

Matrix of Governor's Proposal, Speaker's Proposal & ITUP Comments

Insure the Uninsured Project
December 17, 2007

	Governor's Proposal (10/9/07)	Speaker's Proposal ABX1 1 (11/08/07)	Speaker's Revised Proposal December 13, 2007	Speaker and Governor's Proposal December 17, 2007	ITUP Comments
Eligibility	All Californians	All Californians		All Californians	3.6 to 4 million expected to be covered out of 5 million
Individual mandate	Yes, defines what does and does not constitute coverage	Yes, does not spell out what constitutes coverage	Yes, does not spell out what constitutes coverage	Yes, does not spell out what constitutes coverage, leaves this to MRMIB	Should spell out what constitutes coverage
Exceptions	None	Hardship and/or if premiums plus out of pocket exposure exceeds 6.5% of income	Hardship and other exemptions defined by MRMIB, exemptions for persons under 250% of FPL whose premiums exceed 5% of income	Hardship and other exemptions defined by MRMIB, exemptions for persons under 250% of FPL whose premiums exceed 5% of income	
All Children	Yes, up to 300% of FPL	Yes, up to 300% of FPL	Yes, up to 300% of FPL	Yes, up to 300% of FPL	
Parents	Yes, up to 250% of FPL	Yes, up to 300% of FPL	Yes, up to 250% of FPL	Yes, up to 250% of FPL	
Adults below poverty	Yes, LCO options	Yes, LCO options	Yes, if county match	Yes, if county match	
Adults above poverty	Yes, up to 250% of FPL	Yes, up to 250% of FPL	Yes, up to 250% of FPL if county match	Yes, up to 250% of FPL if county match	

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Undocumented adults	Yes subject mandate, but no subsidies	Yes, subject to mandate, no federal or state subsidies	Yes subject to mandate, but no subsidies	Subject to mandate, but no subsidies, most are probably exempt as incomes are below 250% of FPL	Should consider minimum benefits of emergency only coverage
Above 250% of FPL	Advanceable, refundable tax credits up to 350% of FPL for individuals purchasing through the pool	No provisions	Advanceable, refundable tax credits up to 400% of FPL for individuals purchasing through the pool	Advanceable, refundable tax credits up to 400% of FPL for individuals purchasing through the pool; intent to develop more extensive tax credits for persons 50-64 purchasing individual coverage	Affordability challenges also persist for larger families who lack employer coverage

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Services	CHHSA determines minimum benefits plan, Benchmark coverage for adults with subsidies	MRMIB determines minimum benefits plan, Benchmark coverage for adults with subsidies	MRMIB determines minimum benefits plan, Benchmark coverage for adults with subsidies	MRMIB determines minimum benefits plan, Benchmark coverage for adults with subsidies	
Minimum benefits	Determined by Secretary of Health and Human Services Agency	Determined by MRMIB	Determined by MRMIB	Determined by MRMIB	
Services for children	MediCal or Healthy Families depending on age and income levels	MediCal or Healthy Families depending on age and income levels	MediCal or Healthy Families depending on age and income levels	MediCal or Healthy Families depending on age and income levels	We prefer a bright line as it is easier to understand and administer
Services for adults	Medi-Cal benchmark (i.e. no dental, vision, etc. for newly eligible populations)	Medi-Cal benchmark (i.e. no dental, vision, etc. for newly eligible populations)	Medi-Cal benchmark (i.e. no dental, vision, etc.) for newly eligible populations	Medi-Cal benchmark (i.e. no dental, vision, etc.) for newly eligible populations	We prefer a bright line as it is easier to understand and administer

Insurance reforms	Governor's Proposal (10/9/07)	Speaker's Proposal ABX1 1 (11/08/07)	Speaker's Revised Proposal December 13, 2007	Speaker and Governor's Proposal December 17, 2007	ITUP Comments
Guaranteed issue and renewal in the individual market	Yes	Yes	Yes, with exceptions for those exempt from the individual mandate	Yes, with exceptions for those exempt from the individual mandate	
Rating rules: age, geography, family size	Yes, specified	Yes, to be determined by Insurance Commissioner and Director of Department of Managed Health Care	Yes, specified	Yes, specified with regulatory authority to compress age rate bands from 35 to 64	Nine geographic regions, five family sizes and age rating increments of 5 years
Pre-existing condition exclusions	Eliminated	No provision	Eliminated	Eliminated	
Five benefit classes with right to buy up annually or on specified events	Yes	Yes	Yes	Yes	
Plans ability to price based on health status	Phased down from plus or minus 20% and eliminated over 6 years	No provision, but permits health improvement discounts for non-smokers or individuals participating in health improvement or disease management programs	Phased down from plus or minus 20% and eliminated over 4 years	Phased down from plus or minus 20% and eliminated over 4 years	
Guaranteed issue and renewal for employers 51-100	No provision	Yes	Yes	No, deleted	Should be restored
Minimum loss ratio of 85%	Yes	Yes	Yes	Yes	Should apply to hospitals as well
Disclosure of minimum loss ratios for small	No	Yes	No	No, deleted	Should be restored and disclosed

