

Universal Health Care Tops Agenda

By Chris Coates
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Universal health care is shaping up to be one of the most contentious issues percolating in Sacramento this legislative season, the result of a near perfect storm of interests, momentum and timing in the state capitol.

Despite fierce opposition from business groups, the circumstances have some thinking that 2007 is the year that some form of universal health care will come out of Sacramento to address the state's nearly 7 million uninsured.

"We're reaching a tipping point where things have got to change," said Don Schroeder, director of the Valley chapter of Health Care for All-California, a statewide advocacy group for universal health care. "And people are talking."

Such optimism is fueled largely by comments from Gov. Arnold Schwarzenegger, who has gone from a fierce opponent of universal health care in previous years to a centrist, mostly on safe issues such as covering uninsured children.

Last year, he signed legislation to give prescription drugs discounts of up to 60 percent to low-income adults, expanded health centers in schools and launched a series of roundtables on higher premiums, deductibles and other out-of-pocket expenses.

For 2007, Schwarzenegger has indicated health care will be his No. 1 priority and expects to outline his plans at the Jan. 9 State of the State address.

Meantime, Democrats led by state Assembly Speaker Fabian Núñez are expected to reintroduce legislation that would offer universal health

insurance to all children and require employers to provide either an employee health plan or pay into a insurance pool managed by the state.

State Sen. Sheila Kuehl, who this month became new chair of the influential State Senate Health Committee, also plans to reintroduce a motion next month to create a single payer system in which the state would pay medical bills instead of private insurance companies. Schwarzenegger last year vetoed that move, and it is assumed he will again.

In response, some Democrats are seeking some form of compromise.

Last month, state Senate President Pro Tem Don Perata introduced a new plan that would require both uninsured employees and the employers that hire them to start paying for health insurance.

The proposal, mirroring many elements of similar reforms in Massachusetts last year, would cover about two-thirds of state residents and rely heavily on receiving additional federal funding through the Healthy Families Program and Medi-Cal, which could happen now that the U.S. Congress is in Democrat control.

Schwarzenegger said he plans to work with both sides of the aisle and come up with a logical solution.

Observers are already handicapping the odds.

"I doubt a single-payer plan would pass the legislature," said Gary Toeppen, president and chief executive of the L.A. Area Chamber of Commerce, which opposes the

single-payer system. "There is too storing a feeling in many quarters that the private sector needs to be involved in the solution to the health care challenges."

There is also some question as to how a universal care system would be administered.

Phil Leberherz, executive director of the San Mateo nonprofit think tank Foundation for Health Coverage Education, contends the state is just too big and the conditions are too complex for a single-payer plan to work.

"We have such a huge infrastructure," he said. "It's pretty much impossible to conceptualize that happening."

Bad for business?

While all of the plans are on paper only, the proposals have touched off a storm of controversy among business groups.

Among the most vocal is the California Small Business Association. President Betty Jo Toccoli said that while 86 percent of her group's members pay at minimum 70 percent of their employee's premiums, just 15 percent insure dependents.

"Whose responsibility is the dependents?" Toccoli said. "If there has to be a mandate it should be individual responsibility. It can't be mandated."

Another group making noise is the influential insurance industry, which could be bruised by any move to add government-supported plans. As a result, many managed care groups are calling for reforms and fine-tuning of the existing public health system instead of a complete overhaul.

"It's not broken (but) it definitely needs improvement," said Neil Crosby, president-elect of the California Association of Health Underwriters and the director of sales for Warner Pacific Insurance Services in Westlake Village. "Our legislators, that's what they do; they create laws and legislation. But it's not necessarily what's needed."

His position is that the state and federal governments already have various insurance systems that cover nearly all adults and children but the programs are either not widely known or misunderstood.

He's calling for educating people about available policies and making costs more affordable. "There's things that need to be done to bring cost down and more people to buy the coverage they're willing to pay for," he said. "We know that there are changes that need to be made."

Lebherz said the big issue is funding. "We have great hospitals, great doctors, great nurses. We have the capacity. We have the infrastructure," he said. "The problem isn't access. The problem is financing."

For now, the efforts to craft some kind of universal health plan won't solidify until after the State of the State address as the governor comes out of the gate first. That will lay the groundwork for what the Democrats will present.

Schroeder is hopeful that some plan will become a reality. But at minimum, the attention will get consumers, legislators and the media talking about health care and insurance, he said.

"What's different this year is now people are focusing on it," he said. "That's the difference."