



Federal Developments in Health Reform

2/4/09 - Children's Health Insurance Program Reauthorization Act (CHIPRA) of 2009 signed

CHIPRA 2009 will provide California with \$1.5 billion in federal SCHIP funds (an 85% increase), new options to expand children's coverage, and new incentives to simplify enrollment and renewal procedures.

- *Federal CHIP Reauthorization: An Opportunity for California to Cover More Uninsured Children* from the 100% Campaign: <http://www.100percentcampaign.org/assets/pdf/chipsummary021908.pdf>
- *Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA)* from the Kaiser Commission on Medicaid and the Uninsured: <http://www.kff.org/medicaid/upload/7863.pdf>
- *The Children's Health Insurance Program Reauthorization Act of 2009* from the Georgetown University Center for Children and Families: <http://ccf.georgetown.edu/index/schipseaauthorization>

2/17/09 - American Recovery and Reinvestment Act (ARRA) signed

Through a number of spending and tax measures of economic stimulus and state fiscal relief, California will receive an estimated \$50.7 billion from ARRA, including up to \$11.2 billion in Medicaid funding (if eligibility rules are no more restrictive than those in place July 1, 2008).

- *What Does the American Recovery and Reinvestment Act of 2008 Mean for California?* from the California Budget Project: http://cbp.org/pdfs/2009/090309_ARRA.pdf
- *American Recovery and Reinvestment Act (ARRA): Medicaid and Health Care Provisions* from the Kaiser Commission on Medicaid and the Uninsured: <http://kff.org/medicaid/upload/7872.pdf>
- *American Recovery and Reinvestment Act of 2009: State-by-State Estimates of Key Provisions Affecting Low- and Moderate-Income Individuals* from the Center on Budget and Policy Priorities: <http://www.cbpp.org/1-22-09bud.htm>

2/24/09 - Institute of Medicine releases report on the consequences of not having health insurance

According to the new IOM report, the evidence shows more clearly than ever that having health insurance is essential for people's health and well-being, and safety-net services are not enough to prevent avoidable illness, worse health outcomes, and premature death. Moreover, new research suggests that when local rates of uninsurance are relatively high, even people with insurance are more likely to have difficulty obtaining needed care and to be less satisfied with the care they receive.

- Dr. Lavizzo-Mourey of the Robert Wood Johnson Foundation said "As the economy worsens and more and more American's lose their jobs, the number of uninsured is expected to soar. It seems clear that fixing the health care system is a vital step toward strengthening the economy. **The longer we wait, the worse it will get**, because health care costs keep rising and more people are becoming uninsured. Too many businesses are forced to choose between providing coverage and creating jobs, and families are forced to spend more of their incomes on health insurance. Solving America's uninsured crisis won't be easy, but if government, industry and consumers work together, we can fix our health care system and cover all Americans. Fixing the economy means fixing health care, and ensuring that people have health insurance is a critical part."
- *America's Uninsured Crisis - Report Brief* from the Institute of Medicine at <http://www.iom.edu/CMS/3809/54070/63118/63122.aspx>



2/26/09 – President Obama releases FY2010 budget proposal

The Budget lays the groundwork for comprehensive reform of the American health care system, most notably by setting aside a reserve fund of over \$630 billion during 10 years to help finance health reform.

- The U.S. Department of Health and Human Services 2010 Budget prepared by the Office of Management and Budget: http://www.whitehouse.gov/omb/assets/fy2010_factsheets/fy10_health_human_services.pdf and http://www.whitehouse.gov/omb/assets/fy2010_new_era/Department_of_Health_and_Human_Services1.pdf

2/26/09 – President Obama releases 8 principles for health reform

Principles for "Transforming and Modernizing America's Health Care System"

1. **Protect Families' Financial Health.** The plan must reduce the growing premiums and other costs American citizens and businesses pay for health care. People must be protected from bankruptcy due to catastrophic illness.
2. **Make Health Coverage Affordable.** The plan must reduce high administrative costs, unnecessary tests and services, waste, and other inefficiencies that consume money with no added health benefits.
3. **Aim for Universality.** The plan must put the United States on a clear path to cover all Americans.
4. **Provide Portability of Coverage.** People should not be locked into their job just to secure health coverage, and no American should be denied coverage because of preexisting conditions.
5. **Guarantee Choice.** The plan should provide Americans a choice of health plans and physicians. They should have the option of keeping their employer-based health plan.
6. **Invest in Prevention and Wellness.** The plan must invest in public health measures proven to reduce cost drivers in our system—such as obesity, sedentary lifestyles, and smoking — as well as guarantee access to proven preventive treatments.
7. **Improve Patient Safety and Quality Care.** The plan must ensure the implementation of proven patient safety measures and provide incentives for changes in the delivery system to reduce unnecessary variability in patient care. It must support the widespread use of health information technology and the development of data on the effectiveness of medical interventions to improve the quality of care delivered.
8. **Maintain Long-Term Fiscal Sustainability.** The plan must pay for itself by reducing the level of cost growth, improving productivity, and dedicating additional sources of revenue.

