



HEALTH REFORM PROPOSAL COMPARISON: Obama, Baucus, and California

	Existing Reality in California	Obama Proposal (2008 Campaign)	Sen. Baucus' White Paper (December 2008)	California's Reform Effort (AB 1x in 2007)
Uninsured covered	✓ 6.5 million people, 20% of Californians under age 65	✓ Coverage for "All Americans" as goal	<ul style="list-style-type: none"> ✓ All Americans covered as goal ✓ Covers some legal immigrants 	✓ 70% of uninsured covered
Employer obligation	✓ NONE	<ul style="list-style-type: none"> ✓ Employers make a meaningful contribution or contribute a percentage of payroll toward costs of coverage ✓ Small employers given subsidy 	<ul style="list-style-type: none"> ✓ Provide Section 125 plans ✓ Employer contribution based on % of payroll based on firm size and annual revenues ✓ Businesses with fewest workers and lowest wages offered a tax credit if pay 50%-60% of premium ✓ For first time ever, limit or cap tax exclusion on health benefits based on value of benefits or income or both. 	✓ Employer obligation scaled by size of payroll: 1%/4%/6%/6.5% of payroll with splits at \$250k/\$1million/\$15mil.
Standard on employee benefits	✓ NONE	✓ Minimum is Federal Employee Health Benefits Plan (FEHBP)	✓ Not specified?	✓ No, because of federal law (ERISA)
Public programs: Medicaid (Medi-Cal) and SCHIP (Healthy Families)	<ul style="list-style-type: none"> ✓ Medi-Cal for most children and parents below the poverty level, as well as some aged, blind and disabled ✓ Healthy Families for most children under 250% FPL 	<ul style="list-style-type: none"> ✓ Expansions of Medicaid and S-CHIP for families and working adults (without children at home) ✓ Increase funding to keep them sustainable 	<ul style="list-style-type: none"> ✓ Buy-in to Medicare for 55-64 until Exchange functional ✓ Phase out Medicare waiting period for disabled ✓ Expand Medicaid to cover all persons up to 100% FPL ✓ Medicaid match enhancement for recessions ✓ Expand SCHIP to 250% FPL 	<ul style="list-style-type: none"> ✓ Kids regardless of immigration for families up to \$62,000 (300% FPL) ✓ Parents up to \$51,625 (250% FPL) ✓ Adults without children up to \$25,525 (250% FPL)
Affordability protections	✓ NONE except in public programs	<ul style="list-style-type: none"> ✓ Takes into account both premiums and copays, deductibles, other out of pocket ✓ For low income, through S-CHIP/Medicaid or subsidy through purchasing pool 	<ul style="list-style-type: none"> ✓ Refundable tax credits up to 400%FPL for "affordable" premiums through the exchange ✓ Benefits and affordability not specified for job-based coverage? 	<ul style="list-style-type: none"> ✓ Affordability/hardship exemption ✓ 125 plan ✓ Purchasing pool under 250% FPL ✓ Tax credit 250-400% FPL ✓ Tax credits early retirees
Portability	✓ COBRA/HIPAA: if prior group coverage, can continue by paying age-rated premium	✓ For people who enroll in public insurer or purchasing pool	<ul style="list-style-type: none"> ✓ Stated goal but not otherwise specified ✓ Advanceable tax credits up to 400%FPL 	✓ Covered between jobs through tax credit and public programs



