



## School Insurance News Round Up (January 9, 2007)

### **LEGISLATIVE UPDATE (by Nancy LaCasse, School Services of California):**

Happy New Year! Now that 2007 is officially here, business is returning to normal in Sacramento. The Legislature convened its first session of the new year on Wednesday, January 3 with much of the attention focused on the festivities underway at the Capitol for the Governor's Inauguration.

Unfortunately, due to a skiing accident over the holidays, Governor Schwarzenegger won't be able to participate in much of his own celebration kick-off event. His doctor has limited the Governor's activities and, with several important speeches this week—including the State of the State Address and the 2007-08 Budget release—Governor Schwarzenegger's participation will be limited.

Speaking of this week's Budget release, little has been made public about the proposals for the new year. However, it is widely known that health care will be the highest priority for the Governor (and with his recent injury, probably even more so!). The Governor will propose providing insurance to all uninsured children, including undocumented children, by increasing the income eligibility for the Healthy Families program to 300% of the poverty level. For example, a family of three would qualify by earning an annual income of less than \$50,000.

While this proposal would likely cover most of the uninsured children, it would be costly, with some estimates approaching \$400 million. His plan would require insurance providers to guarantee that 85% of premiums go directly to patient care and they would be prohibited from denying coverage based on occupation or existing health conditions. Providers would be required to provide "Healthy Action" benefits that would provide incentives to individuals to maintain good care of their health.

But not all the action has been with the Governor; the Legislature has been busy as well. Since they were sworn in last month, the recently convened Assembly and Senate have introduced more than 175 legislative measures. Note over ten bills have already been introduced related to health insurance. This is a full seven weeks before the deadline to introduce legislation for the first year of the two-year session. (Note: the deadline to submit bill proposals to the Legislative Counsel for drafting is just three weeks away, January 26.)

Additionally, there are many new faces in the Assembly. The Capitol's freshman class includes a record 34 newcomers with little or no prior legislative experience. The Assembly recently named the chairs of the various committees and named Assembly Member Joe Coto (D-San Jose) Chair of the Assembly Insurance Committee and Senator Mike Machado will chair the Senate Banking, Finance, and Insurance Committee.

Only a handful of bills have been introduced that impact insurance. Below is a brief synopsis of bills to watch:

- AB 1 (Dymally, D-Los Angeles) California Healthy Children Insurance Program  
This is the Assembly's proposal to expand health care to children in California by increasing the income eligibility for the Healthy Families program to 300% of the poverty level. It is a work in progress.
- AB 8 (Núñez, D-Los Angeles) Health Care Insurance Coverage

This is Assembly Speaker Núñez's bill that will be amended to include a comprehensive proposal for affordable, quality health care coverage for all Californians.

- SB 48 (Perata, D-Oakland) Health Care Insurance Coverage

This is the Senate leadership bill that will be amended to include a comprehensive proposal for affordable, quality health care coverage for all Californians.