

# California Health-Care Bill Finds Pulse, Senate Hearing

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## CALIFORNIA HEALTH-CARE BILL FINDS PULSE, SENATE HEARING

SACRAMENTO, Calif. (BestWire) - The California state Senate will consider health-care-reform legislation while Senate President Pro Tempore Don Perata awaits a report on the fiscal impact of the \$14.4 billion package promoted by Gov. Arnold Schwarzenegger and Assembly Speaker Fabian Nunez. The Senate Health Committee has scheduled a hearing on AB 1X, the Health Care Security and Cost Reduction Act, for the afternoon of Jan. 16. Forged in a compromise between the Democratic leader of the lower house and the Republican governor, the bill would require all California residents to have health insurance by 2010, with subsidies and tax credits for lower-income residents. It provides for an individual mandate, coverage of pre-existing conditions and coverage for all children.

Committee Chairwoman Sheila Kuehl is a long-time supporter of single-payer health-care reform. Kuehl sponsored failed statewide single-payer legislation in 2006 and 2007.

Perata, a Democrat, has maintained he will not support the legislation until questions are answered about its cost and the state's anticipated budget deficit. He ordered the nonpartisan Legislative Analysts Office to conduct a full study of the fiscal implications (BestWire, Dec. 19, 2007).

The Assembly approved the bill in a 46-31 vote on Dec. 17. Should the bill clear the Senate, California voters would vote on the funding in a Nov. 4 referendum. Financing includes a tobacco tax, an employer fee based on a sliding scale of annual payroll, a hospital fee and a county share of the cost.

The bill incorporates a system of shared responsibility between employers, health-care providers, consumers and government. It requires an individual mandate for most Californians, but provides subsidies for those earning up to 400% of the federal poverty line. The bill includes cost-containment and transparency language, including a requirement that insurance companies spend no more than 15 cents of every dollar on administrative costs, according to a statement from the speakers office.

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