

Orange
County Association of
Health
Underwriters

Volume 12, Issue 3
Jan/Feb 2018



C.O.I.N.

COUNTY OF ORANGE INSURANCE NEWS



Wishing All of You a Prosperous and Happy New Year!



Another Year, Another Battle!

Single Payer is Not Dead!

Attorney General's Proposed Measure Establishes a Fund for Healthcare Exempt Revenue Restrictions, Giving the Green Light for the State Legislature to Begin Gathering Signatures for a Single Payer Health Plan!

The single payer supporters are mobilizing! We need your help! Be ready first quarter 2018!

See Our
Feature
Article
on
Page 5!

Inside this Edition:

- Feature Article: *California's Battle Goes to the Ballot?.. A Single Payer Update*
- Compliance Corner—*Legal Briefing; Privacy & Security Updates and Enforcement*
- Event Coverage: Holiday Luncheon & Single Payer Update Meeting, December, 2017
- Membership News
- Business Development Summit Announcement & Program Schedule
- Consumer Education Day Announcement (bring your clients!)
- OCAHU Board of Directors
- Schedule of Events

OCAHU's The COIN is the Proud Recipient of the CAHU Newsletter Award for 2016-2017!



This Issue's Feature Article:
California's Battle Goes to the Ballot?

A Single Payer Update!

News on the Healthcare Roadblock
Removal Act

By *Dorothy Cociu, OCAHU VP Communications*

See Page 5!



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OCAHU's Business Development Summit

February 22, 2018

Hilton Costa Mesa

See page 7 for event details

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Making a Difference in People's Lives.

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Our association is a local chapter of the National Association of Health Underwriters (NAHU). The role of OCAHU is to promote and encourage the association of professionals in the health insurance field for the purpose of educating, promoting effective legislation, sharing information and advocating fair business practices among our members, the industry and the general public.



Letter from OCAHU President, Juan Lopez

While preparing for this issue, we on the OCAHU board understand that this is crunch time, and we're all wrapping up our

January 1 renewals and working diligently on our first quarter renewals and new business.

Although we're all very busy, I wanted to take just a moment to thank all of you for helping OCAHU to be the successful local chapter that it is, and to wish you all happy holidays and a very prosperous 2018.

I wanted to personally thank the board for all of its efforts in wrapping up 2017 and moving productively into 2018. We have some excellent programs coming up, including our Business Development Summit (BDS) on February 22nd, which is a huge event, packed with informative speakers and information. I encourage you all to attend, because you won't want to miss our slate of topics and presenters. You can find more information on this event right here in the COIN.

We also have a Consumer Education Day coming up in March, which is a program designed for agent members to bring their

clients to provide them with the answers to many of their day-to-day questions and concerns in their HR Departments related to Leave Laws and how they relate to their benefits. This is a topic that confuses many HR professionals, and this is an ideal topic to bring to you, so that you can invite those clients to hear the latest from a qualified attorney, Marilyn Monahan, who has spoken for OCAHU in the past and was very well received. Many of you asked that she come back, so we are responding to those requests, with a topic that your clients will appreciate.

We have several charity functions coming up in 2018, including our Women In Business and CF Golf Tournament. Please look for more information on these events in the next issue of the COIN.

So to all of you, have a wonderful holiday season and a very happy 2018! ##

Editor's Note: If you want to join a committee, or would like to share thoughts, please contact the appropriate board representative. See page 16 for the complete board list!

Register at ocaahu.org



Monthly Luncheon | January 9th
Carlton Hotel Newport Beach
(Formerly the Radisson Hotel)
11 AM to 1 PM

Available for 1-Hour CEU | Course Number: 361935



SPEAKER

Dr. Kristin Khale
CEO & Founder
NavigateHCR



Feature Article:

California's Battle Goes to the Ballot? A Single Payer Update!

**By: Dorothy Cociu, RHU, REBC, GBA, RPA
Vice President, Communications, OCAHU**

As reported in the November-December, 2017 issue of the COIN, an urgent notice was published regarding the California Attorney General's pro-

posed measure to establish a fund for healthcare exempt revenue restrictions, which gave the green light for the state legislature to begin gathering signatures for a single payer health plan. Attorney General Xavier Becerra (D) issued a formal Title and Summary to Proposed Initiative 17-0019 on October 24, 2017, originally titled The California Healthcare Roadblock Removal Act, now titled "Establishes a Fund for Healthcare in California Exempt from Revenue Restrictions."

So what does all of this mean?

