

are we getting closer to a  
solution?

# uninsured — that's un-American

- leaving 47 million without healthcare coverage is an affront to our democratic values of liberty and equity
- but consensus may be emerging on a uniquely American solution
  - public/private
  - shared responsibility
  - universal

# dipping a toe in the water

## Massachusetts

- Expanded public programs
- Individual mandate
- Small fee for employers who do not provide insurance

## California

- Similar to Massachusetts
- Shared responsibility model

Incremental support in some states through expanding public programs but without universal coverage

- Indiana
- Wisconsin
- Tennessee

# california pre-schwarzenegger

**in 2002, blue shield proposes universal coverage,  
universal responsibility**

- individual mandate
- employer pay-or-play
- subsidies for low-income
- guarantee issue

# california's reform effort

- the schwarzenegger/democratic plan:
  - individual mandate, with affordability exemption
  - employer pay-or-play fee up of 1% to 6.5%
  - tax credits for low-income purchasers
  - guarantee issue
  - increase Medi-Cal reimbursement
  - 4% fee on hospitals
  - cigarette tax increase

# california's reform effort

- despite six of the seven largest health plans in CA supporting the legislation, as well as California Medical Association, AARP and others...
- mounting budget deficit and lack of interest group consensus defeated the bill

# our past industry role

- in '94, industry efforts efficiently killed the Clinton plan (remember the "harry and louise" ads?)



# our future industry role

- if a federal universal coverage proposal is introduced, how can the president and congress attract health plan support?
  - respect the industry's economics
  - understand the competitive dynamic
  - think through the transition
  - rely on our expertise
  - demand shared responsibility
  - stop demonizing health plans

# conclusion

- recent experience provides lessons not only for policy leaders but for health plans as well
- if we want a seat at the table as our future is being shaped, we need to exhibit a willingness to embrace change and a commitment to look out for the public interest
- if we extend a hand of cooperation, odds are good that it will be grasped

*remember, the next administration  
and congress may move on without us!*