

**State Legislative Status Report
2007 Special Health Care Session
January 16, 2008**

Note: Status information reflects information available as of 01/15/2007.

ASSEMBLY BILLS

***ABX1 1 (Nunez) Health Care Reform**

Version: Amended 12/17/2007

Sponsor: Author

Status: Senate HEALTH hearing 1/23/2008.

This bill includes provisions that would:

- Require all Californians to have a minimum level of coverage, to be determined by the Managed Risk Medical Insurance Board (MRMIB). Exempts families whose total cost of coverage would exceed 5% of family income, and require MRMIB to consider additional exemptions in cases of serious hardship.
- Require MRMIB to establish a purchasing pool, the California Cooperative Health Insurance Purchasing Program (Cal-CHIP), which would negotiate and purchase health insurance for eligible enrollees.
- Requires that the maximum Cal-CHIP subscriber cost not exceed 5% of family income for families earning less than 250% of FPL; MRMIB would set premiums for those earning less than 250% of FPL.
- Expand the Healthy Families Program (HFP) to children in families with incomes up to 300% of the federal poverty level (FPL), regardless of immigration status (pending appropriation of state funds).
- Expand the HFP to parents in families with incomes 133% to 250% of FPL (pending federal approval and the appropriation of state funds).
- Expand Medi-Cal (MC) to include single Medically Indigent Adults up to 250% of FPL and, via the new pool, adults ages 19 and 20 earning less than 250% of FPL.
- Create a new coverage program for childless adults under 100% of FPL.
- Allow families earning less than 150% of FPL to pay no premiums or out-of-pocket costs.
- Require all health plans to guarantee issue coverage by 2010.
- Require MRMIB to develop standardized individual application medical underwriting form that must be used by all health plans.
- Require health plans to offer five classes of benefits, and to spend 85% of premiums on patient care.
- Allow premiums, based on health status, to vary plus or minus 20% from the “standard risk rate” for the first two years, plus or minus 10% for the next two years, and may not vary by health status thereafter.
- Establish requirements and programs to contain health care cost, including those targeting prevention, wellness, quality and transparency.

** New status since last board meeting*

- Increase MC rates for physicians by up to 100% of Medicare rates, contingent upon appropriation in the state budget.

The bill also expresses intent of the Legislature that financing come from employee and individual contributions, federal funds, county contributions and, contingent upon voter approval, a tobacco tax increase, a hospital fee equivalent to 4% of patient revenues, and employer contributions (1% to 6.5% of Social Security wages, depending on employer size, unless an equivalent amount is spent on employees' health coverage).

ABX1 2 (Nunez) Health care reform

Version: Amended 11/08/2007

Sponsor: Author

Status: 11/14/2007-Assembly HEALTH: Not yet heard.

This bill states intent of the Legislature to enact comprehensive health care reform.

***ABX1 3 (Dymally) Health care coverage**

Version: Amended 11/08/2007

Sponsor: Author

Status: 11/08/2007 Assembly HEALTH

This bill is substantially the same as AB 2 (Dymally) from 2007: it requires health plans and insurers licensed in California to either pay a fee towards funding the Major Risk Medical Insurance Program (MRMIP) or guarantee issue coverage to medically high-risk persons. Among its provisions, the bill:

- Requires health plans and insurers to continue covering individuals until 1/1/09 who were terminated from the MRMIP prior to 12/31/2007 due to a 36 month limit on coverage. Requires the MRMIB to determine benefits for this coverage.
- Requires health plans and insurers to guarantee issue coverage or pay a fee, determined by the MRMIB, based on the number of covered lives.
- Requires the MRMIB to appoint an eight-member unpaid panel to advise the MRMIB on development of policies and regulations, program operations and other aspects of implementing the fees paid by health plans and insurers.
- Requires MRMIP subscriber premiums initially to be 125% of comparable coverage in the private market and later to be 120% for subscribers above 300% FPL and 110% for subscribers below 300% FPL.
- Allows individuals who were covered in the Guaranteed Issue Pilot (GIP) program on or after 7/1/2008 to transfer into the MRMIP.
- Requires the MRMIB to establish guidelines for disease management, case management, care management, and other cost management strategies.