The California Healthcare Roadblock Removal Act seeks to amend the California Constitution to establish a fund that is exempt from revenue restrictions, and **basically would allow the state to enact a measure to impose \$400 billion in new and redirected taxes with only a simple majority vote.** What would this accomplish? The bottom line is, this is a blatant political move. It is an effort by a lesser known progressive group to eliminate "roadblocks" to future enactment of a single payer system in our great state of California. Without the roadblocks, it paves the way for a possible single payer health plan in California.

The proposed initiative has many purposes. To summarize, the initiative:

- Establishes the "Healthy California Trust Fund", a health care trust fund independent of the state General Fund.
- Prohibits the use of any funds in the "Healthy California Trust Fund" to be disbursed or loaned for any other purpose other than health care.
- Permits the state to transfer any funds, including federal funds, into the "Healthy California Trust Fund".
- Amends the California Constitution to circumvent and disregard past voter-approved initiatives, including the requirement of a 2/3 vote of both houses of the legislature to pass tax increases (Prop.13, 1978), the Gann Spending Limit which limits spending from tax revenue (Prop. 4, 1979), the minimum guar-

antee of state General Fund revenue to education (Prop. 98, 1988) and the state requirement to set aside revenues to pay debts and save for a rainy day (Prop. 2, 2014). As stated in the update in the last (November/December, 2017) issue, this constitutional amendment would make it easier to increase state tax revenues dedicated to healthcare spending. This measure would have absolutely no limits or oversight. According to Dave Fear, Jr., CAHU President-Elect, this "is an attempt to remove the reason many elected officials give to single payer zealots when asked if they will support single payer. The answer by many Senators, Assemblymembers and state leaders is: 'I support single payer, but I don't think it is fiscally feasible.' This is one group's attempt to solve the many problems in trying to enact single payer in California."

"This is one of the more concerning aspects of the proposed initiative," stated Jim Morrison, CAHU V.P. of Legislation. "They are so focused on passing Single Payer that they are willing to throw out all checks and balances related to the budgeting process and how new taxes are implemented."

As you'll recall from my article in the July/August, 2017 ("The SB-562 Storm Continues to Build... Can We Stop It?") issue of the COIN, Single Payer in Sacramento is political. I'll quote some of my comments from that article, below.

"It's not that the Democrats in our Capitol think SB-562 is a good bill. From everything the California Association of Health Underwriters (CAHU) and others can see, they aren't all that convinced it's a good bill... So much so that they didn't bother to add any financing to the bill in its current form... but that doesn't seem to matter. *They need it, they want it, and they plan to get it...* An all-encompassing single payer bill that rolls all health products and services, as well as work comp, into one big government mess. And they have the majority in the legislature to do it.

It's a world like no other. It's a world of egos, a

Continued on Page 6

Feature Article, Continued from page 5

world of politics, a world where the majority of the legislators are in their first terms and they want to make a statement. And they don't care who they take down in the process.

No one wants to go against the party. They all have something to prove, and they teamed up with the Nurses Association, whose union has political motivations, it seems, to go out and try to prove it, at literally any cost. And wow, what a cost. Multiple studies now offer a cool \$400 Billion (yes billion with a "B") price tag, which is more than twice that of the entire current California state budget. Oh, and another important fact, it passed the California Senate in May and was sent to committees in the Assembly, where we have had some brief and temporary relief on, with Senate Speaker Anthony Rendon (D-Lakewood) announcing on June 23rd that he would hold it in committee for now, pending Senate work on the bill and a funding mechanism, but he also stated that he is a true supporter of Single Payer and expects this bill to be on the November, 2018 ballot. So this is far from over...."

And now, with this California Healthcare Roadblock Removal Act initiative, they have a funding mechanism. An initiative that would allow for a way to collect taxes for Single Payer legislation in California.

The California Healthcare Roadblock Removal Act gives the legislature a funding mechanism... a way to collect taxes for Single Payer legislation in California!

Yes, some at CAHU are skeptical and feel that this initiative won't pass, but honestly, I truly feel that with the political environment in Sacramento right now, if this one doesn't pass, say, for example, because no one knows of this organization or how they will fund the signature gathering, etc., I fear that they will just keep trying, until they find a way to do this!

It's important to note that the supporters of this measure, and single payer, are mobilizing. Get ready for a big fight the first quarter of 2018! They have opened offices in every county, and some multiple offices in a county, so pay attention, and be ready to respond when we ask you to!

The bottom line is, "this would throw out all the California statutes, constitutional amendments and elections by going around everything that has happened in the state of California since its inception 167 years ago and saying basically, we shouldn't have to follow those rules because we want to enact single payer," continued David Fear, Jr. "I agree with David's points on this," stated Jim Morrison. "This group is trying to amend the state Constitution so they can increase the likelihood of getting a Single Payer bill passed."

