

**FACT SHEET**  
**SB 2 (Burton) – Health Care for Working Families**

SB 2 (Burton/Speier) is co-sponsored by the California Medical Association and California Labor Federation, AFL-CIO. Kaiser-Permanente, Blue Shield, Genentech, Health Access, and others are supporters of this bill. This legislation is a major step in reducing the number of uninsured using a modest approach. More than one million people will obtain health care coverage at a \$700 million savings to the State of California and \$1.2 billion in savings to businesses currently providing health insurance.

SB 2 requires medium and large employers to either provide health care coverage for their employees and dependents, or pay into a state purchasing pool that would enable employees to obtain coverage. If all provisions of SB 2 are enacted, slightly more than five percent of California's businesses will be affected. Additionally, all small businesses with less than 20 employees are exempt from the bill.

**SB 2 Affects:**

Large Employers

- Beginning in 2006, employers with 200 or more employees would provide coverage for employees and their dependents.
- Beginning in 2007, employers with 50-199 employees would provide coverage for only their employees.

Medium Employers

- In 2007, employers with 20-49 employees would provide coverage for their employees, only if the legislature approves a tax credit to further subsidize the costs of coverage.

Small Employers - Totally Exempt

- **Employers with less than 20 employees are not affected by SB 2.**

**Advantages of SB 2:**

Fair for Employers

- Many employers already provide health care coverage for their employees, so SB 2 would level the playing field by requiring other employers to provide coverage as well.
- Employers who already provide health care coverage would save money because they would no longer cover working-spouses whose employers did not previously provide coverage.
- The real costs for basic coverage within SB 2 will be approximately \$80 per employee, per month, after the tax deduction and employee contribution. The cost will be lowered by another 20% if the tax credit for businesses with 20-49 employees is enacted. Employers with more than 199 employees would experience larger cost increases because of the family coverage requirement.
- SB 2 will reverse cost shifting of the uninsured from employers currently providing coverage (estimated savings of \$1.2 billion to employers currently covering workers).
- Providing coverage for more than a million workers will reduce the inappropriate use of emergency rooms and workers' compensation by workers who lack health insurance.