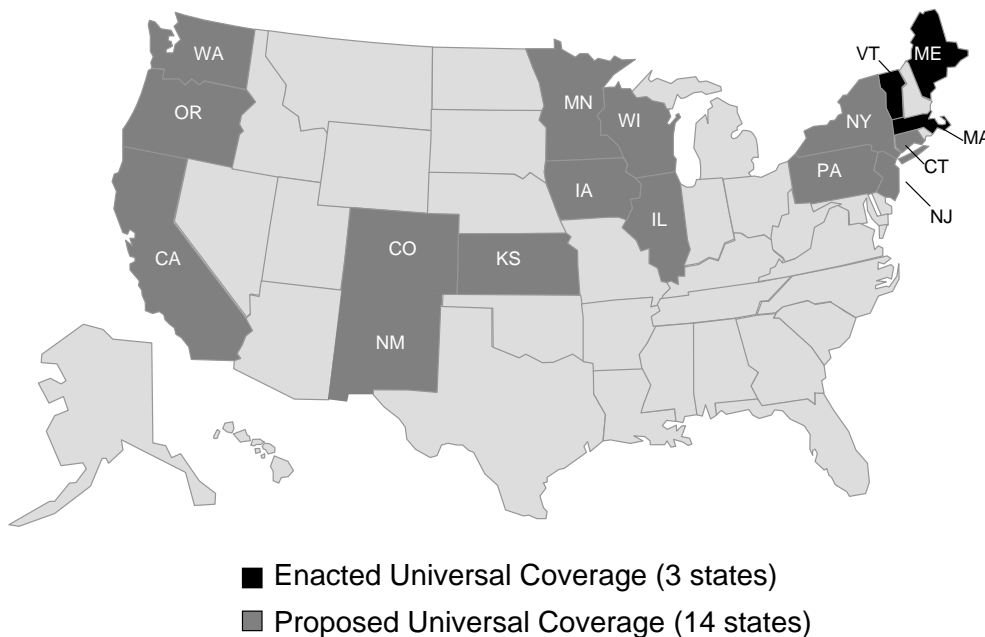


STATES MOVING TOWARD COMPREHENSIVE HEALTH CARE REFORM



With the problem of the uninsured continuing to grow, states have taken the lead in developing proposals to reform their health care systems with the goal of significantly increasing the number of people with health care coverage. Three states, Maine, Massachusetts and Vermont, have enacted and are implementing reform plans that seek to achieve near universal coverage of state residents. Many other governors and legislators have announced comprehensive reform proposals or have established commissions charged with developing recommendations on how to expand coverage. As of July 2009, 3 states had enacted and 14 states were moving toward comprehensive reform.

The following summary of state health care reform initiatives is current as of July 10, 2009. The map and summaries will be updated to reflect developments as they occur. We encourage you to check back periodically for the most up-to-date information on state comprehensive reform initiatives.

CALIFORNIA

Status of reform effort: On January 28, 2008, the state Senate Health Committee rejected the compromise legislation put forth by Governor Schwarzenegger and Assembly Speaker Nunez and passed by the state Assembly. Although comprehensive health care reform was not enacted, several more limited bills passed the legislature, some of which were signed by the Governor. The Governor is committed to re-introducing health reform legislation in 2009.

Governor Arnold Schwarzenegger (R) unveiled his health care reform plan, [Stay Healthy California](#), on January 8, 2007. The Governor's proposal would have achieved near universal coverage by imposing a mandate on individuals to purchase health care coverage. It would have also required employers with 10 or more employees to provide coverage or contribute to the cost of their employees' coverage. The components of the plan included:

- Creation of a statewide purchasing pool;
- Insurance market reforms, including guaranteed issue/renewability, modified community rating;
- Premium subsidies for individuals with incomes below 250 percent of the federal poverty level;
- Expansion of public programs.

