



Comparing California’s Major Health System Reform Proposals - January 2007

| | Governor Schwarzenegger Plan | Assembly Speaker Nuñez Plan | Senator Pro Tem Perata Plan | Single Payer (Kuehl) Plan | Senate Republican Plan (CalCARE) |
|---------------------------------------|--|---|--|--|---|
| Public Program Expansion | Yes Expands Medi-Cal and Healthy Families to 300% of FPL for all children, and 100% of FPL for federally qualified adults. Increases reimbursement rates. | Yes Expands Medi-Cal and Healthy Families to 300% of FPL for all children and their parents. | Yes Expands Medi-Cal and Healthy Families to 300% of FPL for all children. | Yes Creates single payer health care system for all California residents. | No Increases Medi-Cal reimbursement rates. |
| Individual Mandate | Yes | No | Yes For employed Californians | No | No |
| Employer Mandate | Yes For employers with 10 or more employees | Yes | Yes | Yes | No |
| Purchasing Pool | Yes Families earning less than 250% of FPL will be eligible for subsidies through the pool. | Yes | Yes | Yes Creates a single-state purchasing pool. | No |
| Health Insurance Market Reform | Yes Requires insurers to limit administrative costs and profits. Requires community rating. Requires healthy lifestyle incentives | Yes Requires insurers to offer uniform benefits plans, simplify medical underwriting. | Yes Requires health insurers to limit administrative costs and profits, and provide guarantee issue and community rated insurance. Establishes standards that insurers must meet to participate in pool. | Yes Prohibits most private health insurance from being sold. Effectively results in guarantee issue and community rating. Premiums, reimbursement rates, and other program details would be regulated. | Yes Eases regulatory requirements on what products health insurers can sell. Allows rate setting to include “lifestyle factors” in small group market |
| Financing | Hospital and physician tax. Increased federal funds. Employer fees. Patient co-pays and deductibles. Section 125 plans. HSA deductibility | Employer fees. Employee contributions. Surcharge on health insurance premiums. Increased federal funds. | Employer fees. Employee contributions. Increased federal funds. | Employer fees. Individual contributions. Consolidates existing federal and state funds. | Reallocates existing funding (DSH, Prop 99, Prop 10). Tax credit for doctors who provide charity care. Section 125 plans. Increased federal funds. |
| Cost-Containment | Prevention and wellness. Expands health IT. “24-Hour Care”. Limits insurers’ administrative cost and profits. Expand non-physician scope of practice. Pay-for-performance in Medi-Cal. | Prevention and wellness. Disease management. Pay-for-performance. Expands health IT. | Limits insurers’ administrative cost and profits. Could include disease management, pay-for-performance, evidence-based medicine, prevention and wellness and expanding health IT. | Prevention and wellness. Provider performance standards. Bulk purchasing. health IT. Administrative savings. | Expands non-physician scope of practice. Expands clinic access to reduce ER use. Changes Medi-Cal benefits. Expands federal funds. Low interest loans and tax credits for health IT adoption. Price transparency. |