

# CALIFORNIA ADVOCATES, INC.



May 12, 2014

The Honorable Mark DeSaulnier  
Member, California State Senate  
State Capitol, Room 5035  
Sacramento, California 95814

*Michael D. Belote*

*Dennis K. Albiani*

*Julianne A. Broyles*

*Lexi Purich Howard*

*John F. O'Malley*

*Ralph F. Simoni*

**SUBJECT: SB 1446 (DESAULNIER)--GRANDFATHERED SMALL GROUP PLANS:  
EXTENSION - SUPPORT  
SENATE APPROPRIATIONS COMMITTEE**

Dear Senator DeSaulnier:

The California Association of Health Underwriters (CAHU) **SUPPORTS** your **SB 1446**, as amended April 28, 2014, to provide small employers with non-grandfathered health insurance plans purchased by October 1, 2013 (including those policies renewed by December 31, 2013) the option to renew their existing coverage for one year.

As amended, **SB 1446** provides a short, one-year window where employers with 50 or fewer employees will be able to renew their "grandfathered" health insurance group plan rather than be mandated to move to federal Patient Protection and Affordable Care Act (ACA) compliant coverage by the end 2014. **SB 1446** moves state requirements closer to recent federal policy changes that allow for a longer transition period to ACA compliant group policies

Small employers with 50 or less employees who renew their existing coverage under the proposed transition policy in **SB 1446** will have an extra year to convert to new coverage (December 31, 2015), if the small business had not already purchased an ACA-compliant policy. CAHU believes **SB 1446** will provide some small employers additional flexibility by providing the additional year to transition to new policies.

The California Association of Health Underwriters is the state's largest association of health insurance agents, brokers and other health insurance industry professionals. Our members help millions of individual Californians and businesses evaluate, select, purchase and use their health care coverage plans, resulting in greater health and financial security. CAHU agents and brokers also act as advocates for policyholders and their families when coverage disputes arise. CAHU agents and brokers perform many functions for small employers with respect to managing their employee benefits program--at no additional cost to the small employer.

CAHU looks forward to working with you and your staff in **SUPPORT of SB 1446 (DeSaulnier)**.

Sincerely,

Julianne Broyles

On behalf of California Association of Health Underwriters

cc: Office of Governor Brown  
Members, Senate Appropriations Committee  
Brendan McCarthy, Senate Appropriations Committee  
Joe Parra, Tim Conaghan, Senate Republican Caucus

925 L Street, Suite 1250 Sacramento, CA 95814

phone: (916) 441-5050 fax: (916) 441-5859 email: mail@caladvocates.com