

<u>Supreme Court Upholds San Francisco Health Care Plan Requiring Employer Contributions</u>

Posted on July 7, 2010 by Scott Calvert

On June 28, 2010, the United States Supreme Court announced that it would not hear a challenge to San Francisco's universal health care program filed by the Golden Gate Restaurant Association. The announcement effectively put an end to a four-year legal battle.

One provision of program, titled "Healthy San Francisco," requires that businesses with at least 20 workers either provide health care coverage to their employees or pay a certain amount of money per employee hour worked to fund the health care program. Business groups sued to halt the program, asserting that it is preempted by ERISA because it impermissibly creates an ERISA plan, or alternatively is related to employers' existing ERISA plans. In 2008, the Ninth Circuit ruled that the program was not preempted by ERISA. In refusing to hear the business-led challenge to the health care program, the Supreme Court effectively sustained the Ninth Circuit's ruling.

The Supreme Court's decision was consistent with the Obama administration's recommendation that the Court turn down the case, in part because the recently enacted national health reform law makes similar city- or state-level programs unlikely.

See a summary of the Ninth Circuit's ruling <u>here</u>.

See previous Golden Gate news posts here and here.