



## Cal CARE

- Cal CARE will improve the current health care system and address the real problem of making health care more affordable and accessible.
- Cal CARE will create more consumer options and cultivate marketplace competition by eliminating regulatory hurdles.
- Cal CARE will provide new incentives for hospitals and private industry to increase the number of clinics. This will improve accessibility to health care in rural and underserved areas. It will provide cheaper alternatives to emergency rooms which contribute to rising health care costs.
- Cal CARE will increase the number of Californians with health coverage by offering incentives to employers who offer health care coverage for their employees. It will also prioritize First Five funding for children's health care initiatives.
- Cal CARE expects Californians to take personal responsibility for their health care. The plan provides important tax incentives to allow an individual the same tax benefit as an employer that provides health insurance to its employees.
- Cal CARE will not require taxpayers to pay for health insurance for illegal immigrants. The Cal CARE plan will send a bill to the federal government for the costs California taxpayers already must pay for illegal immigrants' health care.

### Improving Californians Access to Health Care

- Every Californian will have improved access with more health care options and services that are more affordable and cost-efficient.

## Access

**Employer Incentives to Offer Health Insurance:** Provides employers who offer health insurance incentives like flex-time and other employer/employee agreed upon benefits.

**Reallocates First Five Funds for Children's Health Care:** Reallocates First Five money for children's health care initiatives.

**Expand Clinical Care by Allowing Hospitals to Offer Preventative Services Only Coverage:** Emergency rooms are the most expensive way to treat a patient seeking primary care. Hospitals should be allowed the flexibility to interdict and redirect uncovered patients before they arrive at the emergency room with non-emergency ailments. This proposal will allow hospitals to offer "preventive services only" coverage where the actual care is delivered through a hospital's primary care or community-based clinics. Such coverage will not only provide an extremely low-cost primary care coverage option for low income individuals not eligible for government programs, it will also help alleviate unnecessary use of expensive hospital emergency services.

**Encourage More Clinics By Allowing RNs to Run Clinics:** Physician oversight requirements should be appropriately adjusted in order to give nurse practitioners and other physician extenders additional flexibility to establish and run primary care clinics. This will improve access to primary care in underserved areas specifically urban and rural areas.

**Expand Services Delivered Through Primary Care Clinics:** There is \$300 million currently dedicated to state-only programs that provide various services to uninsured or underinsured individuals. A majority of these dollars should be redirected to community clinics and health centers so greater numbers of low-income individuals who are unable to purchase coverage and do not qualify for government programs may receive primary care services.

**Increase Medi-Cal Reimbursement Rates for Providers:** Over the next eight years, make it a budget priority to increase Medi-Cal rates towards parity with Medicare rates. The proposal would give first priority to increasing those rates currently lowest.

**Tax Credit for Uninsured Care (Charity Care):** Provide a partial tax credit directly to providers for the cost of providing care to the uninsured.

**Eliminate Backlog with Managed Risk Medical Insurance Pool (MRMIP) for the Most Vulnerable:** Realignment and extension of coverage for the “uninsurable” needy population by using Prop 99 funds.

**Incentivize and Support Expansion of Clinics:** To increase access to health care through clinics, a significant portion of the \$2 billion allocated annually to Disproportionate Share Hospitals (DSH) can be used to incentivize additional clinic creation and expansion.

## **Affordability**

**Health Savings Accounts (HSAs):** California is one of six states that has not conformed to federal income tax law regarding HSAs. Conforming to federal law will provide tax incentives for businesses and individuals to utilize HSAs as a health care option.

**Increasing Options for Affordable Insurance:** Increased availability of benefit designs that conform to existing federal requirements for HSA-eligible High Deductible Health Plans (HDHPs) should be encouraged. These plans provide necessary coverage for major illnesses and catastrophic care.

**Employer Tax Credit for HSA Contributions:** To provide an incentive for employers to contribute to employees’ HSAs, employers should receive a tax credit for making such contributions.

**Informed Consumers:** The expansion of HSAs and the allowance of more affordable health coverage products to be available for consumers create the need for pricing information to become more readily available by hospitals and providers for different health services.

**Health Info-Tech Tax Credit:** To encourage hospitals and physicians to embrace cost-saving and quality-improving technologies such as electronic medical records and telemedicine, providers who invest in the necessary equipment should receive tax credits, and a low-interest

loan program should be established to help non-profit hospitals and medical groups make these purchases.

**Realign Medi-Cal to Private Benefits:** Medi-Cal should more closely mirror the private healthcare benefits of those funding this costly program. Medi-Cal beneficiaries should not receive better healthcare benefits than other taxpayers. The Department of Health Services (DHS) should be required to make the changes needed to accomplish this and seek the necessary federal waiver(s).

**Seismic Safety Reform:** In order to help hospitals comply with expensive seismic safety requirements in a rational manner, a new prioritization system should be implemented by first focusing on the hospitals most at risk first.

**Send Federal Government Bill for Illegal Immigrants Health Care Costs:** Call on the federal government to pay for the mandated health care costs for illegal immigrants.

**Provide Appropriate Due Process to Assist Hospitals:** Hospital access to state-sponsored support should be based on sound public policy, not dictated by entrenched bureaucracies or special interests.

## Consumer Choice

**Increase the Choices of Health Insurance Products to Consumers:** Require the California Departments of Managed Health Care (DMHC) and Insurance to allow health plans and insurers increased flexibility regarding product design – including but not limited to co-payments, deductibles, networks, mandates, and benefits – so that plans and insurers can better and more quickly respond to consumer demand for affordable products that provide coverage and benefits appropriate to specific segments of the population. Available coverages will be driven by market demand rather than regulatory restrictions.

**Allow Insurance Companies Flexibility for Rates in the Small Group Market:** Greater rate flexibility will result in more affordable options and more employers purchasing coverage. Rate flexibility in the small market could consider lifestyle behaviors.

**Incentives for Employers to Offer Pre-Tax (Section 125) Plans:** The proposal would offer different incentives for employers to offer their employees pre-tax (Section 125) plans.

**Expand Choice for Civil Servants:** California should lead by example regarding product innovation and consumer choice by requiring Cal-PERS to offer HDHPs and HSAs to state employees. While not appropriate for everyone, too many Californians are unable to enjoy the significant cost and tax savings these plans offer.