



LEAGUE OF WOMEN VOTERS OF CALIFORNIA

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November 18, 2007

The Honorable Fabian Núñez
Speaker, California State Assembly
P.O. Box 942849
Sacramento, CA 94249-0001

Re: ABX1 1—Oppose

Dear Speaker Núñez:

The League of Women Voters of California regrets that it must oppose ABX1 1, your revised bill to address problems in the health care system. ABX1 1 fails to meet the goal of universal, affordable, and comprehensive coverage on a continuous basis to all Californians. Health care is too important an issue to pass reform legislation while it still needs improvement and development.

We have followed the bill carefully and believe **the proposed individual mandate will not provide the insurance protection that Californians need.** People who are exempted from the mandate because their premiums and out-of-pocket costs would be too high would simply be “freed” to go without health care coverage at all.

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 the cost of child care in determining a family’s basic needs, nor does it reflect California’s high cost of living. 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 but crucial bills. 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 is also concerned that **ABX1 1 does not contain adequate cost controls.** We feel the provisions to control increases in the cost to the state and local governments are not sufficient. There are no cost controls on premiums and no limits placed on co-payments, deductibles, co-insurance or hospital charges. Rising health costs will place a significant financial burden on stakeholders, with the notable exception of the insurance industry.

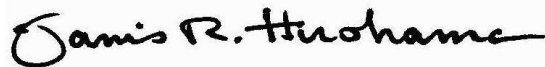
Additionally, employers will be required to pay up to 6.5 percent of payroll toward employee health care coverage. This spending range is less than many employers

currently pay for employee coverage. There is concern that **this lower standard for employer payments will erode the coverage benefits many individuals and families now have, as well as shift more of the cost burden to them.**

It also is important that full details be available regarding the proposed funding mechanisms, employer responsibilities, and cost protections for consumers through such mechanisms as subsidies, tax credits, and Section 125 plans. Until such provisions are fully disclosed, your overall package of this bill plus an anticipated initiative cannot be fairly evaluated by consumers or employers.

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

Sincerely,

A handwritten signature in black ink that reads "Janis R. Hirohama". The signature is written in a cursive, flowing style.

Janis R. Hirohama
President

cc: Senate President pro Tempore Don Perata
Governor Arnold Schwarzenegger