***ABX1 4 (Nakanishi)** Income tax: health savings accounts

Version: Introduced 09/18/2007

Sponsor: Author

Status: 11/08/2007-Assembly Floor 1st Reading

This bill would allow a deduction in connection with health savings accounts in conformity with federal law.

***ABX1 5 (Nakanishi)** Income and corporation taxes: credits: health savings accounts

Version: Introduced 09/18/2007

Sponsor: Author

Status: 11/08/2007-Assembly Floor 1st Reading

This bill would authorize a credit against various taxes for each taxable year beginning on or after January 1, 2008, and before January 1, 2013, in an amount equal to 15% of the amount paid or incurred by a qualified taxpayer. It would also require the Franchise Tax Board and the Legislative Analyst to report on the usage and effectiveness of the credit.

***ABX1 6 (Nakanishi)** Physician assistants: educational loan program

Version: Introduced 09/18/2007

Sponsor: Author

Status: 11/08/2007-Assembly Floor 1st Reading

This bill would create the California Physician Assistant Scholarship and Loan Repayment Program within the foundation to provide scholarships to physician assistant students and to repay qualifying educational loans of physician assistants who practice in medically underserved areas of the state and in specified clinics. Implementation would be contingent upon the availability of sufficient revenue.

***ABX1 7 (Nakanishi)** California Major Risk Medical Insurance Program: eligibility

Version: Introduced 09/18/2007

Sponsor: Author

Status: 11/08/2007-Assembly Floor 1st Reading

This bill would change the eligibility criteria for MRMIP by requiring rejection by at least 2 private health plans. Current law requires one rejection.

SENATE BILLS

***SBX1 1 (Perata)** Health care reform

Version: Introduced 09/11/2007

Sponsor: Author

Status: Senate HEALTH hearing 01/23/2008.

This bill states intent of the Legislature to enact comprehensive health care reform.

SBX1 2 (Perata) Health care reform

Version: Introduced 09/11/2007

Sponsor: Author

Status: 09/11/2007 – Senate RULES.

This bill states intent of the Legislature to enact comprehensive health care reform.

***SBX1 3 (Hollingsworth)** Health care coverage: health savings accounts

Version: Amended 1/14/08

Sponsor: Author

Status: Senate HEALTH and BANKING, FINANCE AND INSURANCE double referred. Senate HEALTH hearing 01/16/2008

This bill states the Legislature's intent to encourage the design of health care service plan contracts and health insurance policies that conform to existing federal requirements for high deductible health plans used in conjunction with health savings accounts.

SBX1 4 (Dutton) Employment

Version: Introduced 10/11/2007

Sponsor: Author

Status: 01/07/2008 – Senate RULES.

This bill states intent of the Legislature to provide incentives to employers who offer health insurance, flex-time work schedules, and other benefits agreed upon by employers and employees.

***SBX1 5 (Cox)** California Children and Families Program: funding

Version: Introduced 10/11/2007

Sponsor: Author

Status: Senate HEALTH hearing 01/16/2008.

This bill would eliminate allocations to various accounts used by the California Children and Families Commission (First 5 California). Those funds, with specified exceptions, would instead be allocated and appropriated to the General Fund for appropriation by the Legislature to provide health care services through other programs, including the Healthy Families Program.

SBX1 6 (Runner) Hospitals: preventive medical services

Version: Introduced 10/11/2007

Sponsor: Author

Status: 01/07/2008 – Senate RULES.

This bill states intent of the Legislature to enact legislation that would allow hospitals to offer preventive medical services delivered through a hospital's primary care or community-based clinic.

***SBX1 7 (Aanestad) Medi-Cal: reimbursement rates**

Version: Amended 01/14/2008

Sponsor: Author

Status: Senate HEALTH hearing 01/16/2008 cancelled

This bill states intent of the Legislature to enact legislation that would increase Medi-Cal reimbursement rates for providers over the next 8 years and to make it a budget priority to increase the lowest rates first.

***SBX1 8 (Aanestad) Personal income taxes**

Version: Introduced 10/11/2007

Sponsor: Author

Status: 01/07/2008-Senate HEALTH and REVENUE & TAX double referred.

