

MATRIX OF GOVERNOR’S PROPOSAL, SPEAKER’S PROPOSAL AND ITUP COMMENTS

	Governor’s Proposal (10/9/07)	Speaker’s Proposal ABX1 1 (11/08/07)	ITUP Comments
Eligibility	All Californians	All Californians	
Individual mandate	Yes, defines what does and does not constitute coverage	Yes, does not spell out what constitutes coverage	Should spell out what constitutes coverage
Exceptions	None	Hardship and/or if premiums plus out of pocket exposure exceeds 6.5% of income	Prefer no exemptions, and use tax policy to address affordability over 250% of FPL
All Children	Yes, up to 300% of FPL	Yes, up to 300% of FPL	
Parents	Yes, up to 250% of FPL	Yes, up to 300% of FPL	Prefer use of tax credits over 250% of FPL to avoid crowd out incentives
Adults below poverty	Yes, LCO options	Yes, LCO options	
Adults above poverty	Yes, up to 250% of FPL	Yes, up to 250% of FPL	
Undocumented adults	Yes subject mandate, but no subsidies	Yes, subject to mandate, no federal or state subsidies	Governor explicitly leaves this issue to counties, Speaker implicitly does so Should consider minimum benefits of emergency only coverage
Above 250% of FPL	Advanceable, refundable tax credits up to 350% of FPL for individuals purchasing through the pool	No provisions	Speaker has suggested extending the credits to 450% of FPL Governor has indicated a willingness to compromise at 400% of FPL

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Services	CHHSA determines minimum benefits plan, Benchmark coverage for adults with subsidies	MRMIB determines minimum benefits plan, Benchmark coverage for adults with subsidies	
Minimum benefits	Determined by Secretary of Health and Human Services Agency	Determined by MRMIB	
Services for children	MediCal or Healthy Families depending on income levels	MediCal or Healthy Families depending on income levels	We prefer a bright line as it is easier to understand and administer
Services for adults	Medi-Cal benchmark (i.e. no dental, vision, etc. for newly eligible populations)	Medi-Cal benchmark (i.e. no dental, vision, etc. for newly eligible populations)	We prefer a bright line as it is easier to understand and administer

Insurance reforms	Governor's Proposal (10/9/07)	Speaker's Proposal ABX1 1 (11/08/07)	ITUP Comments
Guaranteed issue and renewal in the individual market	Yes	Yes	
Rating rules: age, geography, family size	Yes, specified	Yes, to be determined by Insurance Commissioner and Director of Department of Managed Health Care	Should be spelled out in statute
Pre-existing condition exclusions	Eliminated	No provision	Should be eliminated
Five benefit classes with right to buy up annually or on specified events	Yes	Yes	
Plans ability to price based on health status	Phased down from plus or minus 20% and eliminated over 6 years	No provision, but permits health improvement discounts for non-smokers or individuals participating in health improvement or disease management programs	Phase out could be done in less than 6 years
Guaranteed issue and renewal for employers 51-100	No provision	Yes	Should be guaranteed issue and renewal
Minimum loss ratio of 85%	Yes	Yes	Should apply to hospitals as well
Disclosure of minimum loss ratios for small employer and individual purchasers	No	Yes	Should be disclosed
Matrix of information from Office of the Patient Advocate	Yes	Yes	Should include prices and minimum loss ratios
Subscribers' ability to retain existing coverage of less scope	Yes	No	Should not deny subscribers ability to keep existing

then minimum benefits			coverage
Reinsurance and risk adjustment	Yes	No provision	Should be available with stand-by authority to assess health plans to equalize adverse selection of plans
Purchasing pool	Yes	Yes	
Subsidized individuals in public programs	100-250% of FPL.	100-300% of FPL	Speaker's bill uses 300% for parents and children, 250% for adults without children living at home
Unsubsidized individuals with private coverage	250-350% of FPL with refundable tax credits, Individuals with Section 125 tax advantages or employees of an employer who does not offer health coverage	Employer opt-in to the pool for their employees (and dependents)	Pool participants in the Governor's bill are individuals who have a public tax subsidy while pool participants in Speaker's bill are employees who have an employer subsidy in the pool. There is no obvious reason to exclude other uninsured individuals such as the self-employed from pool participation.

