

# **Health Care 2007**

**December 5, 2006**

**Sacramento, California**

# SUMMARY

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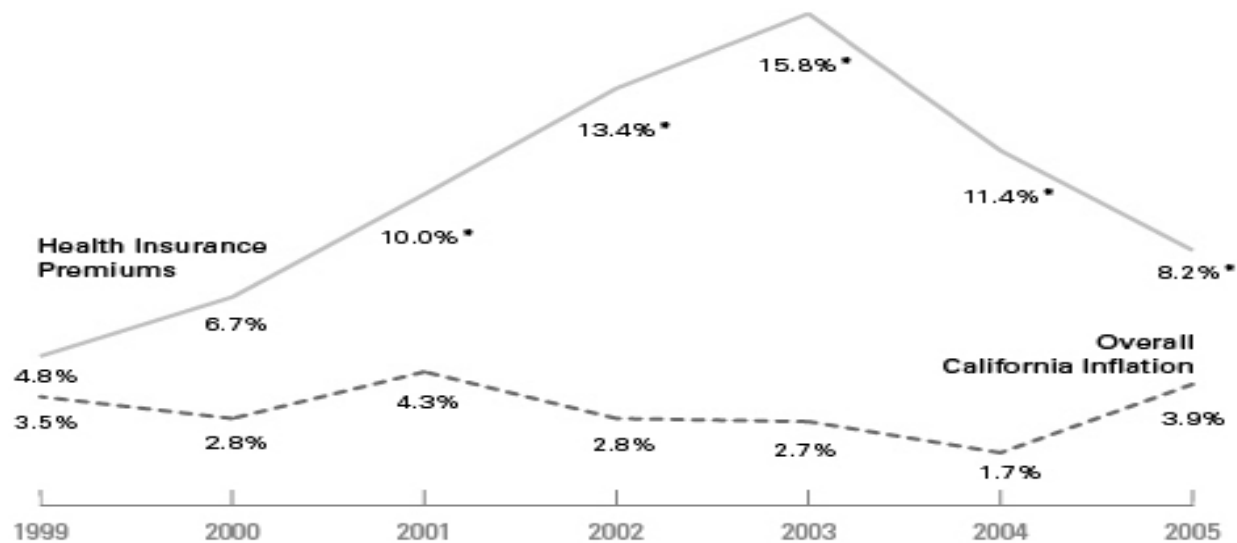
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## 2007: Prospects for health care reform

- Data and trends
- California activity
- Considerations for reform

# PREMIUM INCREASES SIGNIFICANTLY OUTSTRIP INFLATION

## Increases in Premiums Compared to Inflation, 1999 to 2005



\*Estimates are statistically different from the previous year.

Note: Data on premium increases reflect the cost of health insurance premiums for a family of four.

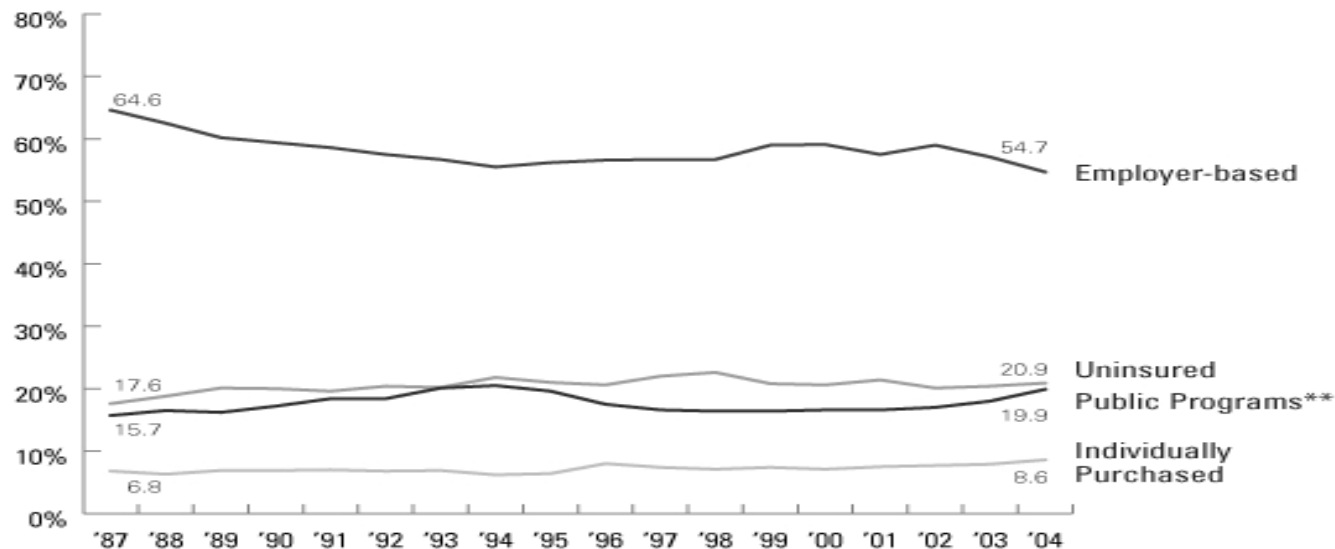
Sources: CHCF/HSC California Employer Health Benefits Survey: 2005; CHCF/HRET California Employer Health Benefits Survey: 2004; Kaiser/HRET California Employer Health Benefits Survey: 1999 to 2003; California Division of Labor Statistics and Research, Consumer Price Index, California Average of Annual Inflation (April to April) 1999 to 2005.

