

**Introduced by Senator Steinberg**

December 4, 2006

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An act to relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

SB 32, as introduced, Steinberg. Health care coverage: children.

Existing law creates the Healthy Families Program that is administered by the Managed Risk Medical Insurance Board and also establishes the Medi-Cal program that is administered by the State Department of Health Care Services and county welfare agencies. Under existing law, the Healthy Families Program arranges health care coverage for children whose household income is at or below 200% of the federal poverty level (FPL) and who meet other criteria. Existing law also creates the County Health Initiative Matching Fund where specified funds are deposited and administered by the Managed Risk Medical Insurance Board. Under existing law, an applicant, including a local initiative, may submit a proposal to the board for funding to provide health care coverage to persons who meet certain income and citizenship and immigration status requirements.

This bill would express the Legislature's findings concerning the importance of providing health care coverage to all children in the state. The bill would also declare the Legislature's intent to allow all children living in California whose family income is under 300% of the federal poverty level access to affordable, comprehensive health coverage, to improve and modernize the process of enrolling children in coverage and maintaining their enrollment, to provide sustainable financing for children's health care coverage, and to ensure interim coverage for children currently receiving health care coverage through local Children's Health Initiatives.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. (a) The Legislature finds and declares the  
2 following:  
3 (1) Investing in comprehensive health care coverage for children  
4 is cost effective because children with coverage are healthier, are  
5 at less risk of suffering from preventable illnesses, and are better  
6 able to access needed health care services.  
7 (2) Health care coverage helps children reach their potential in  
8 school. Children with this coverage experience a 25 percent  
9 improvement in health and a 63 percent improvement in “paying  
10 attention in class” and “keeping up with school activities.”  
11 (3) Although approximately nine of every 10 children in  
12 California have health care coverage, according to data in 2005  
13 from the Center for Health Policy Research at the University of  
14 California at Los Angeles, approximately 763,000 children in the  
15 state are currently without coverage. Of these, almost 60 percent  
16 are eligible for either the healthy Families Program or the Medi-Cal  
17 program.  
18 (4) The goal of providing all children with health care coverage  
19 through California’s two statewide programs is achievable now.  
20 With less than 10 percent of all children being without coverage,  
21 the state is almost there. Employer-based health care coverage,  
22 which now covers 50 percent of children in California, and public  
23 programs, which now cover 30 percent of children in this state,  
24 serve as strong building blocks on which to provide coverage for  
25 all children in the state.  
26 (5) Local Children’s Health Initiatives (CHIs) have provided  
27 health care coverage to more than 86,000 children who are without  
28 coverage and who are not eligible for state health care coverage  
29 programs. A statewide system is required to provide sustainable  
30 funding to ensure that all children in California have access to  
31 health care coverage. Local CHIs provide successful models for  
32 a statewide system to cover all children, but they do not have  
33 long-term financial sustainability. Furthermore, there are nearly  
34 12,000 children on waiting lists for these local CHIs. If California

1 does not act quickly to provide a statewide solution for children's  
2 health care coverage, children will lose that benefit.

3 (b) It is the intent of the Legislature to take the following actions:

4 (1) Allow all children, from birth to 18 years of age living in  
5 California in families with a gross annual income up to 300 percent  
6 of the federal poverty level, access to affordable, comprehensive  
7 health care coverage.

8 (2) Build upon the successful aspects of California's publicly  
9 funded state health care coverage programs, the Healthy Families  
10 Program and the Medi-Cal program, and improve their operations  
11 to enroll all eligible children in those programs, including  
12 modernizing and simplifying the processes of enrolling children  
13 in coverage and maintaining their enrollment.

14 (3) Create a statewide health care coverage system that builds  
15 upon the lessons and successes of local CHIs.

16 (4) Promote voluntary opportunities to strengthen employer  
17 participation in providing health care coverage for an employee's  
18 dependents.

19 (5) Provide temporary, interim assistance to support coverage  
20 for children currently enrolled in local CHIs while the statewide  
21 programs are fully implemented.

22 (6) Ensure sustainable financing that supports the statewide  
23 programs over the long term, including maximizing federal funding  
24 for those programs.

25 (7) Promote opportunities for children to access services under  
26 their health care coverage.

27 (8) Ensure a strong safety net as a vital component of access to  
28 care.

29 (9) Do no harm as these reforms are implemented.