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California Health Reform Timeline

California Working Families Policy Summit January 12, 2011

This timeline includes the overall history of health policy and health reform efforts in California, and specific victories and progress in the effort.

- 1987 Gov. Deukmejian signs legislation that penalizes patient dumping, and also funds physicians who provide emergency care to the uninsured (the Maddy Fund).**
- 1987-91** Numerous measures on expanding access discussed, many authored by Assemblyman Burt Margolin, including employer “pay or play,” “BabyCal,” and “KidCal”. Task Force out of AB 350 (Brown/Maddy) recommends an employer mandate. A version of Insurance Commissioner Garamendi’s “managed competition” plan passes, but is vetoed by Governor Wilson.
- 1992** Legislative proposals, including SB308 (Petris), a single-payer proposal, and “KidCal” (Margolin), stall.
- Progress made:**
- **California expands coverage for pregnant women to twice the poverty level.**
 - **Small group underwriting reforms (Margolin) pass: purchasing pool, guaranteed issue and modified community rating.**
- Prop. 166, an employer mandate supported by California Medical Association, and opposed broadly, fails with 32%.
- 1993** President Clinton sworn in. Clinton health plan debated.
- 1994** Clinton health plan fails in Congress. Prop. 186, a single-payer initiative in California fails with 27%. Democrats also lose Congress. Anti-immigrant Prop. 187 passes.
- As Blue Cross of California converts from nonprofit to for-profit, state regulators and advocates work to protect charitable assets. Two conversion foundations are created.**
- 1995** Gov. Wilson proposes elimination of most state-funded services for undocumented immigrants.
- 1996** Prop. 214 and Prop. 216, HMO reforms supported by consumer groups and opposed by insurers, fail with 42% and 39%.
- 1997 State Child Health Insurance Program (SCHIP) passes. California creates Healthy Families (Villaraigosa).**
- Gov. Pete Wilson proposes HMO reform task force, vetoes all HMO reform bills.
- 1998** Attempts to override Wilson’s vetoes of HMO reform bills fail. **H R E F O R M T I M E L I N E**
- 1999 Newly-elected Gov. Gray Davis signs 21-bill HMO reform package, many bills sponsored by Health Access California. Creates Department of Managed Health Care, independent medical review, HMO liability, etc.**
- 2000-01** New efforts to streamline Medi-Cal and Healthy Families. First measure to prevent hospital overcharging of the uninsured is introduced. Health Care Options Project (Solis) re-starts reform debate.
- 2002-03 Efforts to expand HMO Patient Bill of Rights continues with the passage of:**
- **SM 842 (Speier) sets standards for drug coverage.**
 - **AB 2179 (Cohn): timely access to care.**
 - **SB 853 (Escutia) requires language access.**

Facing \$38 billion budget deficit, Gov. Davis proposes massive health care cuts. Most rejected.

2003 Medicare Modernization Act creates Medicare Part D and expands Health Savings Accounts. **Employer coverage expansion SB 2 (Burton) passes, signed by Gov. Davis. Supported by Cal. Labor Federation, CMA, Health Access and others.**

California recall elects Governor Arnold Schwarzenegger

2004 Prop. 72, referendum on SB 2 and its expansion of employer coverage, was opposed by the Chamber of Commerce & CA Restaurant Association. Prop 72 got 49.2%, and SB 2 is repealed.

2005 Gov. Schwarzenegger holds special election with several proposals, all of which fail by large margin, including Prop. 76 spending cap. AB772 (Chan), universal children's coverage, is vetoed by Gov. Schwarzenegger.

Bill to require disclosure of rate hikes and coverage denials, AB 356(Chan), signed into law. (Would later expose a 39% Anthem Blue Cross rate hike which gave momentum to federal health reform.)

Consumer groups sponsor Prop. 79, to win drug discounts. PhRMA opposes with \$80 million, and sponsors competing Prop. 78. Both fail 39% and 42%.

2006 Major victories:

- **AB 2911 (Nuñez/Perata), to provide drug discounts for the uninsured and underinsured, signed by Gov. Schwarzenegger.**
- **AB 772 (Chan), is first-in-nation protections to prevent hospitals from overcharging the uninsured, signed into law.**
- SF Supervisor Tom Ammiano pursues local reform; Mayor Gavin Newsom creates task force, both leading to **unanimous passage of Healthy San Francisco.**
- **SF 840 (Kuehl) universal single-payer bill (latest iteration from SB 921 in 2003), passed full legislature for first time.** Gov. Schwarzenegger vetoed.

Prop. 86, a tobacco tax to fund emergency rooms and children's coverage, fails with 48.2%.

2007-08 Gov. Schwarzenegger proposes new health reform package. ABx1 (Nuñez/Schwarzenegger), a comprehensive health reform proposal, stalls in Senate Health Committee in January 2008.

Major budget crisis re-emerges. Major cuts made, threatened.

2008-10 Barack Obama elected President, with mandate on health reform. Quickly passes extension of SCHIP, other key health measures.

2009 Dramatic recession worsens massive budget deficit. California undertakes massive cuts, including elimination of Medi-Cal dental, vision, psychology, and other benefits; budget also eliminates state funding for clinics. Federal stimulus dollars prevent additional cuts.

2010 After a year-and-a-half effort, **President Obama signs historic federal health law—supported by all California Democrats, under the leadership of key California Congressional leaders.**

California takes lead in implementing and improving upon the federal law, enacting nine bills, including:

- First-in-nation bills, **AB 1602/SB 900, to implement a health insurance exchange** post-reform
- **AB 2244 (Feuer) to ensure access to coverage for children with pre-existing conditions**
- **Rate review, SB 1163 (Leno),** requiring insurers to file justifications for their rate increases
- A new Medicaid waiver that includes an **early expansion of Medicaid** through counties for adults under the poverty level.

Another measure AB1503 (Lieu) places limits on what doctors can charge uninsured patients.

Governor Jerry Brown elected.

2011 Continued efforts to address budget crisis, and fulfill the promise of the new federal health law.