This is alarming to CAHU because ***it makes it easier to enact Single Payer in California and, in a nut-shell, ends the entire health insurance industry!*** Oh and yes, Agents will be out of a job! If you want to see it in writing, simply read page 16 of the bill! But, ***don't worry, agents, because there will be retraining and assistance with job transition! Yay!*** (And yes, that is complete sarcasm!).

This measure requires the proponents to gather nearly 600,000 signatures by early May. It sounds simple enough, but it may lead to some difficulties. The process of gathering signatures is time consuming and very expensive. Just think about the paid persons with clipboards outside of Target and Home Depot. It is actually difficult to do and most proposals do NOT qualify. The organization that filed the initiative is called "Universal Healthcare for CA, Inc." a virtually unknown organization, and little is known about any funding that they have to obtain the nearly 600,000 signatures within the allotted 180 days. The CNA (which does have resources- man power and money) is not currently in support of this initiative. So, we could, I suppose, be thankful for that. However, we can't assume that not knowing who they are or what they are about, or who is funding them or how, is a good thing for agents and the healthcare industry.

"It's only easy to do if you have millions and millions of dollars to pay people to get those signatures," stated David Fear, Jr.. "This group is an unknown and unless they partner with a large wealthy group quickly, they will have a tough time qualifying. However, I would not be surprised to see some "enlightened" progressive billionaire step in and help in the process."

This constitutional amendment would make it easier to increase state tax revenues dedicated to healthcare spending.

Continued on page 11

BUSINESS DEVELOPMENT SUMMIT... **TRAILBLAZING BROKERS!**

Thursday, February 22, 2018
Hilton Costa Mesa
3050 Bristol St., Costa Mesa
7 AM to 3 PM

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COIN COMPLIANCE CORNER
 What Agents and Your Clients Need to Know!



January/February, 2018 Legal Briefing

HIPAA Privacy & Security Updates—From Dorothy Cociu, COIN Editor and HIPAA Privacy & Security Consultant & Trainer

From Marilyn Monahan, Monahan Law Offices

This is a summary of some recent developments of interest to consultants and employers:

ACA/Federal: Highlights

Section 4980H Payments: Letter 226J: The IRS has started sending out letters assessing proposed §4980H “employer shared responsibility payments” (ESRPs) for 2015. These letters highlight the importance of ensuring—for 2015 and going forward—that applicable large employers are compliant with their 1094/1095 reporting obligations, fully understand how to implement §4980H, and maintain adequate records to prove compliance.

QSEHRAs: New IRS Guidance: Following passage of the Affordable Care Act (ACA), rules issued by the IRS and DOL essentially prohibited the practice of an employer paying the premium on an employee’s individual health policy. The IRS referred to these arrangements as “employer payment plans.”

In December 2016, however, Congress passed the 21st Century Cures Act, which allows *some* small employers to pay for individual health policies by setting up “Qualified Small Employer Health Reimbursement Arrangements” (QSEHRAs). A QSEHRA may also be used to pay for qualifying medical expenses.

As is always the case, a small employer that wants to set up a QSEHRA must follow the rules, including:

- The employer may not have 50 or more full-time equivalent employees
- The employer may not offer group health coverage
- The QSEHRA must be provided on the same terms to all eligible employees
- The QSEHRA must be funded solely by the em-

I have good news! We have had no new HIPAA Privacy or Security enforcement news to speak of since the last issue, and no civil monetary penalties or settlements to be reported! I’m sure there will be plenty more to take a look at in 2018, so I’ll report on them when they happen.

In the meantime, please be sure that you’re doing all of the right things to be sure that your office is fully trained on HIPAA Privacy & Security, and that your policies and procedures in place will protect your clients’ data, physically, administratively and technically, to meet all of the HIPAA Privacy, Security and HITECH standards!

To everyone, have a very happy holiday season and a very prosperous 2018! Happy New Year! ##

Bring Your Clients to an Informative Consumer Education Meeting on March 13, 2018

Leave Laws & Benefits

Featuring Compliance Corner’s Regular Contributor, Marilyn Monahan!

This meeting is a special event, designed for agents to bring their employer clients, for a topic they need and want to learn about!

See page 13 for more details!

Continued on Page 14

2017 Holiday Party Toy Drive for CHOC & Single Payer Update, December 12, 2017

Photo Coverage



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“In most cases,” continued Jim Morrison, “groups like this use professional signature collection firms. This costs money and we do not know what kind of resources this group has at this point.”

