insurance coverage for up to 90 days.” SEIU indicates during the pandemic the public became aware that some of the healthcare workforce risked their health and lives to care for others but did not have health coverage. SEIU says this is particularly central to physician residents who transition from medical school to a residency program without a guarantee of coverage on day one. SEIU knows that health care employers, especially institutions committed to training the next generation, can do better. SEIU believes this bill is critical to starting an important conversation regarding gaps in understanding this coverage trend for all workers

across all sectors, to reduce cost and ease implementation. Health Access California writes that they would also support similar required reports on health care coverage for all workers in California, including those with employer-sponsored coverage subject to waiting periods, and recommendations to address gaps in coverage for Californians with employer-sponsored coverage subject to waiting periods.

ASSEMBLY FLOOR: 70-1, 6/3/25

AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Connolly, Davies, Elhawary, Flora, Fong, Gabriel, Garcia, Gipson, Jeff Gonzalez, Mark González, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lackey, Lee, Lowenthal, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

NOES: DeMaio

NO VOTE RECORDED: Chen, Dixon, Ellis, Gallagher, Hadwick, Macedo, Sanchez, Tangipa

Prepared by: Teri Boughton / HEALTH / (916) 651-4111
9/8/25 21:44:04

**** END ****