



February 19, 2008

## San Francisco Businesses Gear Up for Universal Health Access Program

As legal challenges continue, businesses with employees who work in San Francisco are preparing to comply with a provision of a San Francisco law that requires employers to spend a certain amount on health care, either in coverage for their workers or in payments to the city, the *San Francisco Chronicle* reports.

The San Francisco law went into effect Jan. 9 for businesses with 50 or more employees, but payments to the city are not due until April 30. The law will go into effect April 1 for for-profit employers with 20 to 49 employees.

Self-employed individuals, not-for-profit employers with fewer than 50 employees and for-profit business with fewer than 20 employees are exempt from the law (Colliver, *San Francisco Chronicle*, 2/17).

The program, called Healthy San Francisco, aims to ensure universal access to medical services within San Francisco but does not provide traditional health insurance.

Siding with a lawsuit filed by the Golden Gate Restaurant Association, U.S. District Judge Jeffrey White in December 2007 ruled that the employer spending provision violated the federal Employee Retirement Income Security Act of 1974, but a three-judge appeals panel last month granted a temporary stay of the district court order and allowed San Francisco to move forward with the program while it appeals the restaurant association's lawsuit (*California Healthline*, 1/17).

### Employer Concerns

Many small businesses say they are concerned about the program's cost and complexity.

"The cost is a major issue," Scott Hauge, owner of Cal Insurance and Associates in San Francisco, said, adding, "But so is the ability to understand the ramifications."

In addition, employers say they are worried about competing with companies outside of San Francisco that do not face the same requirements under the law (*San Francisco Chronicle*, 2/17).

© 1998-2008. All Rights Reserved. California Healthline is published daily for  
The California HealthCare Foundation by The Advisory Board Company.