The proposal was introduced as legislation with some modifications as [The Health Care Security and Cost Reduction Act](#). In a special legislative session called by the Governor, Assembly Speaker Fabian Nunez and Senate Pro Term, Don Perata, introduced compromise health reform legislation, [ABX1.1](#). The compromise bill included an individual mandate, with exceptions for affordability and hardship, an employer mandate, subsidies for low and moderate income individuals, and creation of a purchasing pool. The plan would be financed through a combination of sources, including employer contributions, state and federal funds, a new hospital fee, and a tobacco tax increase. On December 17, 2007, the state Assembly approved the legislation. However, citing concerns over the cost and long-term financing of the plan, on January 28, 2008, the state Senate Health Committee rejected the bill. The bill did not reach the full Senate.

Although comprehensive health reform was not achieved, a number of incremental bills were passed by the legislature. The Governor vetoed several bills but signed legislation that does the following:

- Protects patient privacy by creating a monitoring office and allowing the state to impose fines for multiple violations ([AB 211](#)) ([SB 541](#));
- Mandates that when insurers cancel a person's coverage, they allow other members of the family to keep their coverage ([AB 2569](#)).

In addition, on September 23, 2008, the Governor signed the state budget bill. The bill increases premiums for Healthy Families (CHIP), requires children in Medi-Cal (Medicaid) to verify eligibility every six months, and retains the current 10 percent cut to Medi-Cal provider payments until March 1, 2009, when smaller payment cuts take effect. The Governor is committed to re-introducing health reform legislation in 2009.¹

Updated as of 5/19/09

¹ For more information on the Governor's proposal, "Stay Healthy California" see: www.calhealthreform.org/content/view/16/32/. For the Health Care Security and Cost Reduction Act, see <http://gov.ca.gov/pdf/gov/HCR-RN0729963.pdf>. For A.B.X1.1 see: http://info.sen.ca.gov/cgi-bin/postquery?bill_number=abx1_1&sess=CUR&house=B&site=sen.

COLORADO

Status of reform effort: On April 21, 2009, Governor Ritter signed legislation that expands Medicaid and CHIP eligibility for children, pregnant women, and parents, and newly offers Medicaid coverage to childless adults.

On June 2, 2006, Governor Bill Ritter (D) signed [SB 06-208](#), creating the Colorado Blue Ribbon Commission for Health Care Reform. The Commission was charged with studying and establishing health care reform models to expand health care coverage and decrease health care costs. The Commission presented their final recommendations to the General Assembly on January 31, 2008. On February 13, 2008, Governor Ritter announced his “Building Blocks For Health Care Reform” package, which builds on some of the Commission’s recommendations. A component of the Governor’s proposal was achieved in April 2008 when he signed legislation that expanded Medicaid eligibility for children to 133% FPL and expanded CHP+ eligibility from 205% to 225% FPL.

In one of the largest coverage expansions in recent state history, on April 21, 2009 the Governor signed [HB09-1293](#), which expands public coverage to a greater number of low-income children, parents, and childless adults. This expansion is expected to provide coverage to approximately 100,000 people if it is approved by the Centers for Medicare and Medicaid Services. The legislation includes the following components:

- Expands CHP+ (CHIP) eligibility for children and pregnant women to 250% FPL;
- Expands Medicaid eligibility for parents to 100% FPL;
- Expands Medicaid eligibility for childless adults to 100% FPL, subject to federal authorization;
- Expands Medicaid buy-in program eligibility for the disabled to 450% FPL;
- Provides for 12-month continuous eligibility for children in Medicaid.

The expansion is financed through hospital provider fees that will be matched with federal funds. The hospital fee will also be used to increase reimbursement to hospitals for providing care to the publicly insured. The fee goes into effect on July 1, 2009.²

Updated as of 4/30/09

² S.B. 06-208, 66th General Assembly (Colorado, 2007). For bill text see: [http://www.leg.state.co.us/clics2006a/csl.nsf/billcontainers/2E0A3C9A1FEA527487257115005ECA5F/\\$FILE/208_enr.pdf](http://www.leg.state.co.us/clics2006a/csl.nsf/billcontainers/2E0A3C9A1FEA527487257115005ECA5F/$FILE/208_enr.pdf) . For the final Commission recommendations, see: <http://www.colorado.gov/cs/Satellite?c=Page&cid=1201542097631&pagename=BlueRibbon%2FRIBBLayou>. H.B. 09-1293, 67th General Assembly (Colorado 2009). For bill text see: http://www.leg.state.co.us/Clics/CLICS2009A/csl.nsf/fsbillcont3/D71C48DD229F80CD872575540079F3A0?Open&file=1293_01.pdf.