This bill would allow a credit to a physician in an amount equal to 50% of the fair market value of uncompensated medical care provided to an eligible individual, as defined.

***SBX1 9 (Runner) Medi-Cal: clinic funding**

Version: Amended 01/10/2008

Sponsor: Author

Status: Senate HEALTH hearing 01/16/2008.

The Medi-Cal Hospital/Uninsured Care Demonstration Project Act revises hospital reimbursement methodologies in order to maximize the use of federal funds consistent with federal Medicaid law and stabilize the distribution of funding for hospitals. It states intent of the Legislature to enact legislation that would permit these funds to be used for the creation of new, and the expansion of existing, clinics.

***SBX1 10 (Maldonado) Income tax: health savings account.**

Version: Introduced 10/11/2007

Sponsor: Author

Status: Senate HEALTH hearing 01/16/2008.

This bill would allow a deduction in connection with health savings accounts in conformity with federal law. In general, the deduction would be an amount equal to the aggregate amount paid in cash during the taxable year by, or on behalf of, an eligible

individual, as defined, to a health savings account of that individual, as provided. It would also provide conformity to federal law with respect to treatment of the account as a tax-exempt trust, the allowance of rollovers from Archer Medical Savings Accounts to a health savings account, and related penalties.

***SBX1 11 (Harman)** Income and corporation taxes: health savings account credit.

Version: Introduced 10/11/2007

Sponsor: Author

Status: 01/14/2008-Senate HEALTH and REVENUE & TAXATION double referred.
Senate HEALTH hearing 01/16/2008 cancelled.

This bill would authorize a tax credit for each taxable year beginning on or after January 1, 2008, and before January 1, 2014. The credit would be in an amount equal to 15% of the amount paid or incurred by a qualified taxpayer during the taxable year for qualified health insurance for the taxpayer's employees. It would require the Legislative Analyst to report to the Legislature on or before March 1, 2013, on the effectiveness of the credit.

***SBX1 12 (Runner)** Health care cost and quality transparency.

Version: Amended 01/14/2008

Sponsor: Author

Status: 01/14/2008-Senate HEALTH hearing 01/16/2008 cancelled.

This bill would declare the intent of the Legislature to enact legislation that would establish incentives for health care providers, including hospitals, clinics, physician groups, physicians, health care service plans, and health insurers, that are designed to improve the quality of health and medical services for health care consumers in this state.

***SBX1 13 (Maldonado)** Public health: health care technology systems tax credits and loans.

Version: Introduced 10/11/2007

Sponsor: Author

Status: 01/07/2008-Senate HEALTH and REVENUE & TAXATION double referred.

This bill would require the California Health Facilities Financing Authority to establish a low-interest loan program to provide any participating health institution, health facility, hospital, long-term care facility, or licensed physician and surgeon with financing for the costs of purchasing a health care information technology system, as defined.

***SBX1 14 (Runner)** Medi-Cal

Version: Introduced 10/11/2007

Sponsor: Author

Status: 01/07/2008-Senate RULES.

This bill states intent of the Legislature to enact legislation that would realign Medi-Cal benefits to more closely resemble benefits offered through private health care coverage.

** New status since last board meeting*

***SBX1 15 (Cogdill)** Health facility financing: appeals procedure.

Introduced: 10/11/2007

Sponsor: Author

Status: 01/07/2008-Senate RULES.

This bill declares the intent of the Legislature to establish an appeals procedure for health facility projects that are denied financing by the California Health Facility Financing Authority.

***SBX1 16 (McClintock)** Out-of-state carriers

Version: Introduced 10/11/2007

Sponsor: Author

Status: 01/07/2008-Senate HEALTH and BANKING, FINANCE AND INSURANCE committees double referred. Senate HEALTH hearing 01/16/2008 cancelled.

This bill allows a carrier domiciled in another state to offer, sell, or renew a health care service plan contract or a health insurance policy in this state without holding a license issued by the Department of Managed Health Care or a certificate of authority issued by the Insurance Commissioner. The bill would exempt health plans and carriers licensed in other states from meeting certain contract or policy requirements in California if it meets another state's requirements and is licensed in another state.

