

Nunez unveils business health insurance plan

by *InsideBayArea.com*

Funding would be an issue, say critics of universal proposal

Momentum for sweeping health care reform in California continued to grow Thursday as a powerful Democratic leader proposed forcing businesses to cover their employees and extending health insurance to all children.

The plan by Assembly Speaker Fabian Nunez, D-Los Angeles, will likely be a starting point for negotiations with Republican Gov. Arnold Schwarzenegger in what is expected to be the dominant policy debate in Sacramento next year.

Schwarzenegger has declared 2007 the "year of health care" and will unveil in a few weeks his own reform agenda to fix what he calls a "broken system."

"I feel very confident, extremely confident," Nunez said, "that we will have in 2007 a health care reform package that Californians can be proud of."

Nunez's announcement comes on the heels of last week's similar proposal by Senate Democratic leader Don Perata of Oakland. With the two legislative leaders and Schwarzenegger all focused on health care and pledging to cooperate on a solution, the likelihood of reforming a system that leaves about 6.6 million Californians uninsured appears greater than it's been in years.

Still, health care reform is complicated, expensive and controversial. Nunez offered few specifics about how much his plan would cost and precisely where the money would come from, beyond some contribution from employers, saying those details would be provided after health experts evaluate his ideas. Schwarzenegger has ruled out a tax increase.

"Ultimately when the end game occurs, they're going to have to face the funding issue, and coverage isn't cheap," said Tom Epstein, vice president of public affairs for Blue Shield of California. "If they're going to significantly expand coverage, they're going to have to find the money to pay for it." California's last attempt to vastly expand health insurance was overturned at the ballot box in 2004, after business groups teamed up with Schwarzenegger against it.

Nunez and Perata pick up largely where that defeated plan left off. Both Democrats endorse a so-called employer mandate, forcing businesses to provide health insurance to their employees or else pay a percentage of their payroll into a state insurance pool that would provide coverage. They also call on workers to pay a yet-unspecified share of their health premiums, and Perata would require employees to show proof of health insurance on their state tax returns.

Business groups are almost certain to oppose a health insurance mandate.

"We feel employer mandates have a disproportionate impact on small businesses," Lara Diaz Dunbar, a senior vice president at the California Restaurant Association, said in a recent interview. The association spent more than \$5 million to overturn Senate Bill 2, the 2003 health reform measure that included an employer mandate.

Nunez said insuring all children will be a top priority in the health care negotiations. An attempt to cover the estimated 800,000 kids who lack insurance stalled earlier this year when Schwarzenegger balked at the \$300 million price tag. Nunez believes children of undocumented parents should be covered as well.

"You cannot have health care reform and call it reform," Nunez said, "if each and every child in the state of California is not covered."

Republican lawmakers are vehemently opposed to providing health care to illegal immigrants, but they do not have enough votes in either house to derail Democratic legislation.

Nunez would also attempt to rein in spiraling health care costs, which have caused double-digit premium increases in recent years. He would require that private insurers provide a "reasonable" minimum benefit package that includes coverage for preventive care — an effort to reduce costs of treating more advanced illnesses.

Nunez also endorsed an expansion of electronic medical records, which would allow health providers to access a patient's records over the Internet. Proponents say the system could avoid costly duplication of tests and procedures, and reduce medical errors.

Schwarzenegger is expected to roll out his health care ideas with a series of announcements in January. The governor, who had breakfast with Nunez and their wives hours before the Assembly speaker made his

announcement Thursday, has raised expectations about a notoriously difficult issue.

"With the same bipartisan spirit we worked in last year," Schwarzenegger said in a statement, "I know that meaningful health care reform can be achieved."

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