This constitutional amendment would make it easier to increase state tax revenues dedicated to healthcare spending. CAHU’s press release on this notified CAHU members that this measure would have no limits or oversight. Why is this lack of limits and oversight such a concern to CAHU? “All business groups, tax payer advocates and many other informed Californians that have nothing to do with the healthcare debate will weigh in on this issue and persuade even the least informed Californians that allowing a group to tax and spend without any control is not a good idea,” commented David Fear, Jr..

Remember, approximately \$400 billion is estimated to start a single payer health plan in California. The current entire budget for the state of California, as you’ll recall, is less than \$200 billion. SB 562 itself contained no funding mechanism or revenue source. “The estimates [in cost] range from \$337 to \$400 billion for the first year,” commented Jim Morrison. “These are [as we stated] more than double the entire current state budget. In addition, there are major assumptions that the Federal Government will willingly provide all current and future funding for Medicare and Medi-Cal to meet roughly half of the budget. The remaining balance would come from a number of new taxes, including sales, gross revenue and payroll.”

The Senate Appropriations Committee estimated the cost of such system to be approximately \$400 billion and estimated a 15% payroll tax increase to fund it. CNA commissioned a funding study which recommended a sales tax which would increase the already highest state sales tax in the country by another 2.3% and would be the biggest sales tax increase in the history of California. In addition to this massive sales tax, which would not alone be sufficient to fund this program, the study proposed a 2.3% gross receipts tax or a 6.6% payroll tax. So, Californians, don’t believe what you read about this being a “free system.” It’s certainly not free. It is in fact, the most expensive state initiative we have ever encountered.

The state Legislative Analyst (LAO – the California Legislature’s

Nonpartisan Fiscal and Policy Advisor) is required to prepare a fiscal analysis of all proposed initiatives within 50 days of the Attorney General’s office receiving them. Its analysis of the Initiative indicates that *the establishment of a health care fund, in and of itself, would have no notable fiscal effect on the state government.* However, the LAO notes, within the first paragraph of its report, that the initiative “would amend the Constitution to allow and facilitate future, but unknown legislative actions that could substantially increase state healthcare spending and associated tax revenues.”

The Single Payer fight is far from over. We have a lot of work ahead of this. If this reaches the ballot, which it likely will,

If this reaches the ballot, which it likely will, remember, regardless of the facts on our side, the emotions of California Consumers can and will get in the way. They hear “free health care” and they run with it. Consumers don’t check facts. They listen to sob-stories on the news and listen to celebrities, who can afford any health care they want and need, with or without insurance, preach to the masses about how bad our healthcare system is, and how we need single payer.

remember, regardless of the facts on our side, the emotions of California Consumers can and will get in the way. They hear “free health care” and they run with it. *Consumers don’t check facts. They listen to sob-stories on the news and listen to celebrities, who can afford any health care they want and need, with or without insurance, preach to the masses about how bad our healthcare system is, and how we need single payer.* We need to teach them that FACTS DO MATTER, and that we are the ones to bring them to the forefront. And when it comes to a fight, CAHU will not back down. CAHU will fight the fight, and be the grass-roots mechanism to defeat this and any other measure thrown at us.

“Single-payer initiatives have failed in every state. With the recent successful model that was just used to defeat a single payer ballot initiative in Colorado by nearly 80%, CAHU is fully prepared to engage in all related efforts, should this initiative qualify for next year’s ballots in California,” commented Stephanie Berger, CAHU President.

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Feature Article, Continued From Page 11

“A large number of items need to fall into place for this to even have a chance,” commented Jim Morrison. “The Federal Government would have to cooperate, several statutes would need to be amended, and a number of new taxes put into place. This faces some significant hurdles to even come close to being implemented. That being said, we must continue to educate and work with our legislators to improve the current system.”

How do we educate the public? Any way and anywhere we can, from Chamber of Commerce meetings to churches, from school functions to social media... We need to remind them that our healthcare system is NOT broken. It could use some improvements, and we know how to do that. We don't have to trash the entire system and replace it with single payer. There are better options, within our control and within our industry, that can solve the problems.

“I think the best path is to continue to be a valued resource for your clients,” stated Jim Morrison. “Support CAHU to improve the system, and use the tools CAHU has prepared to do so to educate the public.”