# EMPLOYER-BASED COVERAGE HAS STEADILY DECLINED



**Employer-based coverage has dropped from 65% in 1987 to 54.3% in 2005**

**Insurance Coverage Source Trends**  
in California, 1987–2004\*

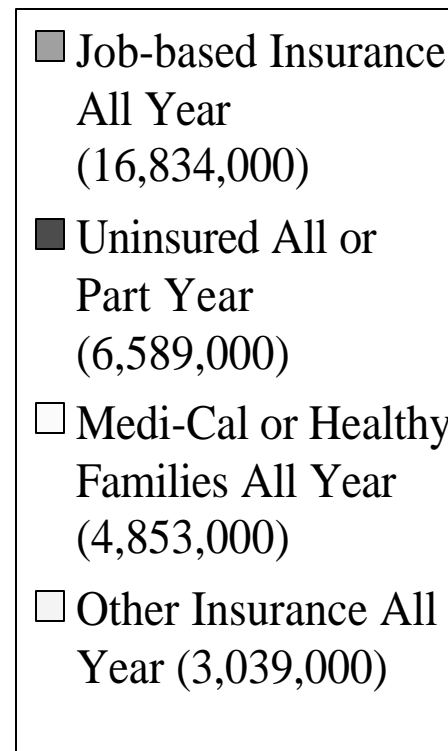
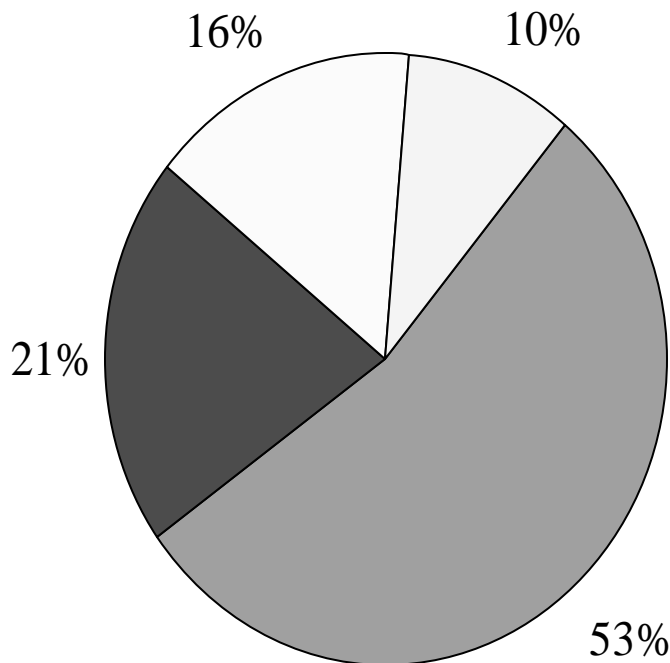


\*All numbers reflect non-elderly population, ages 0 through 64. \*\*Medi-Cal, Healthy Families, Medicare, and Tricare/CHAMPVA. Source: Employee Benefit Research Institute estimates of the Current Population Survey, March 1988 to March 2005 Supplements.

