



# LEAGUE OF WOMEN VOTERS OF CALIFORNIA

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January 10, 2008

The Honorable Sheila Kuehl  
Chair, Health Committee  
California State Senate  
P.O. Box 942848  
Sacramento, CA 94248-0001

**Re: ABX1 1 (Núñez)--Oppose**

Dear Senator Kuehl:

The League of Women Voters of California opposes ABX1 1 (Núñez), as amended and passed by the Assembly on December 17, 2007. In general, the legislation has not addressed the concerns we previously expressed to Speaker Núñez, and has in fact been weakened in this current version. ABX1 1 still fails to meet the goal of universal, affordable, and comprehensive coverage for all Californians. Health care is too important an issue to pass reform legislation while it still needs improvement and development.

Our two main concerns are the erosion of already inadequate cost controls and the individual mandate.

First, cost control measures have not been improved in this version of the bill.

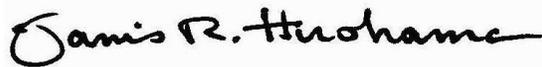
- The provisions in the bill which are described as cost control measures for the total system will likely do more to improve quality of care than to control costs.
- Except for public programs, there still are no controls on the total costs for premiums and out-of-pocket expenditures for individuals. Provisions to increase affordability still rely on reduced coverage.
- Tax credits, which only apply to a limited number in the individual market (not to anyone with employer-provided coverage), are very complex and will be difficult to administer, given that many to whom they apply may have income variations within a given year which affect eligibility.
- While employers' costs are capped, there are no limits placed on costs borne by employees. However, they are required to accept coverage if offered by the employer, no matter how unaffordable.

Second, we continue to oppose the individual mandate because it still contains the flaws that impose an onerous burden on many Californians. It has not been modified to control costs, except by exempting individuals who then become uninsured. It still does not ensure comprehensive coverage as the requirement for “minimum creditable coverage” (which is to be defined by regulation, not statute). In addition, qualification for exemption in the current version does not include out-of-pocket costs. Since minimum-coverage policies inevitably include high out-of-pocket costs, individuals and families are left in a worse position than if they had no coverage.

Many Californians will be harmed by passage of this legislation. As the California Budget Project reports in “Making Ends Meet: How Much Does It Cost to Raise a Family in California?”, measuring affordability in terms of the federal poverty line does not take into consideration California’s high cost of living, including the cost of child care, in determining a family’s basic needs. Health care premiums and out-of-pocket costs compete with basic living costs. Many families are hard pressed to balance health care costs with their rent or mortgage payments, child care, food, transportation and unexpected expenses. Many Californians forced under an individual mandate to obtain high-deductible insurance will postpone needed health care because they will not be able to pay the out-of-pocket costs. This will cost more in the long run because untreated conditions will worsen over time.

The League of Women Voters of California urges you to fully consider the unintended outcomes of this health care reform proposal. We ask you to continue to work for reasonable and affordable health care legislation for all Californians in the coming year, and we urge your committee to reject ABX1 1.

Sincerely,

A handwritten signature in black ink that reads "Janis R. Hirohama". The signature is written in a cursive style with a large initial "J".

Janis R. Hirohama  
President

cc: Members, Senate Health Committee