

Gov. Jerry Brown's administration wants health care change, with or without federal law

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By David Siders and Kevin Yamamura
dsiders@sacbee.com

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Gov. Jerry Brown's administration vowed Thursday to continue pushing forward elements of the federal health care overhaul in California, even if the U.S. Supreme Court strikes it down.

If the court does rule the federal law unconstitutional, state Health and Human Services Secretary Diana Dooley said California should at least consider enacting its own universal health care legislation, including requiring every Californian to buy insurance.

"I think that we should be committed to making this system more rational than it is today, and improving the health of the people of California," Dooley said in an interview. "If we ask the insurance plans to take everybody and insure everybody with no screens or pre-existing conditions, then we have to have everybody buying some level of health insurance to meet their responsibility to the system."

She said whether the administration sponsors such legislation would depend on "where we are and what the conditions are at that particular time."

Dooley's remarks came a day after the Supreme Court finished three days of oral arguments over President Barack Obama's signature health care law.

At issue is whether Congress can require people to buy insurance and, separately, whether lawmakers overstepped in pressuring states to expand Medicaid coverage.

In 2010, California, amid urging from the White House, became the first state in the nation to enact legislation establishing a public health insurance marketplace to implement the Affordable Care Act.

The insurance exchange is expected to serve more than 2 million Californians beginning in 2014, many of them now uninsured residents who do not qualify for existing public health care or cannot afford coverage on the open market.

Through Medi-Cal, the state's version of Medicaid, California provides coverage for nearly 8 million low-income residents, including children and their parents, disabled individuals and the elderly. A separate program, Healthy Families, serves 878,000 children up to age 19 whose families earn too much to qualify for Medi-Cal.

Under the federal health care overhaul, the federal government would cover most costs for new enrollees such as single adults and parents who cannot qualify for Medi-Cal. From 2014 to 2019, California could receive \$45 billion to \$55 billion from the federal government, while the state would contribute an additional \$3 billion to \$6.5 billion, according to the Kaiser Commission on Medicaid and the Uninsured.

"Just from her (Dooley's) point of view, from the agency she manages, it's an infusion of literally billions of dollars into our health care system and our economy that is pending here," said Anthony Wright, executive director of Health Access California, an advocacy group.

Wright said an insurance exchange without federal subsidies "could still provide an easy, consumer-friendly marketplace that doesn't exist now in a very complex and confusing world."

But compared to the promise of the federal health care law, he said, "it won't be the same thing."

He said "there are some portions of the reforms that we can go forward with" but that "the key thing is money."

The California health exchange would bring together private insurers to serve new health care enrollees, subsidized by those federal and state dollars.

But it is difficult to know how any part of the program will fare until the Supreme Court reaches a decision, expected by the end of June.

If the high court strikes down the mandate that everyone carry health insurance, it is unknown how successfully the exchange can operate. Insurers were counting on the

mandate to ensure they could afford to cover high-risk individuals who have health conditions and deliver health care at an affordable price.

"We're all on pins and needles on the Supreme Court stuff," said Robert Ross, a health exchange board member and president and CEO of the California Endowment, a health care foundation. "We still have 7 million uninsured in the state, and we still have out-of-control health care costs."

Ross said federal funding is "the wild card in all of this."

The idea of creating a universal health care system in California has percolated for decades. In 2003, Gov. Gray Davis, a Democrat, signed legislation that would have required employers of more than 50 people to provide their workers with health insurance or pay a fee. The following year, voters repealed the measure in a referendum.

More recently, legislation to create a universal health care system stalled in the state Senate earlier this year. Opponents objected to the cost and to the bureaucracy such a system would require.

Following oral arguments this week, many court observers have concluded justices could strike down all or part of the current federal law.

If the law is unraveled, it is unclear whether the state could maintain some provisions already in effect, including not allowing most insurers to deny coverage to children because of pre-existing conditions and allowing people up to age 26 to remain on their parents' policies.

Dooley said she thinks there is a "very good chance" the Supreme Court will rule in the government's favor. If not, she said, it may leave certain federal subsidies in place.

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