3/2/09 – President Obama nominates Secretary of Health and Human Services and Director of White House Office for Health Reform

President Barack Obama officially announced his intent to nominate Kansas Governor **Kathleen Sebelius** as Secretary of Health and Human Services, and **Nancy-Ann DeParle**, one of the nation's leading experts on health care and regulatory issues, to serve as Counselor to the President and Director of the White House Office for Health Reform

- **Governor Schwarzenegger** issued the following statement: "Gov. Kathleen Sebelius has a well-earned reputation of working across the political aisle - on everything from local issues important in her state to global issues such as climate change. By picking Gov. Sebelius as his Secretary of Health and Human Services, President Obama is showing that he will take a strong and balanced approach to reforming our nation's health care system - and that kind of approach is exactly what we need to ensure more Americans and Californians have access to affordable health coverage and that we work to slow the rising costs of health care. California stands ready to partner with Gov. Sebelius in her new post."

3/5/09 – The White House hosts a Forum on Health Reform

Excerpts of President Obama's speech at the forum:

"We're here today to discuss one of the greatest threats not just to the well-being of our families and the prosperity of our businesses, but to the very foundation of our economy -- and that's the exploding costs of health care in America today. In the last eight years, premiums have grown four times faster than wages. An additional 9 million Americans have joined the ranks of the uninsured. The cost of health care now causes a bankruptcy in America



every 30 seconds. By the end of the year, it could cause 1.5 million Americans to lose their homes. Even for folks who are weathering this economic storm, and have health care right now, all it takes is one stroke of bad luck -- an accident or an illness, a divorce, a lost job -- to become one of the nearly 46 million uninsured or the millions who have health care, but really can't afford what they've got."

"Well, let me be clear: The same soaring costs that are straining families' budgets are sinking our businesses and eating up our government's budget, too. Too many small businesses can't insure their employees. Major American corporations are struggling to compete with their foreign counterparts. And companies of all sizes are shipping their jobs overseas or shutting their doors for good. Medicare costs are consuming our federal budget; I don't have to tell members of Congress this. Medicaid is overwhelming our state budgets; I don't need to tell governors and state legislatures that....the biggest threat to our nation's balance sheet is the skyrocketing cost of health care."

"That's why **we cannot delay this discussion any longer**. That's why today's forum is so important -- because **health care reform is no longer just a moral imperative, it's a fiscal imperative**. If we want to create jobs and rebuild our economy and get our federal budget under control, then we have to address the crushing cost of health care this year, in this administration. Making investments in reform now, investments that will dramatically lower costs, won't add to our budget deficits in the long term -- rather, it is one of the best ways -- in fact maybe the only way -- to reduce those long-term costs."

"Now, as we work to determine the details of health care reform, we won't always see eye to eye. We may disagree -- and disagree strongly -- about particular measures. But we know that there are plenty of areas of agreement, as well, and that should serve as the starting points for our work. We can all agree that if we want to bring down skyrocketing costs, we'll need to modernize our system and invest in prevention. We can agree that if we want greater accountability and responsibility, we have to ensure that people aren't overcharged for prescription drugs, or discriminated against for pre-existing conditions -- and we need to eliminate fraud, waste and abuse in government programs. I think most of us would agree that if we want to cover all Americans, we can't make the mistake of trying to fix what isn't broken. So if somebody has insurance they like, they should be able to keep that insurance. If they have a doctor that they like, they should be able to keep their doctor. They should just pay less for the care that they receive. And finally, we can all agree that if we want to translate these goals into policies, we need a process that is as transparent and inclusive as possible. And that's why I've asked all of you -- representatives of organizations, interests, and parties from across the spectrum -- to join us here today."

"In this effort, every voice has to be heard. Every idea must be considered. Every option must be on the table. There should be no sacred cows. Each of us must accept that none of us will get everything that we want, and that no proposal for reform will be perfect. If that's the measure, we will never get anything done. But when it comes to addressing our health care challenge, **we can no longer let the perfect be the enemy of the essential**. And I don't think anybody would argue that we are on a sustainable path when it comes to health care. Finally, I want to be very clear at the outset that while everyone has a right to take part in this discussion, nobody has the right to take it over and dominate. **The status quo is the one option that's not on the table**, and those who seek to block any reform at all -- any reform at any costs will not prevail this time around."

- White House blog and slideshow: <http://www.whitehouse.gov/blog/09/03/05/Live-blogging-the-White-House-Forum-on-Health-Reform/> and <http://www.whitehouse.gov/photogallery/White-House-Forum-on-Health-Reform/>

3/6/09 – President Obama announces Regional Health Care Forums

President Obama announced a series of Regional White House Forums on Health Reform that will bring the conversation about health care reform directly to communities across the country, including California.

- The Regional White House Forums on Health Care Reform will be hosted by the states' Governors and will include participants ranging from doctors to patients to providers to policy experts. They will be open conversations with everyday Americans, local, state and federal elected officials – both Democrat and Republican – and senior Obama administration officials. The events will begin with a video recorded by the President, a summary of the findings from the Health Care Community Discussions that took place in December, and an overview of the discussion that took place at the White House Forum on Health Reform.
- The meetings in California, Iowa, Michigan, North Carolina and Vermont will take place in March and early April. Further logistical information about the forums is forthcoming.