



## Legislative Update

December 2006

### **NAIFA-CALIFORNIA MEETS WITH GOVERNOR'S HEALTHCARE ADVISOR**

As an important entity representing the consumer in the health marketplace, NAIFA-California recently reached out to the Schwarzenegger Healthcare Team to offer some key suggestions from the health agent perspective.

In late October, NAIFA-California members Bruce Lichtenberg, Rae Lee Olson and the Government Relations Committee team met with Herb Schultz, Senior Health Policy Advisor to the Governor. The meeting was a productive and unprecedented opportunity for NAIFA-California members to voice their concerns about the health marketplace to one of the lead advisors on the Governor's team.

Herb Schultz provided insight into the Governor's vision for healthcare reform. He identified the following themes as a basis for a healthcare proposal and asked for NAIFA-California's input on each:

- Cost & Coverage Hand-in-Hand;
- Universal = Mandatory;
- Prevention & Wellness;
- Information Technology Improvements/Enhancements for Healthcare;
- and Available, Affordable Benefits.

In addition to these themes, Mr. Schultz noted that any and all proposals will ultimately require all stakeholders to accept cuts in some form. It is within this frame of understanding that the Administration foresees good public policy being developed.

The Governor is expected to outline his healthcare plan in his 2007 State of the State Address scheduled for Tuesday, January 9<sup>th</sup>.

NAIFA-California is continuing to work with Administration representatives as a resource to them in the healthcare marketplace. Upon obtaining further details or insight into the Governor's healthcare proposal, NAIFA-California will be sure to update its members.

### **SINGLE-PAYER INITIATIVE MOVES FORWARD**

Despite the defeat of SB 840 (Kuehl) in 2006, NAIFA-California has been well aware that a single-payer proposal would resurface on the ballot in the coming years. Proponents of a single-payer system have come one step closer to making that a reality.

The Secretary of State announced in late November that the "Single-Payer Healthcare Coverage Initiative" has been cleared for signature gathering. Specifically, the initiative would establish a state agency to administer a new California Health Insurance System to provide California residents with single-payer comprehensive health care coverage, including prescription drugs. Such a system under the initiative would be funded by premiums imposed on income-earners and employers, based on specified criteria, and existing federal, state and local health care funds. The enactment of the initiative would ultimately phase out private health care plans/insurance policies for services provided by the System and would commence only after adoption of a premium structure by the Legislature and Governor and upon a determination that there will be sufficient funding.

According to the Legislative Analyst's office, if the measure was fully implemented, the costs annually could reach close to \$155 billion.

In order to qualify the measure for the ballot in 2008, proponents must collect 373,816 valid signatures by April 16, 2007.

NAIFA-California will continue to keep its members up-to-date on the progress of signature gathering for this measure.

### **DOI NAME APPROVAL REGULATIONS**

The Department of Insurance (DOI) has moved forward with revisions to the 30-year old regulations that regulate how the DOI approves or disapproves names of insurance agents and brokers and their agencies. When the proposed regulations were introduced, they included several new terms that could be disapproved by the DOI such as "elder, expert, senior and specialist." The proposal would have also allowed the DOI to disapprove the name if it improperly used words such as "broker, estate and long term care."

NAIFA-California has been actively engaged in the discussions surrounding the regulations. While the DOI revised the regulations to address a couple of NAIFA-California's concerns, problems remained that did not fully address the issues NAIFA-California has raised. Specifically, NAIFA-California asked that in drafting the updated regulations that they include provisions to make approval and disapproval of names prospective. While some changes were made and the DOI has indicated its support of this provision, the revisions that would make them prospective are not clear. Additionally, NAIFA-California argued that it was necessary to remove the remaining terms such as "advisor, investment and plan" from the list of disapproved names.

Unfortunately, the DOI has sent the regulations on to the Office of Administrative Law (OAL) without making all of the recommended changes. The OAL is charged with reviewing the regulations to ensure that they are clear, consistent, necessary and that the regulatory agency has the authority to implement them. The OAL has thirty days to review and make a recommendation on the proposed regulations. Based on this time frame and considering the various upcoming holidays, NAIFA-California expects OAL to make a decision on the regulations by the beginning of January.

NAIFA-California will continue to keep its members apprised of any decision by the OAL on these regulations or others that would further regulate the names of agents' and their companies.

***If you have any questions regarding any of the topics mentioned in this report, or others not mentioned, please contact Shari McHugh or Dawn Sanders Koepke at 916/440-0850. Thank you!***