

## **Secure and Affordable Health Care Act of 2008 Initiative Summary**

Submitted to the Office of the Attorney General on December 28, 2007

- Links the Initiative with ABX 1 from the 2007/08 First Extraordinary Session by specifying that the initiative is enacted with the expectation that ABX 1 or a statute that is essentially the same is enacted.
  
- Creates the California Health Trust Fund in the State Treasury and requires monies in the fund to be used exclusively for providing health care coverage for Californians and for other stated purposes such as funding tax credits, increasing provider reimbursement rates, promoting wellness and prevention programs, and enforcement of the Health Care Security and Cost Containment Reduction Act (ABX 1)
  
- Exempts funds deposited into the California Health Trust Fund from being deemed General Fund proceeds of taxes or subject to Proposition 98 requirements.
  
- Requires the Director of the Department of Finance to review available funds at least twice a year to determine the availability of sufficient funds for ABX 1. Also, provides that if the Legislature does not pass legislation to address any fiscal imbalances identified by the Director substantial provisions of ABX 1 become inoperative.
  
- Increases Tobacco Products Excise Tax by \$1.75 per pack (\$0.0875 per cigarette) on May 1, 2009.
  
- Requires State Board of Equalization to annually backfill any decreases in a number of programs funded by existing tobacco taxes.
  
- Establishes employer contributions to the California Health Trust Fund
  - 1% Social Security (SS) wages for employers paying SS wages up to \$250,000
  - 4% SS wages for employers paying SS wages up to \$1,000,000
  - 6% SS wages for employers paying SS wages up to \$15,000,000
  - 6.5% SS wages for employers paying SS wages above \$15,000,000

- Requires the Employment Development Department to release employer health expenditure information to MRMIB and DHCS for administration purposes of the ABX 1.
  
- Establishes county contributions for certain uninsured individuals that receive coverage through state health care coverage programs.
  
- Establishes a general acute care hospital contribution of 4% of aggregate net patient revenues.
  
- On or before January 1, 2009, authorizes a one-time General Fund loan up to \$25,000,000 to MRMIB to provide funding to eligible counties operating a county health initiative covering low-income children in order to eliminate enrollment caps and waiting lists for those county programs.
  
- Establishes severability of the initiative provisions; in case any portion is held to be invalid or unconstitutional it shall not affect the other provisions.
  
- Establishes court venue for any legal challenges.