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EXPANDING HEALTH COVERAGE TO WORKING FAMILIES: HOW DO THE MAJOR PROPOSALS COMPARE?

Medi-Cal and the Healthy Families Program (HFP) are the state's two main providers of public health care coverage to low income families. While these programs cover approximately 3.6 million low income children and parents, about seven million Californians, including two million low income children and parents – primarily in working families – lack health coverage. The lack of public coverage for low income families is primarily due to complex eligibility requirements, complicated application procedures, and restrictions on eligibility for working poor families.

To address this issue, a number of legislators and the Legislative Analyst's Office (LAO) have introduced proposals to consolidate existing programs and to simplify and expand eligibility. The Assembly approved a three-bill package (AB 43, Villaraigosa, AB 93, Cedillo, and AB 1015, Gallegos) on June 2. On the same day, the LAO released its proposal, *A Model for Health Coverage of Low-Income Families*. SB 780 (Burton), SB 106 (Polanco), and SB 87 (Escutia), which address Medi-Cal eligibility and application procedures, passed out of the Senate the same week.

The attached charts outline these proposals and compare existing programs. Table 1 compares the major features of the LAO, Assembly, and Senate proposals. Table 2 outlines programs that are currently available to low income Californians. Major differences between the current expansion proposals are as follows:

- The LAO's proposal provides coverage to parents and children in families with incomes up to 250 percent of the Federal Poverty Level (FPL). The Assembly package extends coverage to parents and children in families with incomes up to 300 percent of FPL. (The Senate bills do not address income eligibility).
- The LAO's proposal combines Medi-Cal and HFP into a single family coverage program; the Assembly proposal draws on both Medi-Cal and HFP and moves some eligibility groups from Medi-Cal to HFP; it also makes children enrolled in Food Stamp, WIC, Head Start, or School Lunch programs eligible for HFP. The Senate bills both simplify and streamline Medi-Cal eligibility and application procedures.
- The LAO's proposal allows for copayment increases, benefit restrictions, and an enrollment cap in order to keep spending within budget limits. It also allows sliding scale premiums.
- The LAO proposal costs an estimated \$188 - \$385 million per year, while the Assembly package costs an estimated \$250 - \$500 million per year. The costs of SB 780 are expected to be offset by administrative savings; SB 87 and SB 106 are expected to have minimal costs.