

The Big Finish

The health reform debate has been one of the most politically charged that this country has seen in recent memory. In that environment, it can be difficult to separate facts from fear-mongering. Unfortunately, the same people who opposed health reform and peddled sensational and false accusations, like “death panels,” are at it again. This time they are attacking bills on Governor Arnold Schwarzenegger’s desk that will help guarantee Californians good, affordable health care.

Now, only six months after the federal law was enacted, the governor has the chance to analyze the facts, set aside the myths, and put California in the forefront of all states on health reform. Doing so would allow him to end abusive insurance industry practices while securing for himself a legacy as a health reformer — a distinction he has worked hard to earn.

The governor’s action is critical. Without these bills, California won’t have the full authority that the state needs to enforce many provisions of federal law.

Two bills will make sure young Californians can get the coverage they need. One requires insurers to allow young people to stay on their parents’ health plan until age 26 — meaning that college graduation is no longer a reason that health insurance is lost. Another bill prevents insurers from turning away children under 19 simply because they are sick.

Four different bills stop abuse by insurers and make public many of the practices they have deemed “trade secrets” and kept from public scrutiny. For example, insurers could be fined in certain cases for hiding behind paperwork errors as the reason for canceling the coverage. Californians will no longer have to fear that their health insurance company will abandon them just when they need their coverage to deal with a life-threatening illness. No more guessing about the meaning of fine print on an insurance policy, either, because another bill requires that the language be clearer than today. And insurers, like WellPoint’s Anthem Blue Cross, will be held accountable up front for rate increases.

Other bills will make sure that people get the benefits they need and deserve. Women will no longer have to wonder if childbirth is covered. Most health plans would have to cover mental health treatment, and cost-sharing would be eliminated for procedures like immunizations and mammograms.

The most critical issue for Schwarzenegger’s consideration comes in a pair of bills that create the California health insurance exchange. Through the exchange, small businesses and families could come together to buy insurance using the purchasing power now reserved for large companies like Safeway and Intel. By definition, the exchange will be an open, accountable public entity — a fundamental change in a world dominated by private insurers that make life-and-death decisions behind closed doors.

When it takes effect in 2014, the exchange will ensure that consumers have more choices than they have today. Indeed, self-employed Californians face tremendous barriers in finding an insurance product that they can purchase today. More than that, federal subsidies only available through the exchange will constitute a major tax break to families who had been paying the full cost of their insurance on the individual market. Finally, the

state will bear little, if any, of the cost of operating the exchange since federal law provides support for administrative costs.

The exchange means that in a time of a deep economic struggle, California's families and businesses will no longer be burdened by the fear and anxiety of knowing they are only one paycheck away from losing their health care.

Defenders of the status quo want the governor to veto all these bills. Some care less about helping Californians get access to the affordable coverage they need than they care about scoring political points in Washington. They are eager for a veto that could be used as a symbol that health reform is on the wrong track, thereby handing President Obama a defeat on his signature effort.

To the benefit of all Californians, the legislature has acted decisively this year to build on the new federal law and move forward with new consumer protections. This is Governor Schwarzenegger's chance to stage a climactic finish to his term and be remembered for providing Californians with a framework for health security for decades to come.

Peter Harbage was an Assistant Secretary for Health to California Governor Grey Davis and is currently the head of Harbage Consulting, a national health policy consultancy.