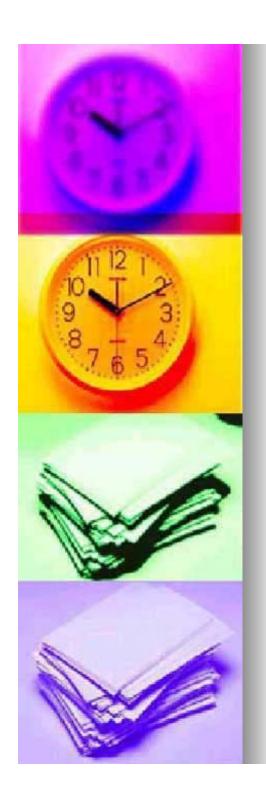


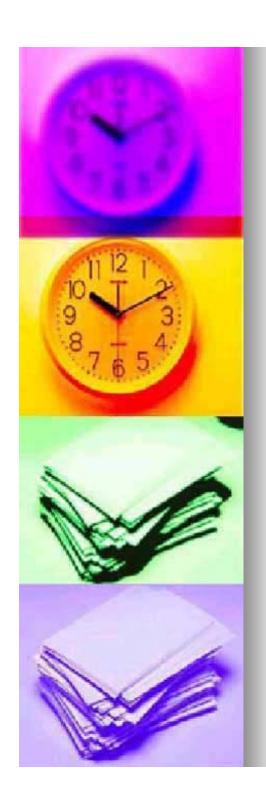
Players in the 2007 California Debate

- Governor 2010
- Blue Cross v. competitors
- Employers
- Legislative leadership term limits
- California Labor Federation
- SEIU



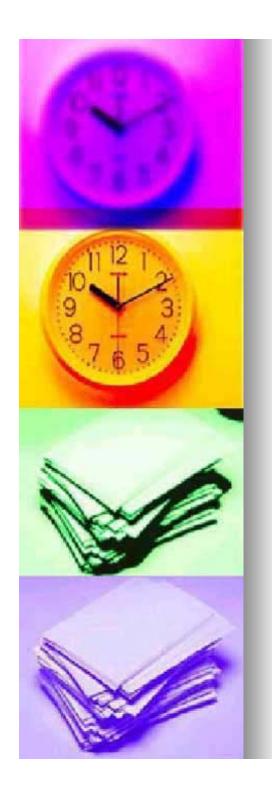
Individual Mandate Proposal

- Full cost of health insurance for households with incomes over 350%
 FPL
 - Some in Bay Area need incomes of 600% FPL to break even
- Tax credit premium only some households below 350% FPL
 - Some in L.A. need 350% FPL to break even



Schwarzenegger's Other Proposed Revenues

- Medicaid and SCHIP
- 0-4% of payroll employer mandate
- "Take-up" requirement
- Counties
- Hospitals
- State lottery



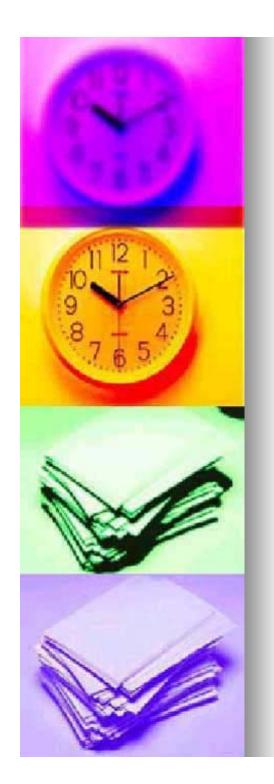
Impact on Health Care Access

- No limit on out-of-pocket health care costs, e.g., deductibles
- Non-standardized plans
 - Rand HIE shows out-of-pocket costs lead people to avoid necessary health care



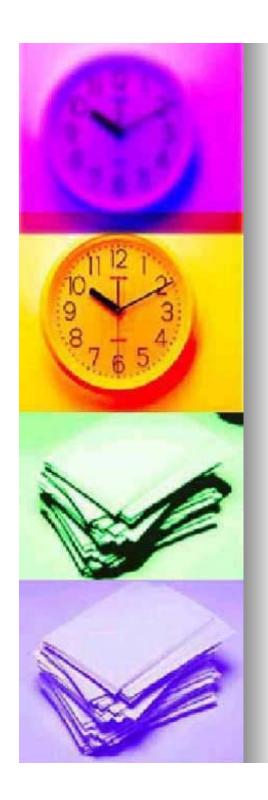
Remaining Uninsured

- No subsidies for undocumented workers: at least one million
- Mexicans many undocumented: 4/5th of agricultural workforce, over 4/5th of dishwashers, over half of construction laborers



Safety Net U.C. and County Hospitals

- Competitive advantage in Medi-Cal rates to private hospitals
- Cuts in county funding



Health Care Cost Inflation

- Weak 15% cap in insurers' share
- No public plan as alternative (could cover marginal workers)
- No competent government purchasing of medicines
- No independent health care quality & cost reports



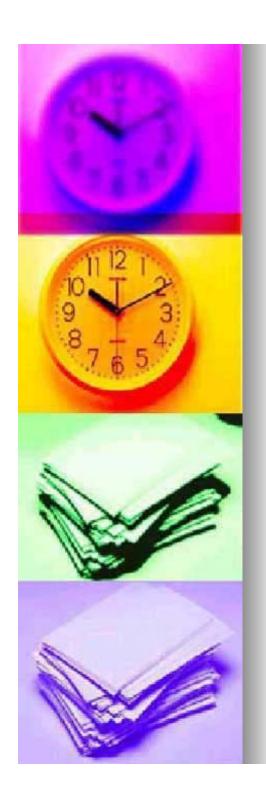
Legislature's Alternative AB 8 (Nuñez)

- 7.5% of payroll employer mandate
- Take-up requirement
- 5% of payroll limit on take-up requirement
- No individual mandate
- Public plan
- Independent quality & cost reports



Status of the Governor's Proposal (as of October 26)

- Vetoed AB 8
- Proposed negotiations based on his proposal
- CA Labor Federation walked-out
- Special session
- Informational hearings



Schwarzenegger's Plan Implications for California

- Fails to address causes of the health insurance crisis
- Would actually let it get worse
- Rewards private insurers
- Punishes victims of crisis
- Postpones day of reckoning



National Health Policy Clinton Proposal

- Individual mandate
- Employer mandate
- Public plan
- Comparative effectiveness research
- Medicare purchasing of Rx
- Limits on retiree health benefits



National Health Policy Edwards & Obama

- Edwards individual mandate, employer mandate, public plan, comparative effectiveness research
- Obama individual mandate for children, employer mandate, public plan, comparative effectiveness research, Medicare purchasing of Rx



California's Implications for National Health Policy

- Individual mandate on table
- Employer mandate on table
- Quality on table
- PhRMA has kept drug prices off table
- Private insurers hostile to public plan