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CA Changes 60-Day Waiting Period

Currently, California requires that insured health plans provide coverage to enrollees no later than following the completion of a 60 day waiting period. This has posed numerous challenges for employers with employees in many states or with self-funded plans and fully insured plans in California who otherwise have complied with the 90-day maximum waiting period permitted under the Affordable Care Act. It has been a challenge, for example, for employers who allow coverage to begin on the first day of the month after 60 days of employment to manage a separate, shorter waiting period for those employees covered under an insured policy or HMO issued in California. After struggling to revise their plans and enrollment periods for this population in 2014, employers will be able to reverse these changes for 2015, if they so choose.

The Governor has now signed into law Senate Bill 1034 repealing this 60-day cap, and effective January 1,2015, insured group or individual health plan policies issued in California will be prohibited from including a waiting period that differs from the waiting period imposed by the employer. Employers will again be permitted to have a uniform waiting period and enrollment period for employees, whether the employee elects coverage under an insured or self-insured plan in California.