DATE ASAP

The Honorable Jerry Brown
Governor, State of California
State Capitol
Sacramento, CA 95814
Via Fax: (916) 558-3177

AB 248 (R. Hernández): SUPPORT

Dear Governor Brown:

[Insert name of your organization] respectfully seeks your signature of AB248 (Hernández) which would prevent health insurers, health plans and health insurance agents from selling subminimum coverage to large employers, those with 100 employees or more.

Under federal law and guidance, health coverage sold to large employers may provide less than 60% minimum value. Examples of subminimum coverage offered to large employers include coverage that does not cover doctors or hospitals or prescription drugs. If an employee accepts such coverage, then both the employer and the employee have met the requirements of the Affordable Care Act. In this circumstance, the employer avoids the employer responsibility penalty while the employee is left with skeleton benefits that expose the consumer to bankruptcy if they actually need care.

California law, and federal law, does not permit health plans and insurers to sell such subminimum coverage to small employers but there is no similar standard for large employers. AB248 closes this gap in federal law in order to protect employees from subminimum coverage. For these reasons, we support this measure.

Sincerely,

(Name)
(Organization)

CC: Assemblymember Roger Hernández, author
Secretary Diana Dooley, Health and Human Services Agency
Donna Campbell, Office of the Governor, Legislative Unit
Sawait Hezchias-Seyoum, Health Access, Sponsor