

Health Care Reform Update (1.14.08)

Though the Governor and Legislature have been on break for the last several weeks, health care reform has continued to progress. On December 28th, Governor Schwarzenegger and Speaker Nunez filed a companion ballot initiative to ABX1-1, which includes the financing mechanisms for health care reform and which will go to the voters on the November 2008 ballot - contingent on ABX1-1 passage out of the Legislature and signature from the Governor. Senate Health Committee was scheduled to meet this week to hear ABX1-1, however due to Senator Perata's request to see the Legislative Analyst's Office (LAO) analysis on health care reform, the Senate Health Committee hearing was postponed until January 23rd after the expected release of the LAO analysis.

On January 10th Governor Schwarzenegger released his proposed \$101 billion dollar state budget for fiscal year 2008 – 2009, which seeks to reduce funding for all state government programs by 10% - including a \$1.1 billion reduction from the state's health care programs - in an attempt to close the projected \$14.5 billion budget shortfall. CPCA has done a brief analysis on the impact of the proposed budget on CCHCs and related health care programs. An in depth comprehensive analysis to follow. Additionally, CPCA is in the process of developing an advocacy strategy around the budget cuts, and will inform CPCA membership upon its adoption.

As state health care reform efforts have progressed, there has been close watch on the Healthy San Francisco program and the legal challenges against it, which assert that it violates employer contribution provisions of the law, violating the 1974 federal Employee Retirement Income Security Act (ERISA) that governs regulation of employee benefits. A federal court ruled today that San Francisco's employer-based health care plan can take effect, which is a potential boost for statewide health care reform efforts. Assembly Speaker Nunez responded to the ruling saying, "I applaud the court's sensible decision in this matter. Opponents of health care reform now have one less rubber arrow in their quiver as they try to stop our historic effort to fix the broken system and make health care more affordable and accessible to the people of California."

Health care reform efforts are coming down to the wire and its passage through Senate Health Committee and ultimately the full Senate are absolutely crucial. CPCA continues to advocate Senate Health Committee members for comprehensive health care reform this year and continues to strongly encourage CPCA members to voice their strong support of ABX1-1 to your representatives. CPCA staff has created updated health care reform talking points and are available should you have any questions. For questions or additional information, please contact, Serena Kirk at: skirk@cpc.org.