



Affordability and Benefit Provisions in California Health Care Reform Measures, 2003-2008

Existing Law / Reality

Affordability provisions/protections	Benefits
<ul style="list-style-type: none"> • Employer-based coverage: NONE • Individual insurance market: NONE • Medi-Cal: "nominal" cost-sharing • Healthy Families: no more than 5% of income, lower under California law 	<ul style="list-style-type: none"> • HMOs: medically necessary care, including doctors and hospitals but not Rx • Insurers: doctors OR hospitals; allows limits such as one or two doctor visits, \$800 a day for hospital, etc. • Medi-Cal/Healthy Families: medically necessary care, including doctors, hospitals and Rx

SB2 (Burton), 2003 / Prop 72, 2004

Affordability provisions/protections	Benefits
<ul style="list-style-type: none"> • Employers to pay 80% of premium; employees required to take up coverage and pay up to 20% of premium. <i>No standards on out of pocket costs.</i> • Below 200% of the federal poverty level (FPL), share of premium not to exceed 5% of income 	<ul style="list-style-type: none"> • HMOs: medically necessary care, including doctors and hospitals but not Rx • Insurers: doctors OR hospitals; allows limits such as one or two doctor visits, \$800 a day for hospital, etc.

Healthy San Francisco's sliding scale, 2006

Affordability provisions/protections	Benefits
<ul style="list-style-type: none"> • Employers pay into City fund used to fund health care for uninsured employees • Employees who are San Francisco residents may receive up to 75% discount on participant fees • Current quarterly participant fees for each family member is as follows: <ul style="list-style-type: none"> 0-100% FPL: no cost 101-200% FPL: \$60 201-300% FPL: \$150 	<ul style="list-style-type: none"> • Medical home, including emergency and hospital care within the medical home network, mental health care, and Rx

Governor Schwarzenegger's original proposal, January 2007

Affordability provisions/protections	Benefits
<ul style="list-style-type: none"> • For persons 100-250% FPL buying coverage in the purchasing pool, they will contribute toward the premium as follows: <ul style="list-style-type: none"> 100-150% FPL: 3% of gross income 151-200% FPL: 4% of gross income 201-250% FPL: 6% of gross income • For persons above 250% FPL, the <i>minimum</i> health insurance benefit that must be maintained will be a \$5,000 deductible plan with maximum out-of-pocket limits of \$7,500 per person and \$10,000 per family 	<ul style="list-style-type: none"> • Medically necessary care, including doctors, hospitals and Rx • Deductibles and/or co-payments not specified • Allows individual mandate to be fulfilled with insurance products that do not cover all medically necessary care



SB 48 (Perata), June 2007

Affordability provisions/protectations	Benefits
<ul style="list-style-type: none"> Individual mandate for individuals above 400% FPL unless their share of premium exceeds 5% of family income 	<ul style="list-style-type: none"> Medically necessary care, including doctors and hospitals PLUS Rx

AB 8 (Nunez), September 2007

Affordability provisions/protectations	Benefits
<ul style="list-style-type: none"> Generally employees are not required to accept coverage if cost of coverage exceeds 5% of income Outside the purchasing pool, no employee is required to accept coverage if health expenditures, including premium and out of pocket costs, exceed 5% of the employee’s wages from that employer Inside the purchasing pool, no employee is required to accept health coverage if the cost of coverage exceeds 5% of wages for a product with a maximum out of pocket cost of \$1500 	<ul style="list-style-type: none"> Medically necessary care, including doctors and hospitals PLUS Rx

AB 1x Nunez/Schwarzenegger, January 2008

Affordability provisions/protectations	Benefits
<ul style="list-style-type: none"> Adults below 250% FPL eligible for free or low-cost Medi-Cal or the adult equivalent of Healthy Families through the new statewide purchasing program Share of costs for adults above 150% FPL are capped at 5% of income Those below 250% FPL and also not eligible for public programs are exempt from the individual mandate if their share of the premiums for the lowest benefit is more than 5% of income 	<ul style="list-style-type: none"> Current Medi-Cal benefits or minimum creditable coverage, which must include at least medical, hospital and preventive care and the coverage health plans and insurers must provide under existing law
<ul style="list-style-type: none"> Moderate income families, 250-400% FPL in purchasing pool without employer sponsored health insurance will have access to refundable tax credits if their share of costs for health coverage exceeds 5.5% of their family income Additional subsidies for early retirees ages 50-64 with income above 400% FPL 	<ul style="list-style-type: none"> Minimum creditable coverage, which must include at least medical, hospital and preventive care and the coverage health plans and insurers must provide under existing law

Sources: www.leginfo.ca.gov; www.gov.ca.gov; www.health-access.org; www.healthysanfrancisco.org