# WHO ARE THE UNINSURED?

## Health insurance coverage during the last 12 months, ages 0 to 64

Uninsured Part Year (2,876,000):	9%
Uninsured All Year (3,712,000)	12%



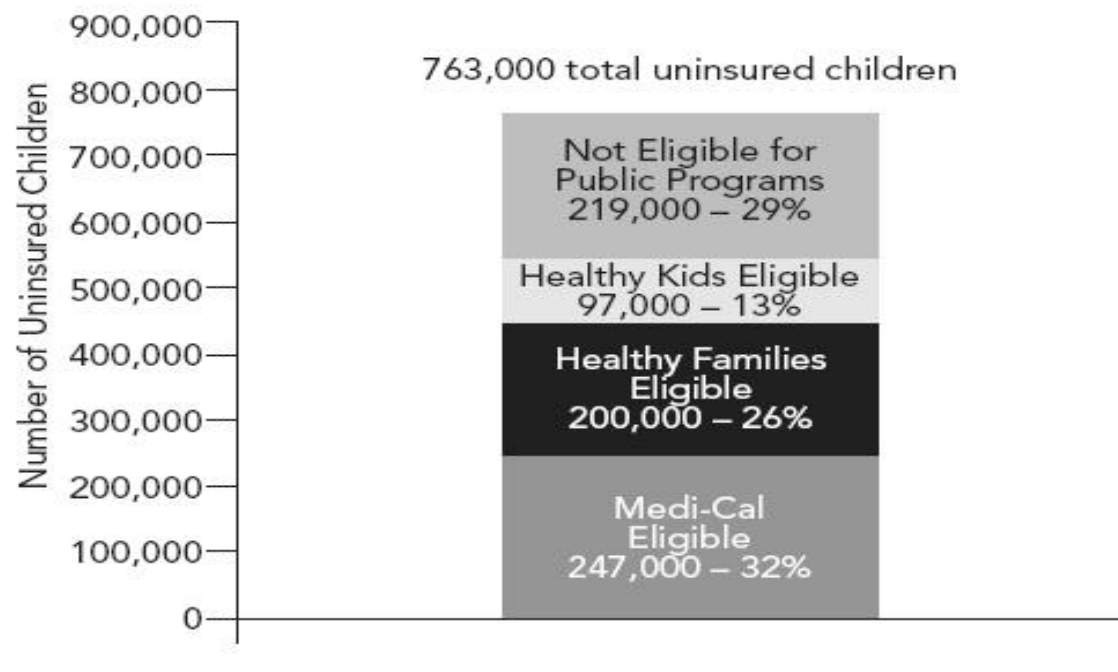
# WHO ARE THE UNINSURED? GENERALLY, NOT CHILDREN

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**In 2005, 763,000 Californian children were uninsured**

Exhibit 1. Eligibility for Public Programs Under Current Eligibility Rules Among Currently Uninsured Children, Ages 0-18, California, 2005



Source: 2005 California Health Interview Survey

# **CALIFORNIA ACTIVITY: NEAR TERM POLICY ACTION**

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- Children's Coverage Agenda
  - Protecting eligibility
  - Reestablishing outreach funding
  - Enacting enrollment and retention reforms
  - Supporting county-based CHIs
  - Expanding school-based health centers

# **CALIFORNIA ACTIVITY: NEAR TERM POLICY ACTION**

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- Affordability agenda
  - Obesity prevention and wellness
  - Prescription drug discount program
  - Opposition to new mandates
  - Medical errors and patient safety
  - Health information technology

# LONGER TERM POLICY PLANNING

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- Administration health care reform team
- Stakeholder outreach and engagement
- Policy and program development
- State of the State 2007

# CONSIDERATIONS FOR REFORM

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- Governor's Vision:
    - “A first-rate health care system that is accessible to everyone, efficient and affordable.”
  - Guiding principles:
    - Universality of coverage
    - Affordability
    - Prevention, wellness, health promotion
    - Individual responsibility
    - Joint action/shared responsibility

# CONSIDERATIONS FOR CHILDREN

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- Challenges
  - Defeat of Proposition 86
  - Structural state budget deficit
  - SCHIP funding reauthorization
- Opportunities
  - Proposition 86
  - A new year, a new environment
  - Gubernatorial leadership
  - Bipartisan commitment
  - A solvable problem

# CONSIDERATIONS FOR CALIFORNIA

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“Changes are Necessary, but what they Ought to be, what they will be, and how, and when to be produced are arduous questions.” John Jay (1787)