

CONCURRENCE IN SENATE AMENDMENTS

CSA1 Bill Id:AB 1418 Author:(Schiavo)

As Amended Ver:September 5, 2025

Majority vote

SUMMARY

Requires, commencing on January 1, 2027, health facilities, clinics, home health agencies, and hospices to annually report to the Department of Health Care Access and Information (HCAI) on 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. Requires, if not all health care employees eligible for employer-sponsored health care coverage are eligible without a waiting period, the health facilities, clinics, home health agencies, and hospices to additionally report the length of the waiting period, broken down by employee classification and waiting period timeframe.

Major Provisions

- 1) Defines "waiting period" to mean the number of days between the date of commencement of employment and the start date of employer-sponsored health care coverage eligibility.*
- 2) Requires health facilities, clinics, home health agencies, and hospices to report on forms supplied by HCAI:*
 - a) If the same waiting period applies to all eligible health care employees, the length of the waiting period; or*
 - b) If different waiting periods apply to different classifications of eligible health care employees, the length of the waiting period for each classification employed by the health facility, clinic, home health agency, or hospice.*
- 3) Requires, if different waiting periods apply to different classification of eligible health care employees, information to be collected for the following employee 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 services and food staff;*
 - k) *Management and supervision; and,*
 - l) *All other employee classifications.*
- 4) *Requires HCAI to provide the health facilities, clinics, home health agencies, and hospices the ability to report the waiting period information required in the following date ranges:*
- a) *Zero days;*
 - b) *One to 14 days;*
 - c) *15 to 30 days;*
 - d) *31 to 60 days;*
 - e) *61 to 90 days; or*
 - f) *More than 90 days.*
- 5) *Requires HCAI, to the extent feasible, integrate the reporting obligation in this bill with existing reports that health facilities, clinics, home health agencies, and hospices are required to submit to HCAI to minimize any additional burden.*
- 6) *Exempts from the reporting requirement in this bill health facilities, clinics, home health agencies, and hospices that are not required to file reports with HCAI.*
- 7) *Requires HCAI to post the information reported pursuant to this bill on its internet website on at least an annual basis.*
- 8) *Defines, for purposes of this bill, by cross reference to existing law definitions:*
- a) *"Health facilities" to include the various types of hospitals, skilled nursing facilities, nursing facilities, hospice facilities and intermediate care facilities except for immediate care facilities for the developmentally disabled (ICF-DD) habilitative-nursing, ICF-DD-continuous nursing, and correctional treatment centers;*
 - b) *"Clinics," as an organized outpatient health facility that provides direct medical, surgical, dental, optometric or podiatric advice, services or treatment to patients who remain less than 24 hours, and that may also provide diagnostic or therapeutic services to patients in the home as an incident to care provided at the clinic facility;*
 - c) *"Home health agencies," as a private or public organization, including but not limited to any partnership, corporation, political subdivision of the state or other governmental agency within the state which provides or arranges for the provision of skilled nursing service to persons in their temporary or permanent place of residence; and,*
 - d) *"Hospices," as defined to mean a specialized form of interdisciplinary health care that is designed to provide palliative care, alleviate the physical, emotional, social, and spiritual discomforts of an individual who is experiencing the last phases of life due to the*

existence of a terminal disease, and provide supportive care to the primary caregiver and the family of the hospice patient, and that meets specific criteria including provides for the palliative medical treatment of pain and other symptoms associated with a terminal disease but not provide for efforts to cure the disease.

Senate Amendments

Delete the Assembly-approved version of this bill, which would have added additional requirements to an existing annual report to the Legislature by HCAI to also include reports on trends in health care coverage for health care workers in California, including whether employees otherwise eligible for employer-sponsored health care are subject to waiting periods before receiving coverage, and that recommends state policy needed to address gaps in health care coverage for health care workers subject to waiting periods before receiving employer-sponsored health care, and inserts the above-described provisions.

COMMENTS

The Patient Protection and Affordable Care Act (known as the ACA) contained multiple provisions to expand health insurance coverage, including adding an employer shared responsibility provision to the federal Internal Revenue Code. Under these provisions, certain employers (called applicable large employers or ALEs) must either offer health coverage that is "affordable" and that provides "minimum value" to their full-time employees, or potentially make an employer shared responsibility payment to the federal Internal Revenue Service (IRS), if at least one of their full-time employees receives a federal premium tax credit for purchasing individual coverage on a Health Insurance Marketplace or Exchange (in California, the Exchange is known as Covered California).