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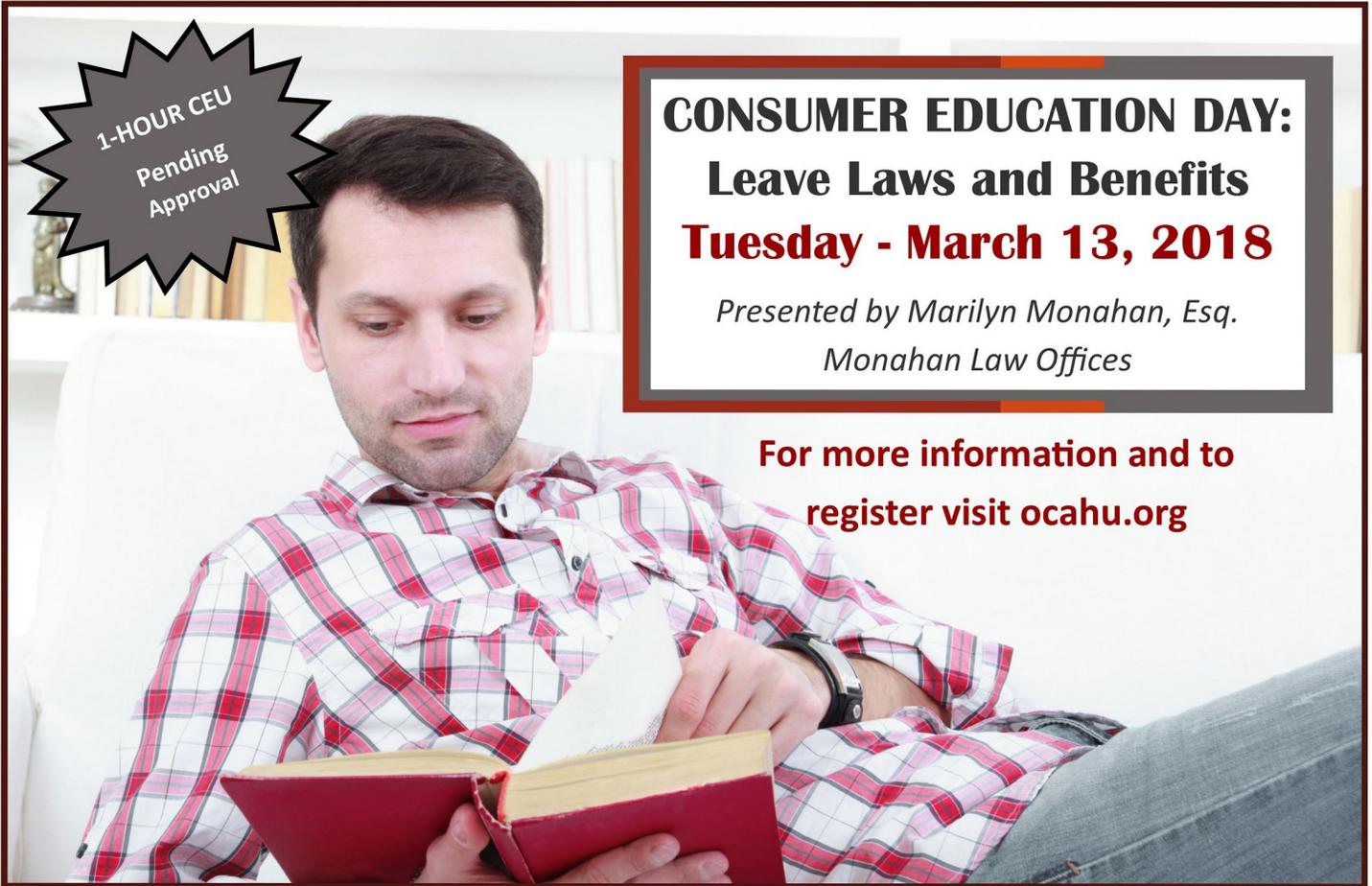
Gold: Word & Brown; Optum Care

Remind them that research has been done, and research shows that our healthcare system is still great, according to California residents. “In statewide polling commissioned by

“...We are standing on the higher ground should proponents choose to take single payer to the polls next November.”

CAHU, results overwhelmingly confirm that Californians are happy with their current health care provided in a public private partnership,” commented Faith Lane, Legislative Advocate for CAHU. “Additionally, even among those who support

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Approval

**CONSUMER EDUCATION DAY:
Leave Laws and Benefits
Tuesday - March 13, 2018**

*Presented by Marilyn Monahan, Esq.
Monahan Law Offices*

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register visit ocahu.org**

OCAHU's March 13, 2018 Consumer Education Day is a special event designed for agents to bring their employer clients... for a topic they want and need! Please join us for this informative agent and client event! Invite your clients now!

Feature Article, Continued from page 12

single payer, 75% become less likely to support it knowing the cost to Californians in new taxes. We are standing on the higher ground should proponents choose to take single payer to the polls next November.”

