



Legislative Update

February 2007

Senate Republicans Introduce Health Care Reform Plan – Cal CARE

In an effort to provide greater access to healthcare for Californians, Senate Republicans have released their comprehensive healthcare proposal – Cal CARE. The plan attempts to provide a balanced and realistic approach to improve consumer choice, provide better accessibility and address affordability.

The Cal CARE proposal would address the significant demand for overburdened and expensive emergency room services by expanding clinical care facilities and placing greater emphasis on preventive medicine. The plan does not include an individual mandate; rather, it would utilize tax incentives for individuals and businesses, thereby reducing financial constraints that burden both. On a more creative front, the plan provides opportunities for additional incentives such as allowing employers to offer flexible work hours should the business provide health care.

Understanding the constraints associated with the Medi-Cal program, the Republican proposal makes Medi-Cal a priority for government spending as the state looks to move Medi-Cal rates in sync with Medicare. Cal CARE also includes a component related to equality for those who purchase their own insurance and those who rely on tax dollars.

Unlike other proposals that include new taxes and fees, Cal CARE would use existing funds to pay for healthcare proposals. Specifically, it includes urging the federal government to pay the mandated healthcare costs for undocumented immigrants and asking the Legislature and voters to reallocate First Five Commission tax dollars to children's healthcare initiatives.

Coalition to Support California Healthcare Reform

A number of major stakeholders in the healthcare debate who have stifled reform efforts in the past are joining forces as part of a coalition intended to assist the Governor and Legislature in their efforts to reform the system in California. Stakeholders including labor, insurers, doctors, hospitals and more have remained largely reserved as the various healthcare reform proposals are being debated.

While these stakeholders have not agreed to support all elements of any plan that emerges from negotiations with Schwarzenegger and the Legislature, they have indicated they would support the effort to ensure access to medical care for all Californians and have overall accepted Schwarzenegger's notion of "shared responsibility" — that all participants in healthcare, including patients, insurers and businesses, must give up something.

The coalition's focus will be to counter any campaign that arises to block an overhaul of the state's healthcare system. The first of such efforts was released by a conservative small-business group last month, which aired television ads saying Schwarzenegger's healthcare plan would "throw your tax dollars away on a big government bureaucracy."

In order to join the coalition, stakeholders must be willing to negotiate in good faith and be willing to compromise on the issues. As part of the coalition membership, participants will provide some level of financial assistance that would at a minimum support the coalition's efforts to run a multimillion-dollar campaign.

Department of Insurance Offers New Online Service for Insurance Agencies

Commissioner Poizner has taken the first step in pushing the Department of Insurance (DOI) towards a paperless operating system. The DOI has announced its new Internet service for insurance agencies to add or remove insurance agents from their records. This new service streamlines the process for agencies to add or delete agents who may sell insurance, and it reduces processing time by several weeks by helping insurance agencies complete the task more accurately and efficiently online. In the past, the DOI only accepted a paper form from insurance agencies to fulfill this statutory requirement.

When utilizing the online service to add or delete agents from their license, insurance agencies will pay the appropriate transaction fee using a credit card with no applicable surcharges. Credit card transactions are encrypted and only the designated individual at the insurance agency and his or her credit card company will have access to the credit card number.

The Internet service, known as the Business Entity Endorsement and Termination Service, is now available on the DOI Web site at www.insurance.ca.gov.

2007 Day on the Hill – Register Now!

Register now to join NAIFA-California for the 2007 Day on the Hill (DOTH) Wednesday, March 7 in Sacramento. DOTH provides a unique and worthwhile opportunity to learn first hand about the events taking place at the Capitol as well as opportunities to meet with your legislators in their Capitol offices.

In addition to updates on the regulatory and legislative events taking place in Sacramento, NAIFA-California is fortunate to have a number of dynamic speakers participating at DOTH. This year NAIFA-California is proud to announce the participation of two exceptional speakers:

- Sharon Rocha, Victim & Mother of Laci Peterson
- Senator Tom McClintock (R-Thousand Oaks)
- Kathleen Webb – Director, Office of the Insurance Advisor

For more information on DOTH, please contact NAIFA-California at (916) 646-8600 or visit our website at www.naifacalifornia.org.

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!