



GRANDMOTHERING BILL SIGNED: TAKES IMMEDIATE EFFECT

SB 1446 (DeSaulnier) has been signed by Governor Edmund G. "Jerry" Brown, Jr. to provide some small employers with non-grandfathered health insurance policies in effect as of December 31, 2013, the option to renew their existing coverage for one year, rather than be required to move to new coverage by the end of 2014.



The new law provides employers with 50 or fewer employees the ability to renew their small employer health care service plan or health insurance policy in effect as of December 31, 2013, and still in force at the time SB 1446 was signed into law (July 7, 2014).

Plans that meet this definition are now referred to as "grandmothered" plans. SB 1446 will permit these grandmothered plans to continue to renew until January 1, 2015 and those policies to remain in force until December 31, 2015. This change moves state law closer to recent federal policy changes allowing for a longer transition period to ACA-compliant policies.

SB 1446's extension will be of direct help to some small California employers who opted to early renew their health coverage in 2013. If SB 1446 had not been signed, these employers would have faced the cancellation of their existing employee health insurance coverage at the end of 2014. SB 1446 is an urgency measure that provides the new law goes into immediate effect when signed by Governor.

SB 1446 only applies if the small business had not already purchased an ACA-compliant policy. Grandfathered plans (those in force prior to March 23, 2010) are not impacted by SB 1446. The small employer group policies affected by SB 1446 must still include many ACA and state-based mandated benefits such as preventative healthcare coverage without co-pays or deductibles, no lifetime caps on benefits, maternity care, coverage for autism and the elimination of gender discrimination in setting premiums.

The new law also requires insurers who offer these plans for renewal to provide notice to the group contract holder regarding the option to renew. If you are not sure whether your plan is grandmothered, or need assistance understanding this law and whether your plan meets the ACA requirements or just would like a review of your current policies, *Call on us for complimentary consultation at (408) 615-1280 or email us at: information@bewellinsurance.com.*

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