CONNECTICUT

Status of reform effort: The legislature passed Governor Rell's Charter Oak Health Plan to provide health care coverage for uninsured adults. Legislation was also passed to create a Health First Authority that is charged with developing a comprehensive health reform plan, to be completed by December 1, 2008.

In December 2006, Governor M. Jodi Rell (R) announced two proposals to expand health care coverage, including the Charter Oak Health Plan and the HUSKY Health 2007 initiative. The Charter Oak Plan would provide affordable health care coverage to uninsured adults, age 19 to 64 of all incomes, who do not have health insurance through an employer. The plan would offer a state-defined benefit package and premium subsidies based on a sliding scale. The HUSKY Health 2007 seeks to ensure that all newborns and school-age children are enrolled in the state's HUSKY (Medicaid and CHIP) plan. It proposed to require health insurance status notification at the beginning of every school year.

In June 2007, the legislature passed the Governor's Charter Oak Health Plan as part of the 2008-2009 Biennial Budget Bill ([HB 8002](#)). Through private insurers, The Charter Oak Plan will provide health care coverage for all adults who have been uninsured for at least six months and who are ineligible for other state programs. The plan includes the following components:

- Premium subsidies for individuals with incomes up to 300 percent of the federal poverty level
- Tiered co-payments for prescription drugs
- Target premium of about \$250 per month (though the benefit package has not been defined)
- Elimination of preexisting condition exclusions
- No maximum annual benefits, but a lifetime coverage of \$1 million

Governor Rell's administration is talking to the U.S. Department of Health and Human Services' Centers for Medicare and Medicaid Services about the potential for partial federal funding for the premium subsidies. Residents began applying for coverage under the Charter Oak Health Plan on June 30, 2008. As of May 1, 2009, 8,550 were enrolled in the plan.

Also, in June 2007, the State legislature passed the HealthFirst Connecticut and Healthy Kids Initiative ([SB 1484](#)). SB 1484 created a Health First Authority that is charged with drafting a plan to provide health insurance to every Connecticut resident, to be completed by December 1, 2008. The legislation expands the state's Medicaid program to parents with incomes up to 185 percent of the federal poverty level and pregnant women with incomes up to 250 percent of the federal poverty level, and improves outreach to enroll children in Medicaid and CHIP. The legislation also calls for the automatic enrollment of all uninsured newborns into the HUSKY program and the state will cover any required premiums for the first four months. It also increases the age of dependent coverage from 23 to 26 and eliminates the current full-time student eligibility requirement.³ Updated as of 5/19/09

³ S.B. 1484, 2007 Legislative Session (Connecticut, 2007).

For bill text see: www.cga.ct.gov/2007/ACT/PA/2007PA-00185-R00SB-01484-PA.htm.

H.B. 8002, 2007-2009 Biennial Budget Bill. For bill text see: www.cga.ct.gov/2007/ACT/PA/2007PA-00002-R00HB-08002SS1-PA.htm. H.B. 8002, passed in a special legislative session, makes some changes to S.B. 1484. For bill text see: <http://www.cga.ct.gov/2007/ACT/PA/2007PA-00002-R00HB-08002SS1-PA.htm>.

ILLINOIS

Status of reform effort: The General Assembly failed to approve comprehensive health reform in 2007.

On March 7, 2007, Governor Rod Blagojevich (D) proposed “[Illinois Covered](#)” to provide affordable and quality health care coverage to all residents. The proposal builds on the Illinois All Kids program, which was the first program in the country to provide health care for all children.

The components of “Illinois Covered” include:

Illinois Covered Choice: Statewide purchasing pool through which small businesses and individuals without access to employer-sponsored insurance can purchase insurance coverage.