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employer and individual purchasers					
Matrix of information from Office of the Patient Advocate	Yes	Yes	Yes	Yes	Should include prices and minimum loss ratios
Subscribers' ability to retain existing coverage of less scope than minimum benefits	Yes	No	Yes	Yes	
Reinsurance and risk adjustment	Yes	No provision	Yes, with stand-by authority to assess health plans and state to equalize adverse selection	Yes, reinsurance required if bad risk experience in the individual market exceeds norms by more than 5%, state must contribute if bad risk experience exceeds norms by more than 10%	Financing is spread industry-wide for bad risk experience in the 5-10% range and spread to state Health trust Fund above 10%

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Purchasing pool	Yes	Yes	Yes	Yes	
Subsidized individuals in public programs	100-250% of FPL.	100-300% of FPL	100-250% of FPL.	100-250% of FPL	
Unsubsidized individuals with private coverage	250-350% of FPL with refundable tax credits, Individuals with Section 125 tax advantages or employees of an employer who does not offer health coverage	Employer opt-in to the pool for their employees (and dependents)	250-400% of FPL with refundable tax credits, Individuals with Section 125 tax advantages or employees of an employer who does not offer health coverage Employer opt-in to the pool for their employees (and dependents)	250-400% of FPL with refundable tax credits, Individuals with Section 125 tax advantages or employees of an employer who does not offer health coverage Employer opt-in to the pool for their employees (and dependents)	There is no obvious reason to exclude other uninsured individuals, such as the self-employed without subsidies, from pool participation.

Cost containment	Governor's Proposal (10/9/07)	Speaker's Proposal ABX1 1 (11/08/07)	Speaker's Revised Proposal December 13, 2007	Speaker and Governor's Proposal December 17, 2007	ITUP Comments
Healthy Actions and Rewards	Yes	Yes	Yes	Yes	
E-prescribing	Yes	Yes	Yes	Yes	
Increased scope of responsibility for nurse practitioners, physician assistants and medical assistants	Yes	Yes	No, deleted	No	Should be restored
Electronic personal health record	Yes	Yes	Yes	Yes	
Electronic enrollment	Yes	Yes	Yes	Yes	
Pay for performance in state programs	Yes	Yes	Yes	Yes	
No balance billing for emergency services	Yes	Yes	Yes	Yes	
Transparency of price and quality information regarding health plans and providers	Yes	Yes	Yes	Yes	Compromise language appears adequate
California diabetes program	Yes	Yes	Yes	Yes	
Smoking cessation programs	Yes	Yes	Yes	Yes	
Community make-over grants for obesity reduction and improved fitness	Yes	Yes	Yes	Yes	
Chronic disease case management	Yes	Yes	Yes	Yes	
Options to reduce prescription drug costs through bulk purchasing	No	Yes	Yes	Yes	Over-reach in extending this benefit to unionized

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					worker's health plans

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Employers	4%, phased up for small businesses with low payrolls	6.5%, phased up for small businesses with low payrolls	2-6.5% phased up based on size and payroll	1-6.5% of Social Security wages phased up based on size and payroll, specifics in ballot initiative	1% of wages up to \$250,000 4% of wages up to \$1 million 6% of wages up to \$15 million 6.5% of wages over \$15 million
Individuals for their own coverage	Yes	Yes	Yes	Yes	
Counties for the MIAs	Yes, unspecified	Yes, unspecified	Yes, unspecified	Yes, specified in ballot initiative	40% of state costs based on actual enrollment of county residents in MIA component of Medi-Cal and CAL-CHIPP (up to 150% of FPL) Global cap of \$1 billion, adjusted annually Annual financial distress modifications
Hospitals	4%	4%	Yes	4% as specified in ballot initiative	
Doctors	No provision	No provision	No provision	No provision	
Federal government	Yes	Yes	Yes	Yes	CA should seek large 1115 waiver
Other	Lottery, \$2 billion	Cigarette tax, \$2 billion	Cigarette tax, \$2 per pack	Cigarette tax, \$1.75 per pack	
Section 125 plans	Yes	No provisions	Yes	Yes	
Tax deductibility – HSAs	Yes	No provision	No	No	

