



*A collaborative effort of Children Now,
Children's Defense Fund, and The Children's Partnership*

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2006 Children's Coverage Recommendations and Legislative Strategy

CALIFORNIA WORKING FAMILIES POLICY SUMMIT DECEMBER 1, 2005

2006 is the year to complete the job of insuring all children in California. To that end, the 100% Campaign will continue its work to bring forward a plan for affordable, comprehensive health insurance for all California children, working in the legislative and administrative arenas as well as by taking the issue before the voters through a proposed ballot initiative.

SB 437 (ESCUTIA)

The 100% Campaign will continue to work with all interested parties on our common goal of covering all kids -- including both the Schwarzenegger Administration and legislative leaders who have pressed so hard to get coverage for all kids. Senator Escutia's SB 437, a twin bill to the vetoed AB 772 (Chan), is on the inactive file on the Assembly Floor for consideration in 2006. With SB 437 as the vehicle, we will continue to work on a legislative strategy that is consistent with and supportive of our initiative.

THE TOBACCO TAX, DISEASE PREVENTION AND CHILDREN'S HEALTH INSURANCE ACT

The biggest obstacle to providing health coverage for all children in California has been the cost. Governor Schwarzenegger cited funding concerns in his October veto messages on AB 772 and AB 1199, the 100% Campaign/PICO sponsored health insurance bills that went to his desk this year. Although the bill had a modest start-up cost, finding sufficient funds to pay for coverage in the out years is clearly difficult in the current state budget environment. The ballot initiative, co-sponsored with leading California health organizations, provides a mechanism to secure the dollars needed to cover all California children.

In October, Children Now, PICO California, and The Children's Partnership joined six other organizations in filing an initiative to appear on the November 2006 state ballot.

The Tobacco Tax, Disease Prevention and Children's Health Insurance Act would raise the state cigarette tax by \$1.50/pack. Proceeds from the initiative would provide funding so that every child in California can receive affordable health care insurance. In addition, funds would be used to strengthen and expand existing tobacco prevention efforts, and disease prevention, treatment and research programs, such as those for heart disease and stroke, cancer and lung disease.

Summary of the Initiative

The initiative will increase California's tobacco tax by \$1.50/pack to fund a number of health-related projects and programs, including increasing access to affordable health insurance for all California children. The initiative is expected to raise an estimated \$350 million annually for children's health insurance.

The Children's Health Insurance section of the initiative will:

- Make all children in families with incomes at or below 300 percent of the federal poverty level, and who currently are not eligible for Medi-Cal or Healthy Families, eligible for Healthy Families.
- Simplify and streamline the application, enrollment and renewal processes for all children in Medi-Cal and Healthy Families and make the programs operate as one.
- Establish the Healthy Kids Oversight and Accountability Commission to guide the implementation of the Act and ensure that taxpayer dollars are spent effectively.

Key Differences between the Initiative and the Legislation

The California Healthy Kids initiative language sets out a broad roadmap for reform and does not include the level of policy detail of AB 772 and SB 437. The Healthy Kids Oversight and Accountability Commission, comprised of representatives from various sectors of the community, is charged with working to develop more detailed policies in collaboration with DHS and MRMIB.

One key policy difference between the initiative and the legislation is that all newly eligible children will be enrolled in Healthy Families – unlike in SB 437, in which newly eligible children are enrolled in Healthy Families or Medi-Cal, depending on their income. We believe this approach strikes the delicate balance between ensuring affordable, comprehensive coverage for children in California while defining the expansion to fit the available funding.