Illinois Covered Rebate: Premium subsidies for individuals with incomes between 100 and 400 percent of the federal poverty level, to help them purchase insurance.

Illinois Covered Assist & Expansion of FamilyCare: A new program to cover adults under poverty and an expansion of health care coverage to families up to 400 percent of the federal poverty level.

The Governor proposed financing the plan through a new Illinois Covered Trust Fund, with a 3 percent employer assessment as its primary revenue source. The “Illinois Health Care For All Act” ([SB5](#)) incorporated provisions of the Governor’s proposal and was introduced in the legislature in January 2007, but was not passed.

Because the General Assembly failed to approve “Illinois Covered” during the 2007 legislative session, the Governor sought to use his executive authority to expand health care coverage in various ways. In October 2007, Illinois became the first state to provide free mammograms, breast exams, pelvic exams, and Pap tests to all uninsured women. In addition, the Governor implemented the FamilyCare expansion through administrative order, but an Illinois Appellate Court ruling prohibited the expansion from continuing.⁴

Updated as of 10/16/08

⁴ For more information about “Illinois Covered” see: <http://www.illinoiscovered.com/>. S.B. 8, 95th General Assembly (Illinois, 2007). For bill text see: <http://www.ilga.gov/legislation/fulltext.asp?DocName=&SessionId=51&GA=95&DocTypeId=SB&DocNum=0005&GAID=9&LegID=27215&SpecSess=&Session=>

IOWA

Status of Reform Effort: On May 19, 2009, the Governor built on 2008 comprehensive health reform legislation by signing legislation that expands coverage for children and pregnant women, creates an insurance exchange, and establishes a health workforce initiative.

In January 2008, a legislative commission issued a [report](#) that provides recommendations for how to reach universal health care coverage. On May 13, 2008, Governor Chet Culver signed [HF 2539](#), which calls for comprehensive health care reform. The legislation lays out a plan for covering every uninsured child in the state by January 1, 2011. It also sets the goal of universal health care coverage for all Iowa residents by 2013. The legislation includes the following components:

- Expands Hawk-I (CHIP) eligibility to 300 percent of the federal poverty level, to be implemented in July 2009;
- Prevents private insurers from discriminating against individuals with pre-existing health conditions;
- Improves the electronic health information technology system, promotes medical homes, and focuses on prevention, wellness, and chronic care management.

On May 19, 2009, the Governor signed [SF 389](#) which builds on HF 2539 by creating a plan for extending coverage to 12,000 uninsured children with family incomes below 300 percent of the federal poverty level. The legislation creates the Iowa Choice Insurance Exchange and lays out requirements for what must be included in the exchange's operational plan. Among these requirements, the exchange, in collaboration with the Iowa Medicaid Enterprise and the Hawk-I Board, must develop a comprehensive health coverage plan for all children without coverage. The Exchange must also design and implement a health coverage program, called Iowa Choice, which will offer private health coverage at three benefit package levels. The plan developed by the Exchange must be submitted to the Insurance Commissioner and then sent to the Legislature by February 15, 2010. The legislation also does the following:

- Expands Medicaid coverage for pregnant women to 300 percent FPL, as of July 1, 2009;
- Streamlines enrollment and retention in Medicaid and Hawk-I;
- Improves child access to dental care through Hawk-I;
- Creates an Office of Health Reform in the Department of Public Health;
- Establishes a health care workforce initiative to increase the number of providers.⁵

Updated as of 05/19/09

⁵ Legislative Commission on Affordable Health Care for Small Businesses and Families. For the report of recommendations see: <http://www.legis.state.ia.us/lsadocs/IntReport/2008/IPPAF000.PDF>. H.F. 2539. 2008 Legislative Session (Iowa, 2008). For bill text see: <http://coolice.legis.state.ia.us/Cool-ICE/default.asp?Category=BillInfo&Service=Billbook&ga=82&menu=text&hbill=HF2539>. S.F. 389, 2009 Legislative Session (Iowa, 2009). For bill text see: <http://coolice.legis.state.ia.us/Cool-ICE/default.asp?Category=BillInfo&Service=Billbook&ga=83&menu=text&hbill=SF389>.

