



Unitarian Universalist Legislative Ministry Action Network—California

Bring Health Care Reform Home to California

Support These California Health Care Reform Bills This August!

On March 23, 2010, President Barack Obama signed the Patient Protection and Affordable Care Act (PPACA), the first comprehensive federal health care reform law passed since the creation of Medicare in 1965. During the next ten years, this law will offer affordable health insurance options for everyone, curb health insurance industry abuses, promote preventative medical care, and provide increased health care access to low income families, seniors, young adults, children and women without adding to the federal deficit.

Some of PPACA's provisions come into effect this September, while others must be implemented through state legislation. Here in California, such legislation has already been introduced. ***These bills must be passed by the California Senate and the Assembly and put on the Governor's desk by August 31, 2010!***

Although many good health reform bills are offered this year, UULMCA Action Network advises UUs to concentrate their support on the following six bills because: 1) they will help California's neediest residents, 2) they promote equity between consumers of mental and physical health care services, 3) they strengthen essential consumer protections, and 4) they face fierce opposition by for-profit insurance companies.

1. [SB 56: Joint Ventures for Medi-Cal County Health Systems](#)

Introduced by Senator Alquist (Dem-Dist. 13-San Jose)

Summary of Bill: Today, California counties provide insurance to 3.8 million low-income individuals receiving Medi-Cal, the California run version of Medicaid. These county programs successfully serve 52% of all California Medi-Cal recipients through local, cost-effective provider networks with very low levels of overhead. Current state law does not grant counties the ability to pool their resources.

This bill will empower California counties to create joint ventures that pool risk and share networks and/or to provide for the joint offering or marketing of health plans to low-income individuals with incomes less than 200% of the Federal Poverty Level.

Talking Points:

- S.B. 56—Health Plans: Joint Ventures—is a bill that would authorize county health plans to form joint ventures, thus enabling them to pool risks and share provider networks.
- The California Legislature is in an important position to enact model legislation which will strengthen health care and make the promise of health care reform real in the lives of California citizens. California's implementing legislation will also be widely copied across the nation.

2. [SB 810: Creating a Single Payer System in California](#)

Introduced by Senator Mark Leno (Dem–Dist 3 – San Francisco)

Summary of Bill: SB 810 creates the California Healthcare System (CHS), a single payer health care system, administered by the California Healthcare Agency (CHA), to provide health insurance coverage to all California residents.

Talking Points:

- SB 810 establishes a modern universal health care system to cover every California resident with comprehensive benefits for life by building upon the well–tested principles of our popular Medicare program that American seniors have relied on for decades.
- SB 810 provides universal care without increasing overall health care spending in California.

3. [SB 890: Transitioning to a More Transparent & Standardized Individual Insurance Market](#)

Introduced by Senators Alquist (Dem–Dist. 13–San Jose) and Steinberg (Dem–Dist. 5–Sacramento)

Summary of Bill: This bill standardizes and simplifies the individual insurance market so consumers can understand their coverage choices, make apples–to–apples comparisons, and know their coverage does not have hidden loopholes. It sets a standard of basic health care services for products at both the Department of Insurance as well as the Department of Managed Health Care products. SB 890 allows consumers to switch to a different individual health plan or insurer on the annual renewal date, puts limits on insurance premium rate variation for adults, and requires insurance companies to spend 80 to 85 cents of each dollar collected in premiums on medical costs.

Talking Points:

- SB 890 demands fair dealing and full disclosure of information from the insurance companies. It will empower all Californians purchasing individual plans to make good purchasing choices by ensuring they receive essential information.
- This bill upholds a key UU principle of “justice, equity and compassion in human relations.”