So, where do we go from here, and how do CAHU members, non-member agents and other industry representatives help in this fight? First, join CAHU if you haven't already. Check the website for resources to communicate the latest info and key messaging. The CAHU website is updated frequently. CAHU has, and will continue, to provide timely communication on updates, resources such as one page talking points and opportunities to engage members. But you need to be a member, and you need to be involved in this fight, because if you aren't, we could fail, and we simply can't afford that.

Author's Note: I'd like to thank the Board of the California Association of Health Underwriters and California Advocates for their assistance with this article, background information and comments. I'd like to thank individually Stephanie Berger, President, Faith Lane, Legislative Advocate, Jim Morrison, VP Legislation, and David Fear, Jr., President-Elect. Without your assistance, this article could not have been written.

Editor's Note: The opinions in this article are those of the author and those of the contributing experts. They are not necessarily the opinions of the Orange County Association of Health Underwriters, the California Association of Health Underwriters, or the National Association of Health Underwriters. ##

To Get Involved With the Single Payer Fight, visit the California Association of Health Underwriters Website at www.cahu.org to get updates, membership information, talking points and more!

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The employer must report the amount contributed as non-taxable income on W-2s

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Contribution limits apply: \$4,950 (self-only), \$10,050 (family)

Note: Some states prohibit these arrangements

Recently, the IRS issued **IRS Notice 2017-67**, which includes 79 FAQs on the set up and administration of QSEHRAs. This guidance applies to plan years beginning on or after **November 20, 2017**. Public comments on the FAQs will be accepted if submitted no later than January 19, 2018.

Disability Benefits: Claims Procedures: Delay: On December 19, 2016, the Department of Labor (DOL) issued revised regulations governing claims procedures applicable to ERISA-covered employee benefit plans that provide disability benefits. The new procedures were scheduled to apply to claims for disability benefits filed on or after January 1, 2018. On **November 29, 2017**, however, the DOL announced that it is delaying the implementation date of the new regulations through April 1, 2018. As a result, the new rules will apply to claims filed on or after **April 2, 2018**. The DOL is, however, accepting comments on the new regulations through December 11, 2017, so it is possible the rules could change before the April effective date.

Notwithstanding the request for comments, there are some issues employers should keep in mind:

If the employer has a self-funded plan, the plan document, SPD, and claims notices will have to be amended prior to the effective date.

If the employer has a self-funded plan administered by a TPA, the employer will need to confirm that the TPA will be ready to comply with the new regulations on time.

Employers should note that the new regulations do not apply only to disability income plans, but to "ERISA-covered employee benefit plans that provide disability benefits," which could include, for example, certain retirement plans.

The effective date is not tied to the employer's plan year, but instead to the date the claim is filed, so the rules will apply to claims filed mid-plan year.

California: Highlights

This is a brief summary of some key 2017 bills passed by the legislature, and signed by the governor, that will affect the workplace in 2018. Employers should consult their employment counsel to determine which laws impact their workforce, and how the new laws (many of which contain detailed provisions) should be implemented.

A.B. 1222 - Vehicles: Electronic Wireless Communications Devices (Chapter 297): A.B. amends a law passed last year which unintentionally restricted the use of certain devices by professional drivers communicating with their dispatchers. More specifically, under California law, it is a crime to drive a motor vehicle while holding and operating a handheld wireless telephone or electronic wireless communications device. The law defines an "electronic wireless communications device" as including, but not limited to, a broadband personal communication device, a specialized mobile radio device, a handheld device or laptop computer with mobile data access, a pager, or a two-way messaging device. A.B. 1222 removes "a specialized mobile radio device" and a "two-way messaging device" from the definition of "electronic wireless communications device."

A.B. 46 – California Equal Pay Act (Chapter 776): The California Equal Pay Act prohibits an employer from paying employees at wage rates less than the rates paid to employees of the opposite sex, or of another race or ethnicity, for substantially similar work. A.B. 46 expands this Act to public sector employers.

A.B. 168 – Salary Information (Chapter 688): There are three key parts to A.B. 168: (a) An employer shall not rely on the salary history information of an applicant for employment as a factor in determining whether to offer employment or what salary to offer an applicant; (b) an employer shall not, orally or in writing, personally or through an agent, seek salary history information, including compensation and benefits, about an applicant for employment; and (c) an employer, upon reasonable request, shall provide the pay scale for a position to an applicant applying for employment. Applicants may voluntarily disclose their salary history.

A.B. 168 applies to all employers, including the legislature, the state, and local governments. Employers should review their job applications and hiring practices to ensure they are compliant with the new law.

A.B. 1008 – Ban the Box (Chapter 789): A.B. 1008 prohibits an



Membership News

New Members and Renewals!