KANSAS

Status of reform effort: On May 18, 2008, Governor Kathleen Sebelius signed legislation to implement 9 of the 21 health care reform recommendations put forth by the Kansas Health Policy Authority.

On July 1, 2005, legislation created the Kansas Health Policy Authority (KHPA), a non-partisan group charged with coordinating health and health care in Kansas. During the 2007 legislative session, KHPA convened the Health For All Kansans Steering Committee to provide a structure for negotiating a compromise between the various comprehensive approaches under consideration.

The work of the Steering Committee resulted in legislation, [SB 11](#), which was signed by Governor Kathleen Sebelius (D) in May 2007. This legislation included a short-term initiative to address the uninsured while a more comprehensive approach is developed. The legislation included a premium assistance program for families with incomes below 100 percent of the federal poverty level (though this provision was never funded and has not yet been implemented) and provided funding to small businesses to encourage them to group together to buy more affordable coverage. It also provided children and parents with a “medical home” where they can receive coordinated and continuous care.

On November 1, 2007, KHPA presented their health reform recommendations to the Governor and the Legislature. On May 18, 2008, Governor Kathleen Sebelius signed [House Bill Substitute 81](#) that implements 9 of the 21 health care [recommendations](#) put forth by the Kansas Health Policy Authority.

The legislation includes the following components:

- Expands HealthWave (CHIP) eligibility to 225% FPL in 2009 and 250% FPL in 2010. The FY 2009 state budget provides funding for the expansion to 250% FPL.
- Provides funding to expand Medicaid eligibility for pregnant women. Provides dental coverage and tobacco cessation counseling for pregnant women enrolled in Medicaid.
- Increases funding for clinics that provide care to the low-income population.
- Creates a standardized insurance card for Medicaid beneficiaries.
- Requires employers to establish Section 125 cafeteria plans that permit workers to use pre-tax dollars to pay for health insurance premiums.⁶

Updated as of 4/28/09

⁶ S.B. 11, 2007 Legislative Session. For House Bill Substitute text see: <http://www.kslegislature.org/bills/2008/11.pdf>. For KHPA's recommendations see: <http://www.khpa.ks.gov/default.htm>. H Sub SB 81. Kansas Legislature (Kansas, 2008). For bill text see: <http://www.kslegislature.org/bills/2008/81.pdf>.

MAINE

Status of reform effort: Governor Baldacci's proposal to reform Dirigo Health was included in legislation that did not pass before the end of the 2007 legislative session. In April 2008, Governor Baldacci signed legislation that changes the funding mechanism for Dirigo Health.

The [Dirigo Health Reform Act](#), proposed by Governor John Baldacci (D), was signed into law on June 18, 2003. It was a comprehensive reform effort to provide affordable, quality health care to every Maine resident by 2009. Within Dirigo Health, Dirigo Choice was developed to provide a voluntary and affordable health care plan for businesses with 50 or fewer employees, the self-employed, and individuals. The Maine Quality Forum was created to serve as a clearinghouse of information and best practices to improve health. Dirigo Health also utilized numerous strategies to control health care spending. As of February 2008, 23,000 individuals and over 725 small businesses were enrolled in Dirigo Choice.

Following the passage of Dirigo Health, Governor Baldacci created a Blue Ribbon Commission on Dirigo Health to suggest improvements to the Dirigo plan. In April 2007, Governor Baldacci proposed a significant number of reforms to Dirigo Health, including individual and employer mandates. He also proposed a reinsurance program that would lower the community base rate for premiums in the individual market and would allow insurers to vary premiums based on health status and claims history. The proposal would be financed by extending premium taxes to HMOs and by insurers using a portion of the premiums they collect to contribute to the reinsurance program.

These measures were included in [LD 1890](#) but the bill did not pass before the end of the 2007 legislative session. However, the Governor signed [LD 431](#), which allows Dirigo Health to self-administer rather than require it to contract with a private insurance agency. He also signed [LD 841](#), which extends health insurance coverage for dependents up to age 25.