***SBX1 17 (Cogdill)** Health care coverage: small-group market

Version: Introduced 10/11/2007

Sponsor: Author

Status: 01/07/2008-Senate RULES

This bill declares the intent of the Legislature to provide incentives to improve health and wellness, as well as additional affordable health care coverage options, by allowing health care service plans and insurers greater rate flexibility in the small-group market.

***SBX1 18 (Cogdill)** Employee health benefits: health savings accounts

Version: Introduced 10/11/2007

Sponsor: Author

Status: 01/07/2008-Senate PUBLIC EMPLOYMENT AND RETIREMENT.

This bill would require the Board of Administration of the Public Employees' Retirement System to offer a high deductible health plan, as defined in the federal tax law, and a health savings account option to public employees and annuitants. The bill would establish the Public Employees' Health Savings Fund, a continuously appropriated trust fund, for the payment of qualified medical expenses of eligible employees and annuitants and would require those employees and annuitants, and their employers, to make specified contributions to that fund.

***SBX1 19 (Cogdill)** Medical corporations

Version: Introduced 10/11/2007

Sponsor: Author

Status: 01/07/2008-Senate HEALTH.

This bill would delete the prohibition on specific profession rights, and related exceptions, and would instead authorize corporations and artificial legal entities to have professional rights, privileges, or powers.

***SBX1 20 (Runner)** Personal income taxes: primary care credit

Version: Introduced 10/11/2007

Sponsor: Author

Status: Senate HEALTH hearing 01/16/2008 cancelled

This bill would allow to a primary care provider, as defined, a credit in an amount equal to 10% of the net tax, as specified.

***SBX1 21 (Cogdill)** Personal income taxes: rural area credit

Version: Introduced 10/11/2007

Sponsor: Author

Status: Senate HEALTH hearing 01/16/2008

This bill would authorize a tax credit for each taxable year beginning on or after January 1, 2008, in an amount equal to 25% of the tax imposed on a medical care professional who provides medical services in a rural area.

***SBX1 22 (Battin)** For-profit clinic facility financing: revenue bonds

Version: Introduced 10/11/2007

Sponsor: Author

Status: 01/07/2008-Senate HEALTH

This bill would authorize the California Health Facilities Financing Authority to issue additional revenue bonds in an unspecified amount for the purpose of providing loans for the financing of construction of for-profit clinic facilities. The bill would establish the For-Profit Clinic Facility Construction Account within the CHFFA Fund for deposit of the proceeds from the issuance of these bonds, and would continuously appropriate those funds to the authority.

***SBX1 23 (Ashburn)** Taxation: cafeteria plan credits

Version: Introduced 10/11/2007

Sponsor: Author

Status: Senate HEALTH hearing 01/16/2008

This bill would authorize a tax credit for each taxable year beginning on or after January 1, 2007, and before January 1, 2012. The credit would be in an amount equal to 15% of the amount of administrative costs paid or incurred by a qualified taxpayer during

the taxable year in connection with establishing or administering a qualified cafeteria plan that provides for the payment of health insurance premiums of the taxpayer's employees.

***SBX1 24 (Ashburn)** Nurse practitioners: scope of practice

Version: Introduced 10/11/2007

Sponsor: Author

Status: Senate HEALTH hearing 01/16/2008 cancelled

This bill would define the activities that a nurse practitioner is authorized to engage in, and would delete the requirement that the Board of Registered Nursing consult with physicians and surgeons in establishing categories of nurse practitioners.

***SBX1 25 (Cox)** Health care coverage

Version: Introduced 10/11/2007

Sponsor: Author

Status: Senate HEALTH hearing 01/16/2008 cancelled.

This bill would extend the duration of the Guaranteed Issue Pilot Program from December 31, 2007 to December 31, 2010 and make an appropriation. The bill would impose a state-mandated local program by extending the requirements of the pilot program with respect to health care service plans, the violation of which would be a crime.

***SBX1 26 (McClintock)** Insurance: multiple employer welfare arrangements (MEWAs)

Version: Introduced 10/11/2007

Sponsor: Author

Status: Senate HEALTH hearing 01/16/2008 cancelled

This bill would allow an association that satisfies specified criteria to apply to the Department of Insurance for a certificate of compliance for a self-funded or partially self-funded MEWA by the association on or after January 1, 2008.