New Members Since 11-1-17

David Milligan

Jen Kuemerie

James Laird

Larry Lambert

Allan Ly

Richard Martin

Richard Mason

Donna Jean Morgan

Amanda Morris

Tonda Moses

Mark Muto

Alicia Saporito

Audrey Schmidt

Ron Sellers

Louise Valencia

Martha Valverde

Jarrold Word

Renewals Pending as of November 1, 2017

Ray Biggerstaff

Alan Ewait

Rhett Bray

Donald Michael Floss

Bruce Canetti

Daniel Frey

Fabian Carillo

David Hagen

Chad Cihlar

Joy Justus

Danillo Diaz

Christopher Kelly

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OC Association of Health Underwriters

2017-18 Board of Directors

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Joe Partise,
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Mary Ann Trutanich,
VP Professional Development

General Board Members



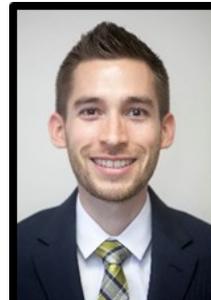
Sarah Knapp,
Awards/Historian



Patricia Stiffer,
Public Service



Lynn Wischmeyer,
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David Ethington,
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Legal Briefs, continued from page 14

employer, with certain exceptions, from inquiring about or considering a job applicant's conviction history prior to a conditional offer of employment. Once a conditional offer is made, the applicant's conviction history may be considered, but employment may not be denied without an "individualized assessment," as described in the bill. A.B. 1008 applies to employers with 5 or more employees. Employers should review their job applications and hiring practices to ensure they are compliant with the new law.

S.B. 63 – New Parent Leave Act (Chapter 686): S.B. 63 enacts the New Parent Leave Act. The bill expands the California Family Rights Act (CFRA) to include smaller employers, but only for the purpose of baby bonding. More specifically, it requires employers of 20 or more employees to allow an eligible employee to take up to 12 weeks of leave to bond with a new child. The employer must also maintain and pay for an employee's health coverage during this time.

A.B. 1711 - State Military Reserve Personnel: Leave Benefits (Chapter 92): A.B. 1711 provides that a member of the State Military Reserve shall be granted military leave and other specified benefits on the same basis as a member of the National Guard or other military reserve member.

A.B. 1710 - Prohibited Discrimination against Service Members (Chapter 591): The purpose of this bill is to update California law to conform to 2011 amendments to the federal Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) by amending section 394 of the state's Military and Veterans Code. A.B. 1710 now prohibits discrimination in "terms, conditions, or privileges" of employment against an officer, warrant officer, or enlisted member of the military or naval forces of the state or of the United States because of his or her membership or service.

S.B. 295 - Farm Labor Contractors: Sexual Harassment Prevention (Chapter 424): Existing law prohibits the issuance of a farm labor contractor license unless the applicant attests in writing that certain employees have received sexual harassment prevention, and they satisfy prescribed requirements relating to the substance, administration, and record of the training. This bill would, among other requirements, mandate that training for each agricultural employee be in the language understood by that employee.

S.B. 396 – Employment Training: Gender Identity, Gender



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Continued on Page 22

Business Development Summit, February 22, 2018

Hilton Hotel, 3050 Bristol Street, Costa Mesa, CA

7:00 am—3:00 pm

Program Schedule

7:00 am—8:00 am	Registration/Exhibitors/Continental Breakfast
8:00 am—8:15 am	Opening Remarks
8:10 am—9:00 am	Mark Embry— National Legislative Update (1 hour of CE)
9:10 am—10:00 am	Dorothy Cociu - Referenced Based Pricing (1 hour of CE pending)
10:05am—10:35 am	Exhibitors
10:45am—11:45 am	Break –Out Sessions (1 hour of CE) Cora Tellez— Alternative Benefit Strategies for Brokers to Assist Employer/Employees Phil Calhoun— Commission Continuation Plan (CCP) Maggie Stedt—Medicare Trends Adam Wasmund—Senior Risk Planning
11:45am—12:30 pm	Lunch
12 Noon-1 pm	Keynote Address— Charles Specht— “How to Become Million-Dollar Producers \$\$\$”
1:15 pm—2:15 pm	Faith Lane— State Legislative Updates
2:15 pm—3:00 pm	Closing Remarks, Awards

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Expression, and Sexual Orientation (Chapter 858): S.B. 396 expands mandatory employee training in California. The California Fair Employment and Housing Act (FEHA) currently requires employers with 50 or more employees to provide at least 2 hours of prescribed training and education regarding sexual harassment to all supervisory employees within 6 months of their assumption of a supervisory position and once every 2 years. S.B. 396 additionally requires these employers to include training relating to harassment based on gender identity, gender expression, and sexual orientation. The bill also contains a posting requirement.