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Individual insurance market reform	<ul style="list-style-type: none"> ✓ More than 10% of individuals who seek coverage are denied ✓ Rating by health status: 100% swing ✓ Rating by age, gender and geography as determined by insurer 	<ul style="list-style-type: none"> ✓ Guaranteed issue ✓ Modified community rating ✓ Existing consumer protections ✓ Health insurance exchange 	<ul style="list-style-type: none"> ✓ Guaranteed issue ✓ Rating rules determined in consultation with NAIC, consumers, others ✓ Existing consumer protections: state regulation ✓ Health insurance exchange ✓ Rating rules apply in Exchange as well as in individual and small group markets ✓ Products classified as high, medium or low-benefit with actuarial equivalence 	<ul style="list-style-type: none"> ✓ Guaranteed issue for those covered by mandate ✓ Modified community rating ✓ Existing consumer protections ✓ High risk pool phased out ✓ Five tiers of coverage to standardize the market
Individual mandate	<ul style="list-style-type: none"> ✓ None 	<ul style="list-style-type: none"> ✓ Only for children 	<ul style="list-style-type: none"> ✓ Yes, once affordable insurance available to all through employer or Exchange ✓ Possibly enforced through income tax system? 	<ul style="list-style-type: none"> ✓ All Californians. Exempt if not affordable or if hardship
Public insurer	<ul style="list-style-type: none"> ✓ No 	<ul style="list-style-type: none"> ✓ Yes, creates alternative to private insurers 	<ul style="list-style-type: none"> ✓ Yes, similar to Medicare. Abide by same rules as private insurers 	<ul style="list-style-type: none"> ✓ Yes, used local Medi-Cal managed care plans
Bulk Purchasing of Health Insurance: Purchasing Pool	<ul style="list-style-type: none"> ✓ No 	<ul style="list-style-type: none"> ✓ "National health insurance exchange", a purchasing pool that buys coverage from private insurers and the public insurer ✓ Purchasing pool available to those uninsured today ✓ Purchasing pool available to those in individual market (without job-based coverage) ✓ Purchasing pool available to employers ✓ Purchasing pool to serve as watchdog 	<ul style="list-style-type: none"> ✓ NO ✓ "National health insurance exchange" connects individuals and small businesses to coverage through private insurers and the public insurer ✓ Exchange sets standards and regulates but does not use power of bulk purchasing ✓ Purchasing pool available to those uninsured today ✓ Purchasing pool available to those in individual market (without job-based coverage) ✓ Purchasing pool available to small employers ✓ Independent Health Coverage Council to determine "affordability" 	<ul style="list-style-type: none"> ✓ Purchasing pool builds on existing Healthy Families purchasing pool administrative structure ✓ Purchasing pool buys coverage from private insurers and public insurer ✓ Purchasing pool available to low and moderate income uninsured (up to 400% FPL) ✓ Purchasing pool available to employers regardless of size

For more information, contact Michael Odeh, Program Coordinator, at modeh@health-access.org, or visit www.health-access.org.



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Cost Containment: Delivery system reforms	<ul style="list-style-type: none"> ✓ Managed competition: reliance on market mechanisms 	<ul style="list-style-type: none"> ✓ Bulk purchasing of health benefits: Purchasing Pool ✓ Prevention and wellness ✓ Disease Management ✓ Health Information Technology ✓ 85% of dollars on patient care ✓ Rx: <ul style="list-style-type: none"> ○ Bulk Purchasing ○ Importation ○ Use of generics ✓ Cost and Quality Data ✓ Public Insurer Alternative 	<ul style="list-style-type: none"> ✓ NO bulk purchasing of health benefits through exchange ✓ Prevention and wellness ✓ Disease Management ✓ "Medical homes" ✓ Health Information Technology ✓ No medical loss ratio ✓ Rx: <ul style="list-style-type: none"> ○ Comparative effectiveness ✓ Cost and Quality Data ✓ Public Insurer Alternative 	<ul style="list-style-type: none"> ✓ Bulk purchasing of health benefits: Purchasing Pool ✓ Prevention and wellness ✓ Disease Management ✓ Electronic Medical Records, Health IT ✓ 85% of dollars on patient care ✓ Rx: Bulk Purchasing ✓ Cost and Quality Data ✓ Public Insurer Alternative
Immigrant coverage	<ul style="list-style-type: none"> ✓ Federally funded public programs generally cover some legal immigrants but not recent legal immigrants. ✓ California has state-only programs for low-income legal immigrants and prenatal care for undocumented women ✓ Immigrants are covered through job-based coverage 	<ul style="list-style-type: none"> ✓ Coverage through job-based coverage continues 	<ul style="list-style-type: none"> ✓ Coverage through job-based coverage continues ✓ Public program coverage for legal immigrants expanded ✓ Insurance exchange and tax credits available regardless of immigration status? 	<ul style="list-style-type: none"> ✓ Coverage through job-based coverage continues ✓ Public program coverage for legal immigrants continues ✓ Purchasing pool and tax credits available regardless of immigration status
Safety Net Institutions: County Hospitals/ Clinics and Community Clinics	<ul style="list-style-type: none"> ✓ County hospitals/clinics funded to serve less than half the uninsured 	<ul style="list-style-type: none"> ✓ No specifics 	<ul style="list-style-type: none"> ✓ Community clinics mentioned as examples of high quality, cost effective care ✓ No mention of public hospitals 	<ul style="list-style-type: none"> ✓ Increased funding for community clinics ✓ Adults without children under 18 at home covered by Medi-Cal through plans centered on county hospitals and clinics