4. [SB 900: Establishing the California Health Benefits Exchange](#)

Introduced by Senators Alquist (Dem–Dist. 13–San Jose) and Steinberg (Dem–Dist 5–Sacramento) **Similar to Assembly Bill, AB 1602 by Assemblymen Perez**

Summary of Bill: A critical piece of the Patient Protection and Affordable Care Act is the establishment of an American Health Benefit Exchange in each state. These exchanges will offer affordable insurance options to individuals and small companies by January 1, 2014. SB 900 would create such an exchange in California.

The Exchange will be an “active purchaser” on behalf of the thousands of people in the Exchange, giving it the negotiating power of a large company. This will enable the Exchange to ensure participating insurance companies offer a variety of affordable, cost–effective, high–quality health insurance products. Further, the plans offered in the exchange must cover individuals with pre–existing conditions.

Talking Points:

- SB 900 will implement an important provision of the PPACA in California and offer individuals with a pre-existing condition a way to purchase affordable, high-quality individual health insurance policies. Further, the Exchange offers small businesses a way to offer their employees comprehensive health insurance plans at prices comparable to what large corporations negotiate with private insurance companies.
- Once the Exchange is in place, Californians will no longer be forced to stay in a job just to keep their health insurance. Individuals who lose their jobs or decide to start their own businesses will have access to good health insurance policies they can afford. Further, this bill will allow small companies to do the right thing and provide insurance to their employees.

5. [AB 1600: Mental Health Parity](#)

Introduced by Senator Beale (Dem-Dist. 11-San Jose)

Summary of Bill: AB 1600 requires health plans and health insurers to cover the diagnosis and medically necessary treatment of a mental illness of a person of any age, including a child, instead of limiting coverage only to severe mental illness, as in current law. The law also states that the definition of mental illness under this law is subject to revision to conform to list of mental conditions defined in the Diagnostic and Statistical Manual of Mental Disorders IV (published by the American Psychiatric Association and considered the standard list of mental conditions) following publication of each subsequent volume of the DSM.

Talking Points:

- As a faith community, UUs affirm and promote the “inherent worth and dignity” of all people, including those dealing with mental illness.
- AB 1600 requires health plans to cover the diagnosis and medically necessary treatment of any mental illness of a person of any age, including a child, instead of limiting coverage to only a few severe mental health conditions.
- Every person has a human right to treatment that restores their physical and mental well being.

6. [AB 2578: Premium Rate Increase Approval Required](#)

Introduced by Assembly Members Jones (Dem.-Dist. 9-Sacramento) and Feuer (Dem.-Dist. 42- West Los Angeles)

Summary of Bill: AB 2578 would require health care service plans and health insurers to file a rate application for a rate increase that will become effective on or after January 1, 2012, for review and approval by the Department of Managed Health Care and the California Department of Insurance. Carriers would be permitted to submit only one rate application each calendar year.

Talking Points:

- Unlike auto insurers who are required to seek prior approval from the Department of Insurance before increasing auto insurance rates, HMOs and health insurers have no similar requirement.

- Some highly profitable health insurers and HMOs transfer large blocks of funds to out-of-state parent companies while continuing increase rates for on California consumers.
- AB 2578 will give the state a powerful tool to control unabated rate increases from HMOs and health insurers.

7. [SB 1163: Premium Sunshine Act](#)

Introduced by Senator Leno (Dem.–Dist. 3 – San Francisco)

Summary of Bill: Because AB 2578 is facing fierce opposition from insurance company lobbyists and the Governor, UULM is also supporting SB 1163. This bill does not give California’s insurance and managed care agencies the power to approve rate increases, but it does permit the state to review raises of health insurance company premiums to confirm that they are “actuarially sound.” Changes in existing plans and future premium increases would be disclosed annually to the public. Further, denials of coverage must be explained to consumers in clear language and applicants with pre-existing conditions would be referred to the state’s high risk pool, the California Major Risk Medical Insurance program.

Talking Point:

- SB 1163 ensures the state and the public have access to important information regarding health insurance that would enable the detection and prevention of abuses. This transparency is the key to making sure health care is affordable and accessible.