California Labor Federation | AFL-CIO www.workingcalifornia.org

Headquarters: 600 Grand Ave
Suite 410
Oakland, CA 94610-3561

510.663.4000 tel
510.663.4099 fax

1127 11th Street
Suite 425
Sacramento, CA 95814-3809

916.444.3676 tel
916.444.7693 fax

3303 Wilshire Boulevard
Suite 415
Los Angeles, CA 90010-1798

213.736.1770 tel
213.736.1777 fax

November 30, 2012

Secretary Diana Dooley, Chair
Peter Lee, Executive Director
California Health Benefit Exchange Board
2535 Capitol Oaks Drive, Suite 120
Sacramento, CA 95833

Re: CalHEERS Requirements

Dear Secretary Dooley and Mr. Lee:

The California Labor Federation would like to offer comments regarding the requirements that will be used to design the California Health Eligibility Enrollment, and Retention System (CalHEERS). We will submit comments electronically on specific Requirement Number Legends on the Response Form but wanted to take this opportunity to express concerns about proposals for the Small Business Health Options Program (SHOP) that undermine employer-sponsored coverage.

The ACA preserves employer-sponsored insurance as the primary source of coverage for a majority of Americans. To assist small businesses in providing employer-sponsored coverage, the ACA, and California law, established the SHOP to assist small businesses in providing employer-sponsored coverage for their employees.

We are concerned about the proposal for the SHOP to screen employees of small businesses and their families for eligibility for subsidized coverage. This functionality would allow small employers to shift low-wage workers onto public programs. Not only does this undermine the purpose of employer-sponsored coverage, but also shifts the cost of coverage onto the public.

The employer responsibility provisions of the ACA are meant to preserve employer-sponsored coverage, yet the proposals for the SHOP would facilitate a shift away from job-based coverage. We are concerned that if the SHOP is opened to large employers in 2017 that this would sound the death knell from employer-sponsored coverage and would pose a serious threat to the sustainability of the ACA.

For those reasons, we oppose the inclusion of the CalHEERS functionality that screens workers in the SHOP for eligibility for public programs. Thank you.

Sincerely,

Sara Flocks
Public Policy Coordinator
SF: sm
OPEIU 3 AFL CIO (31)

COVERED CALIFORNIA: Stakeholder Questions
CalHEERS Requirements

COVERED CALIFORNIA welcomes your comments on the CalHEERS requirements that will be used to develop the system. Please use the table below to provide your input. Please submit your comments to the Exchange at info@hbex.ca.gov by close of business Friday, November 30, 2012. The principles and options are laid out in a Board options paper available on the Exchange website. Please use the table below to provide your input . Please submit your comments to the Exchange at info@hbex.ca.gov by close of business Friday, November 30, 2012.

Name	Organization	Email	Phone
Sara Flocks	**California Labor Federation**	**sflocks@calaborfed.org**	**510-332-1996**

Requirement Number	Comment
SR34	The Labor Federation is concerned that the requirement that the system will have "rules engine verification of employee's non-covered family member enrollment in the Exchange." The SHOP was established in federal and state law with the purpose of helping small businesses provide coverage to their employees. Screening worker's family members for enrollment in the Exchange undermines employer-sponsored coverage which encourages the employer to provide coverage to employees and their families. Employer-sponsored coverage (ESC) is fundamental to the ACA and the shift from ESC to publicly subsidized coverage threatens the affordability and sustainability of the entire reform. The Exchange should not encourage, enable or create incentives for employers to drop coverage or shift employees onto federal or state subsidized coverage.
SR58	The Labor Federation opposes the functionality in the SHOP to determine if an employee of a small business is eligible for subsidized coverage (MAGI Medi-Cal, APTC, or CSR). The SHOP was established in federal and state law with the purpose of helping small businesses provide coverage to their employees. Screening worker's family members for enrollment in the Exchange undermines employer-sponsored coverage which encourages the employer to provide coverage to employees and their families. Employer-sponsored coverage (ESC) is fundamental to the ACA and the shift from ESC to publicly subsidized coverage threatens the affordability and sustainability of the entire reform. The Exchange should not encourage, enable or create incentives for employers to drop coverage or shift employees onto federal or state subsidized coverage. A shift of small business employees onto Medicaid or other state programs would also create a drain on the state General Fund and threaten

Requirement Number	Comment
	the continued funding of the state share of the Medicaid expansion.
SR125	The Labor Federation opposes any functionality in the SHOP to determine if an employee of a small business or their family members are eligible for subsidized coverage (MAGI Medi-Cal, APTC, or CSR). The SHOP was established in federal and state law with the purpose of helping small businesses provide coverage to their employees. Screening worker's family members for enrollment in the Exchange undermines employer-sponsored coverage which encourages the employer to provide coverage to employees and their families. Employer-sponsored coverage (ESC) is fundamental to the ACA and the shift from ESC to publicly subsidized coverage threatens the affordability and sustainability of the entire reform. The Exchange should not encourage, enable or create incentives for employers to drop coverage or shift employees onto federal or state subsidized coverage. A shift of small business employees onto Medicaid or other state programs would also create a drain on the state General Fund and threaten the continued funding of the state share of the Medicaid expansion.