Cost containment	Governor's Proposal (10/9/07)	Speaker's Proposal ABX1 1 (11/08/07)	ITUP Comments
Healthy Actions and Rewards	Yes	Yes	
E-prescribing	Yes	Yes	
Increased scope of responsibility for nurse practitioners, physician assistants and medical assistants	Yes	Yes	
Electronic personal health record	Yes	Yes	
Electronic enrollment	Yes	Yes	
Pay for performance in state programs	Yes	Yes	
No balance billing for emergency services	Yes	Yes	
Transparency of price and quality information regarding health plans and providers	Yes	Yes	Speaker's language is much stronger and preferable
California diabetes program	Yes	Yes	
Smoking cessation programs	Yes	Yes	
Community make-over grants for obesity reduction and improved fitness	Yes	Yes	
Chronic disease case management	Yes	Yes	
Options to reduce prescription drug costs through bulk purchasing and pharmacy benefits management	No	Yes	Over-reach in extending this benefit to unionized worker's health plans

Financing	Governor's Proposal (10/9/07)	Speaker's Proposal ABX1 1 (11/08/07)	ITUP Comments
Employers	4%, phased up for small businesses with low payrolls	6.5%, phased up for small businesses with low payrolls	5.5% compromise on the table
Individuals for their own coverage	Yes	Yes	
Counties for the MIAs	Yes, unspecified	Yes, unspecified	Should be specified
Hospitals	4%	4%	
Doctors	No provision	No provision	Should contribute something
Federal government	Yes	Yes	CA should seek large 1115 waiver
Other	Lottery, \$2 billion	Cigarette tax, \$2 billion	Prefer cigarette tax due to improved health benefits from stopping smoking
Section 125 plans	Yes	No provisions	Should be offered
Tax deductibility – HSAs	Yes	No provision	
Interim financing for children's coverage	No	No	Should be financed

Affordability	Governor's Proposal (10/9/07)	Speaker's Proposal ABX1 1 (11/08/07)	ITUP Comments
Individuals with incomes up to 150% of FPL	No premium contributions	No premium contributions	
Individuals with incomes 150-250% of FPL	No more than 5% of income	No more than 5% of income	Should be sliding scale
Individuals with incomes 250-350% of FPL	Refundable, advanceable tax credit so that premiums do not exceed 5% of income	No provision	Speaker has suggested extending the tax credits to 450% of FPL Governor has offered 400% of FPL
Individuals with incomes over 350% of FPL	No provision	Exempt from individual mandate if health costs (premiums plus out of pocket) exceeds 6.5% of income	We prefer phase down and out of tax credits, no exemptions
Premium assistance	Placeholder language	Placeholder language	Should be specified

Rate increases	Governor's Proposal (10/9/07)	Speaker's Proposal ABX1 1 (11/08/07)	ITUP Comments
Hospitals (private)	Medicare levels	Intent language	Should be included
Hospitals (public)	State pays the match	No provisions	Should be included
Doctors	80% of Medicare	-% of Medicare	Should be specified

Safety Net	Governor's Proposal (10/9/07)	Speaker's Proposal ABX1 1 (11/08/07)	ITUP Comments
COHS and LIs formation of regional and statewide joint ventures	No provisions	Yes, planning	Good idea
COHS and LIs participation in private commercial markets	No provisions	Yes	Good idea
Local coverage option (exclusivity) for counties with county hospitals	Yes	Yes	Good idea
Duration	Three years	Five years	Three years is adequate
Community clinic participation	Yes, FQHCs	Yes	All clinics should have opportunity to participate
DSH hospital participation	Yes	No	All DSH hospitals should have opportunity to participate
Payment for out of network emergencies	Yes	Yes	Should not be paid more than Medi-Cal rates
Knox-Keene requirements	Not initially	Yes but waiveable	Knox-Keene should apply; no waivers for insufficient geographic and capacity access
Actuarially sound rates	Yes	Yes	