A.B. 450 - Immigration Worksite Enforcement Actions (Chapter 492): A.B. 450 “prohibits an employer from providing access to a federal government immigration enforcement agent to any non-public areas of a place of labor if the agent does not have a warrant.” The law applies to both public and private employers, and the Labor Commissioner and the Attorney General have the power to enforce the law. The bill also includes a notice requirement.

A.B. 1701 – Labor-Related Liabilities: Original Contractor (Chapter 804): A.B. 1701 adds a new section to the Labor Code (218.7) that provides that if a subcontractor does not pay wages or benefits owed to employees, general contractors (“direct contractors”) will be liable for those costs. The bill contains a statute of limitations. It does not apply to work performed by an employee of the state, a special district, a city, a county, a city and county, or any political subdivision of the state.

A.B. 260 & S.B. 225 - Human Trafficking and Posting Requirements: A.B. 260 expands existing law to require hotels, motels, and bed and breakfast inns (but not personal residences) to post a notice relating to slavery and human trafficking. S.B. 225 requires the notice to specify that a person can also text a specified number for services and support.

S.B. 258 – Cleaning Product Right to Know Act of 2017 (Chapter 830): First, S.B. 258 requires manufacturers of certain products to disclose on the product label and on the product’s Internet Web site information related to chemicals contained in the product. Next, S.B. 258 requires an employer that is required to maintain safety data sheets under existing law to also make readily available the printable information manufacturers are required to provide pursuant to S.B. 258.

S.B. 189 - Workers’ Compensation: Definition of Employee (Chapter 770): Once again, the legislature is tinkering with the definition of “employee” for purposes of workers’ compensation coverage. Why? Only employees must be covered by workers’ compensation insurance. If business owners or their family members are not included in the definition of employee, the business does not have to pay for workers’ compensation coverage for them. However, some employers were reportedly giving their employees a small percentage interest in the company, or a position on the board, to avoid paying for coverage. In response, the legislature passed A.B. 2883 last year to prevent such actions. However, the ownership percentages added by A.B. 2883 were found to be high enough that there was an adverse impact on small professional corporations, among others, that could not take advantage of the owner exception. S.B. 189 was the result.

S.B. 189, in summary, “lowers the ownership threshold for waiving workers’ compensation coverage from 15% to 10%, and also creates specific waiving provisions for professional corporations, worker-owned cooperatives, and closely-held family businesses.” The changes made by the bill would take effect on July 1, 2018, except as specified. The California Medical Association was the source of this bill.

A.B. 44 - Workers’ Compensation: Medical Treatment: Terrorist Attacks: (Chapter 736): A.B. 44 requires employers to provide immediate support from a nurse case manager to employees injured in the course of employment by an act of domestic terrorism. This provision only applies if the governor declares a state of emergency.

A.B. 1222 - Vehicles: Electronic Wireless Communications Devices (Chapter 297): A.B. amends a law passed last year which unintentionally restricted the use of certain devices by professional drivers communicating with their dispatchers. Currently, under California law, it is a crime to drive a motor vehicle while holding and operating a handheld wireless telephone or “electronic wireless communications device.” A.B. 1222 removes “a specialized mobile radio device” and a “two-way messaging device” from the definition of “electronic wireless communications device.” ##

Join Us For Our OCAHU January Program

January 9, 2018

Carlton Hotel (formerly the Radisson Hotel), 11 am—1 pm

Dr. Kristen Khale, From Savings to Reimbursements... The Rules of HSAs, FSAs, HRAs & MSAs Today!



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SCHEDULE OF EVENTS

January 9, 2018: The Rules of HSAs, FSAs, and HRAs Today; Kristin Khale, 1 Hour of CE, Carlton Hotel (formerly the Radisson Hotel), Newport Beach, 11 am to 1 pm

February 22, 2018, Business Development Summit, Hilton Costa Mesa—mark your calendars!

February 26-28, 2018: NAHU's Capitol Conference, Hyatt Regency, Washington DC

March 13, 2018; Legal Update, Marilyn Monahan, Esq., **Leave Laws & Benefits (Consumer Education Program—bring your clients!),** Carlton Hotel (formerly the Radisson Hotel), Newport Beach, 11 am—1 pm

April 3, 2017; Benefits Tech Certification, provided by NAHU, Kaiser Permanente, Anaheim (more info to follow)

April 16, 2017; OCAHU Charity Golf Tournament, Alta Vista Country Club (more info to follow)