In June 2007, the Maine Supreme Court upheld the Savings Offset Payment (SOP), a key but controversial funding mechanism in the Dirigo Health initiative, through which assessments are issued to insurers based on savings generated by the program. On April 16, 2008, Governor Baldacci signed legislation that replaces the SOP with taxes on beer, wine, soda, and a surcharge on insurers. However, the tax was repealed through a 2008 ballot initiative. The legislation also establishes the Governor's proposed reinsurance program to lower premiums in the individual market.⁷

Updated as of 11/5/08

⁷ 2007 Legislative Session. For Dirigo Health Reform bill text see: <http://janus.state.me.us/legis/statutes/24-A/title24-Ach87sec0.html>. LD 1890 see: <http://janus.state.me.us/legis/LawMakerWeb/externalsiteframe.asp?ID=280025326&LD=1890&Type=1&SessionID=77>. For LD 431 see: <http://www.mainelegislature.org/legis/bills/billtexts/LD043101.asp>. For LD 841 see: <http://janus.state.me.us/legis/LawMakerWeb/externalsiteframe.asp?ID=280023451&LD=841&Type=1&SessionID=77>.

MASSACHUSETTS

Status of reform effort: The state is currently implementing provisions of the 2006 health care reform law, including the individual mandate, which required all adult residents to have health insurance by December 31, 2007. As of September 2008, 432,000 previously uninsured individuals had obtained health insurance. In August 2008, the Governor signed legislation to control health care costs.

On April 12, 2006, Massachusetts enacted legislation, [Chapter 58 of the Acts of 2006](#), which would provide near universal coverage for state residents.

The components of the legislation included:

- *The Commonwealth Care* program to provide subsidized coverage for individuals with incomes up to 300 percent of the federal poverty level;
- *The Commonwealth Health Insurance Connector* to “connect” individuals to insurance by offering affordable, quality insurance products;
- *MassHealth* (Medicaid program) expansion to children up to 300 percent of the federal poverty level.
- An individual mandate that requires all adults in the state to purchase health insurance by December 31, 2007;
- A requirement that employers with 11 or more employees provide health insurance coverage or pay a “fair share” contribution of up to \$295 annually per employee;

The Commonwealth Connector Authority has been charged with implementing several aspects of the reform plan not specified in the legislation. The Board has defined minimum creditable coverage that people need to have in order to meet the individual mandate requirement to include “preventive and primary care, emergency services, hospitalization benefits, ambulatory patient services, mental health services and prescription drug coverage.” The coverage standards cap deductibles at \$2,000 for individuals and \$4,000 for families and limit out-of-pocket spending to \$5,000 for individuals and \$10,000 for families.

The Connector Authority also established affordability standards to determine the subsidy levels for individuals enrolled in Commonwealth Care and the premium amounts for families with incomes above 300 percent of the federal poverty level. About 2% of the population has been exempted from the individual mandate because insurance policies that meet the affordability standards set by the Authority are not available.

On August 10, 2008, Governor Patrick signed [S. 2526](#) to control rising health care costs. The legislation establishes a commission to develop uniform billing and coding standards, sets a goal of adopting electronic health records by 2015, emphasizes educating providers on lower-cost drugs and medical treatments, and develops measures to increase the number of primary care doctors. It raises \$100 million in state funds and fees on private companies to fund the state’s health reform law. The legislation also sets requirements limiting the gifts that drug companies give to medical professionals. On August 8, 2008, the Governor signed [H. 5022](#), which increases state funding for the health reform effort, and on September 30, 2008, the

Centers for Medicare and Medicaid Services approved extending a waiver that provides federal funding to the program.

As of September 2008, 432,000 of the estimated 600,000 uninsured individuals in the state had obtained health care coverage. About 169,000 people obtained coverage through the state's subsidized Commonwealth Care program and the number of people with employer-based coverage increased by 148,000. State residents had until December 31, 2007 to comply with the mandate to purchase health insurance.⁸

Updated as of 5/19/09

⁸ Chapter 58 of the Acts of 2006. 2006 Legislative Session (Massachusetts, 2006). For bill text see: <http://www.mass.gov/legis/laws/seslaw06/sl060058.htm>. S. 2526. 2008 Legislative Session (Massachusetts, 2008). For bill text see: <http://www.mass.gov/legis/bills/senate/185/st02/st02526.htm>. H. 5022. 2008 Legislative Session (Massachusetts, 2008). For bill text see: <http://www.mass.gov/legis/bills/house/185/ht05/ht05022.htm>.