In addition to the employer shared responsibility provisions, the ACA prohibits a group health plan or health insurance issuer offering group health insurance coverage from applying any waiting period that exceeds 90 days. This provision applies to group health plans sold to employers of all sizes. A waiting period is defined as 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. For example, a waiting period could delay the start of a new employee's health coverage until up to 90 days after their hire date. This provision of the ACA does not require the employer to offer coverage to any particular employee or class of employees, but prevents an otherwise eligible employee (or dependent) from waiting more than 90 days before coverage becomes effective.

The KFF's "*Employer Health Benefits 2023 Annual Survey*" contains national information on employer waiting periods, broken down by four regions. This survey found 65% of covered workers face a waiting period before coverage is available. Nationally, covered workers in small firms are more likely than those in large firms to have a waiting period (75% vs. 60%). The average waiting period among covered workers who face a waiting period is two months. A small percentage (7%) of covered workers with a waiting period have a waiting period of more than 3 months. Survey respondents with waiting periods greater than four months generally indicated that employees had training, orientation, or measurement periods in which they were employees but were 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. In an effort to reduce respondent burden, the 2024 annual survey removed questions in several areas, including questions about waiting periods.

According to the Author

This bill, as amended, focuses attention on collecting data on health care coverage for health care employees in health care settings by adding additional questions to existing reports collected by HCAI. This information will help provide data that will illustrate health care coverage trends in the health care field.

Arguments in Support

This bill is sponsored by Service Employees Union International (SEIU) California, which states that at a time when federal lawmakers are threatening access to health care, this measure brings awareness to gaps in health care coverage for health care employees subject to waiting periods before receiving employer-sponsored health care. Today, too many workers start their job without immediate access to employer-sponsored health care coverage. As a result of this coverage gap, workers and their families are forced to make impossible choices, including delaying care, modifying their prescription medications, or interrupting treatment plans. SEIU argues that workers and their families, especially California's health care workforce, deserve the certainty of immediate health coverage, and this bill is critical to starting an important conversation regarding gaps in coverage for today's workforce.

Arguments in Opposition

While not in opposition, the California Hospital Associations (CHA) writes expressing concerns with adding a new reporting requirement related to newly hired hospital workers who become eligible for health insurance benefits. CHA states hospitals fully support transparency and fair access to benefits for all health care workers but is concerned that this bill duplicates information already provided to employees under state and federal law and singles out health care workers with no rational basis. CHA states that current federal laws already establish strict standards for benefit eligibility and communication, and hospitals (like all other employers) are required to inform employees directly, in writing, about their benefits, eligibility criteria, and enrollment periods, and this bill would not add protection for employees beyond what is provided in current law. CHA states that health insurance waiting time periods are generally applied to all new hires equally. However, in some circumstances, eligibility dates may vary for reasons such as union agreements, hours worked, or probationary periods. Moreover, CHA states the onboarding process for any new hire (whether in a hospital setting or other places of employment) involves reviewing state-required notices, pamphlets, employer policies, and becoming oriented to a new workplace. A waiting period allows new hires time to adapt to their new role and provides more time to understand plan options before they are required to enroll in benefits. Reporting waiting time periods without context, which CHA argues is what this bill dictates, could lead to confusion or misinterpretation by outside observers.

FISCAL COMMENTS

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

VOTES:**ASM HEALTH: 14-0-1**

YES: Bonta, Chen, Addis, Aguiar-Curry, Arambula, Carrillo, Flora, Mark González, Krell, Patel, Celeste Rodriguez, Schiavo, Sharp-Collins, Stefani

ABS, ABST OR NV: Sanchez

ASM APPROPRIATIONS: 12-0-3

YES: Wicks, Arambula, Calderon, Caloza, Elhawary, Fong, Mark González, Hart, Pacheco, Pellerin, Solache, Ta

ABS, ABST OR NV: Sanchez, Dixon, Tangipa

ASSEMBLY FLOOR: 70-1-8

YES: 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

NO: DeMaio

ABS, ABST OR NV: Chen, Dixon, Ellis, Gallagher, Hadwick, Macedo, Sanchez, Tangipa

UPDATED

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