

Topics covered in the workgroup included ten-year trend data for the North Central region, county and statewide efforts to cover all kids, legislative issues impacting the uninsured, and coverage expansion opportunities under the new federal waiver. To preface the day's discussion, ITUP staff provided a 2005 data summary of the North Central region from 1996 through 2004 highlighting significant trends, accomplishments and opportunities. The 2005 Overview of the Uninsured in the North Central Region and additional regional and county overviews can be viewed on our website: <http://www.itup.org/workgroup.html>. The meeting was an opportunity for participants and ITUP staff to share resources and information and discuss larger healthcare reform issues. The majority of participants work in the state legislature and were able to offer a statewide perspective on many issues.

Local and Statewide Efforts to Cover All Kids

In the North Central region, Healthy Kids programs are active in all seven counties, with El Dorado and Sacramento participating in a four-county collaborative program called Healthy Kids, Healthy Future. Like other local programs, Sonoma and Yolo Counties both have waiting lists for children 6-18 years old. Healthy Kids, Healthy Future also faces a challenge in funding this age group.

The passage of Proposition 86, the Tobacco Tax Act of 2006, would provide \$371 million annually for a statewide health insurance program for all children under 300% of FPL. New funds will flow directly into existing local CHIs. Counties without an existing CHI will experience some delay in implementation and funding. SB 437 (Chan/Escutia) simplifies the enrollment and retention processes, with the goal of enrolling more children in Medi-Cal and Healthy Families and keeping them enrolled. The initiative and legislation will work together to insure all children and streamline enrollment and retention efforts.

Legislation to Expand Coverage for the Uninsured

Attempts in California to legislate significant health care reform have been unsuccessful so far. Incremental coverage expansion and universal coverage were proposed, utilizing single-payer, individual mandate and shared responsibility models among other strategies.

- AB 1952 (Nation) proposes universal coverage through an individual and employer mandate. Financed through employer, employee and individual contributions as well as subsidies for low-income residents, the plan aims to control costs through the use of electronic medical records and best clinical practice standards.
- AB 2450 (Richman) proposes universal coverage through an individual mandate. Residents must enroll in basic or essential coverage depending on income and subsidies for uninsuring small low wage employers and their employees.
- SB 840 (Kuehl) proposes a single payer model to provide all California residents with a comprehensive benefit package to be financed by \$90 billion in as-yet-unspecified taxes and existing spending for public health programs. This legislation was vetoed, with the Governor and Sen., Kuehl stating that they will continue to work on a solution for reform. However, Gov. Schwarzenegger does not support a state-run health care system; affordability, shared responsibility and promotion of healthy living are necessary components of any reform to get his support.

Among incremental proposals is a substate waiver to create a local purchasing pool for low-income employees of uninsuring employers (SB 103, Ducheny). Legislative efforts to streamline enrollment in public programs and discount pharmaceuticals and hospital services to low-income individuals have been signed.

Coverage Expansion Opportunities

As part of the new federal Medicaid Section 1115 waiver, \$180 million is available in years three through five of the waiver for coverage expansion to adults not eligible for Medi-Cal or other public programs. In order to access the federal funds, county entities must have adequate CPEs (certified public expenditures) to serve as match. The recently released RFA (draft for comments) based on SB 1448 establishes a competitive grant process for receipt of these funds, going to at least five geographically distributed counties, city/county or group of counties. Required program elements for selection include: designation of a medical home; emphasis on preventative services; organized delivery of care; and promotion of local safety net providers. In addition to adequate CPEs, applicants must demonstrate the ability to spend the full grant amount each year and be ready to launch the program on September 1, 2007.

In the North Central region, there was not much discussion of local or regional proposals in the works. Other counties are working on applications for the coverage initiative funds, including San Francisco, San Mateo, Santa Clara, Santa Cruz, Orange, Fresno and Los Angeles.

The recently dissolved PacAdvantage program has left some North Central employers in the position to choose a new insurance plan for their employees. Western Health Advantage, a local HMO that offered products in the PacAdvantage pool, is reaching out to former PacAdvantage members, offering premiums that are lower than PacAdvantage. One way they keep premiums low is by controlling administrative costs-currently at 9%. They are also looking at ways to increase coverage of the uninsured, including a “basic coverage” plan at lower cost and increasing enrollment in SacAdvantage, in which they participate. Lessons from Western Health Advantage in increasing coverage in the low-wage small business market and in controlling costs may be instructive in the larger goal of providing affordable coverage to the uninsured as well as the underinsured and insured.

Summary of Recommendations

Participants shared their recommendations and priorities for expanding care and coverage for the uninsured in the North Central region and statewide, focusing specifically on information that is needed to understand the current system and reform it.

- 1) Contextual and historic understanding of the current healthcare market
- 2) Examination of other state coverage expansion models and implications for application in California
- 3) Successful local models for coverage expansion
- 4) Comparison of international models of healthcare, specifically nationalized systems in Canada and Europe
- 5) The transition toward a single payer system
- 6) Increased insurer participation in and sustainable financing for California’s high risk pool