

Abbreviated Comparison of Key Elements of Reform Proposals

	Governor's Plan	AB 8 (Nunez/Perata)	SB 840 and SB 1014 (Kuehl)
Californians Covered	Estimated 4.1 million more Californians who are currently uninsured at some time during the year.	Estimated 3.4 million more Californians who are currently uninsured at some time during the year.	All Californians would be covered through newly created single-payer California Health Insurance System (CHIS).
Consumer Requirements	All Californians would be required to have: At least catastrophic coverage with minimal benefit level of \$5,000 deductible, out-of-pocket maximums of \$7,500 per person or \$10,000 per family.	Employees working for a firm that pays a fee instead of paying for employee health coverage must enroll in California Cooperative Health Insurance Purchasing Program (Cal-CHIPP), a newly created State purchasing pool. Those eligible for subsidized public programs would enroll in Cal-CHIPP. Premiums for employees under 300% of Federal Poverty Level (FPL) would not exceed 5% of family income.	Requires individuals to contribute a portion of income via taxes, in lieu of paying for health care premiums, co-pays, and deductibles. The first \$7,000 of income would be exempt.
Employer Requirements	Employers with 10 or more employees that choose not to offer coverage contribute 4% of payroll toward cost of employees' coverage through a purchasing pool. All employers must establish Section 125 plans to tax shelter employer and employee health insurance contributions.	Employers required to pay 7.5% of Social Security wages for employee health care expenditures OR pay an equivalent amount into a trust fund to allow employees to access coverage through Cal-CHIPP. All employers must establish Section 125 plans to tax shelter employer and employee health insurance contributions.	Would require employers to contribute via an 8.17% increase in payroll tax of employee's income over \$7,000 and under \$200,000. Contribution would be made in lieu of paying premiums.
Provider Requirements	Hospitals required to spend 85% of revenues on patient care. Physicians pay 2% fee on revenues; hospitals pay 4% fee on revenues.	None stated.	None stated.
Support for Low-Income People and Public Program Expansion	Healthy Families expansion for children in families with incomes up to 300% FPL, regardless of immigration status. Medi-Cal expansion for all legal residents up to 100% FPL. Individual/family contribution towards premium for coverage obtained through the purchasing pool is linked to gross income—between 3-5% for annual incomes ranging (for family of four) between \$20,650 and \$51,625.	Expands Healthy Families for children in families with incomes between 133-300% FPL, regardless of immigration status, pending the appropriation of state funds. Expands Medi-Cal to parents and children ages 5-18 living at or below 133% FPL. Expands Healthy Families coverage to parents with incomes between 133-300% FPL, pending federal approval and pending appropriation of state funds.	Aims to consolidate funding for existing programs into newly created Universal Healthcare Fund, under CHIS. All Californians receive coverage under CHIS, regardless of income.
Impact on Small Employers	Employers with fewer than 10 employees are exempt from employer requirement.	No exemption from minimum spending requirement based on employer size (except for the self-employed).	Not applicable.
Insurance Market Requirements Guaranteed Issue and Rating Reforms	Health plans must guarantee coverage to all Californians. Premiums may vary based only on age and geography (not health status conditions.) Health plans must spend 85% of premiums on patient care.	By 2011, health plans must guarantee coverage to all Californians without serious medical conditions. Premiums may vary based only on age and geography (not health status conditions.) Individuals with specified serious medical conditions would be eligible for a high risk pool which would be funded by an assessment on health plans. Requires a standardized individual application for and simplifies medical underwriting. Health plans must spend 85% of premiums on patient care.	The California Health Insurance System becomes the primary policy for all Californians. Insurers may sell supplemental policies.
Insurance Market Requirements Connector/ Purchasing Pool	A purchasing pool administered by MRMIB would establish a subsidized benefit package, administer premium subsidies, incorporate a "Health Actions Incentive/Rewards Program" and offer non-subsidized products, such as dental and vision. Participants in the purchasing pool would be required to pay between 3-6% of gross income to obtain coverage.	Establishes California Cooperative Health Insurance Purchasing Program (Cal-CHIPP) to be administered by MRMIB to negotiate and purchase health insurance for eligible enrollees. Cal-CHIPP will offer at least three uniform benefit packages that will also be offered by insurers in the private market.	All Californians receive coverage under CHIS.
Financing Sources and Cost Estimates	Total \$12 billion cost estimate to be financed through: <ul style="list-style-type: none"> • Employer contributions • Employee and individual contributions • Federal funds • Redirection of safety net funds • Physician and hospital fees 	Total \$8.3 billion (may change with amendments) to be financed through <ul style="list-style-type: none"> • Employer contributions • Employee contributions • State funds • Federal fund 	Creates the CHIS to develop a premium structure to fund the system. <ul style="list-style-type: none"> • Legislation relies on an estimated \$29 billion in administrative and other savings that are used to fund expanded coverage under CHIS. • Individual contributions. • Employer contributions.