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Interim financing for children's coverage	No	No	Yes, effective 7/1/09	Yes, effective 7/1/09 with \$25 million in interim funds	

Affordability	Governor's Proposal (10/9/07)	Speaker's Proposal ABX1 1 (11/08/07)	Speaker's Revised Proposal December 13, 2007	Speaker and Governor's Proposal December 17, 2007	ITUP Comments
Individuals with incomes up to 150% of FPL	No premium contributions	No premium contributions	No premium contributions	No premium contributions	
Individuals with incomes 150-250% of FPL	No more than 5% of income	No more than 5% of income	No more than 5% of income	No more than 5% of income	Should be sliding scale
Individuals with incomes 250-400% of FPL	Refundable, advanceable tax credit so that premiums do not exceed 5% of income	No provision	Refundable, advanceable tax credit so that premiums do not exceed 5.5% of income	Refundable, advanceable tax credit so that premiums do not exceed 5.5% of income, phased down from 300 to 400% of FPL	
Individuals with incomes over 400% of FPL	No provision	Exempt from individual mandate if health costs (premiums plus out of pocket) exceeds 6.5% of income	Refundable, advanceable tax credit for retirees so that premiums do not exceed 10% of income	Intent language for refundable, advanceable tax credits for individuals 50-64	
Premium assistance	Placeholder language	Placeholder language	No	No	Should be included

Rate increases	Governor's Proposal (10/9/07)	Speaker's Proposal ABX1 1 (11/08/07)	Speaker's Revised Proposal December 13, 2007	Speaker and Governor's Proposal December 17, 2007	ITUP Comments
Hospitals (private)	Medicare levels	Intent language	Medicare levels	Medicare levels	
Hospitals (public)	State pays the match	No provisions	State pays the match	State pays the match, \$25 million set aside for health worker retraining	
Doctors	80% of Medicare	-% of Medicare	Medicare levels	Medicare levels	

Safety Net	Governor's Proposal (10/9/07)	Speaker's Proposal ABX1 1 (11/08/07)	Speaker's Revised Proposal December 13, 2007	Speaker and Governor's Proposal December 17, 2007	ITUP Comments
COHS and LIs formation of regional and statewide joint ventures	No provisions	Yes, planning	Yes	Yes	
COHS and LIs participation in private commercial markets	No provisions	Yes	Yes, with regulatory flexibility	Yes	
Local coverage option (exclusivity) for counties with county hospitals	Yes	Yes	Yes	Yes	Good idea, but transition is needlessly long
Duration	Three years	Five years	Three years with 2 year added extension if found to be successful	Four years with 2 year added extension if found to be in substantial compliance with benchmarks	Should be three years as prolonged lock-ins deter local innovation and freeze needed evolution Two year subsequent exemptions should be for "exemplary" programs
Community clinic participation	Yes, FQHCs	Yes, but unclear if counties required to participate	Yes, FQHCs as required by the federal government	Yes, all licensed clinics	
DSH hospital participation	Yes	No	Yes, as required by Knox-Keene	Yes as needed to comply with Knox-Keene	Cannot develop market-competitive plans without a choice of hospitals

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					broader than public facilities
Payment for out of network emergencies	Yes	Yes	Yes	Yes	At Medi-Cal rates
Managed care	Yes, COHS, Local Initiative or county operated plans	Yes, COHS, LI or county operated plans	Yes, COHS, LI or county operated plans	Yes, COHS, LI or county operated plans	To minimize confusion, county operated plans should be used only when there is no COHS or LI
Knox-Keene requirements	Not initially	Yes but waiveable	Yes, but waiveable for limited networks	Yes, limited network waiver permitted	Should specify no Knox-Keene waivers for insufficient geographic, timeliness of care and capacity access
Actuarially sound rates	Yes	Yes	Yes	Yes	