MINNESOTA

Status of reform effort: On February 8, 2008, The Health Care Transformation Task Force issued recommendations for developing a universal health care plan. In May 2008, the state legislature passed health reform legislation, which Governor Pawlenty signed on May 29, 2008.

On January 11, 2007, Governor Tim Pawlenty (R) announced a new health care reform plan, Healthy Connections, to increase health insurance access for the uninsured, decrease costs, and improve quality. As a first step in comprehensive state health reform, on May 29, 2007 Governor Pawlenty signed [HF 1078](#) into law. The legislation increased MinnesotaCare childless adult eligibility from 175 percent to 200 percent of the federal poverty level on January 1, 2008, and up to 215 percent of the federal poverty level on July 1, 2009.

In another step, on May 25, 2007, the Governor signed into law the 2007 Omnibus Health and Human Services Appropriations Bill, which provided funding for the Health Care Transformation Task Force, a panel of health care experts charged with exploring ways to reduce health care spending, improve quality, and ensure that Minnesota develops a universal health care plan by 2011. On February 5, 2008, the Health Care Transformation Task Force issued its [report](#) with recommendations to improve health care coverage.

On May 29, 2008, Governor Pawlenty signed comprehensive health reform legislation, [SF 3780](#). The legislation included the following components:

- Expands MinnesotaCare eligibility for childless adults to 250 percent of the federal poverty level.
- Reduces the sliding scale premiums for MinnesotaCare.
- Requires employers with 11 or more full-time employees who do not offer insurance to establish a Section 125 plan, and provides funding to help them do so.
- Promotes the use of health care homes to coordinate care for people with chronic conditions.
- Increases transparency of the price and quality of health care services.
- Reforms public and private payment incentives.
- Improves health information technology, including electronic medical records and e-prescriptions.

On July 29, 2008, Governor Pawlenty unveiled a plan to allow all state residents to access their personal health records and compare prescription and procedure costs online.⁹

Updated as of 8/11/08

⁹ H.F. 1078. 2007 Legislative Session (Minnesota, 2007). For bill text see: <http://www.revisor.leg.state.mn.us/bin/bldbill.php?bill=H1078.3.html&session=ls85>. For Health Care Transformation Task Force recommendations see: <http://www.health.state.mn.us/divs/hpsc/hep/transform/tfreportfinal.pdf>. S.F. 3780. 2008 Legislative Session (Minnesota, 2008). For bill text see: <https://www.revisor.leg.state.mn.us/bin/bldbill.php?bill=S3780.1.html&session=ls85>.

NEW JERSEY

Status of reform effort: Senator Vitale proposed health reform legislation that passed the legislature on June 23, 2008. Governor Corzine signed the legislation into law on July 8, 2008.

In December 2007, Governor Corzine (D) announced an expansion of New Jersey FamilyCare, the state's CHIP program, which allows children in families with income greater than 350% FPL to buy-in to the program at rates that are lower than what they would pay for comparable private insurance.

In March 2008, Senator Joe Vitale (D) proposed [S1557](#) as a first step toward universal health care coverage for the 1.25 million uninsured in the state, 240,000 of whom are children.¹⁰ On June 23, 2008, the legislation passed the Senate unanimously and by a vote of 59-18 (with 2 abstentions) in the Assembly. Governor Jon Corzine (D) signed the bill on July 8, 2008.

The legislation includes the following components:

- Requires all children in the state to obtain private or public health insurance within a year of the bill's enactment;
- Expands FamilyCare (CHIP) to parents with incomes up to 200% of the poverty level from the current level of 133%;
- Makes changes to the individual insurance market to promote broader coverage by
 - Allowing insurers to charge older residents three and a half times more for a policy than younger residents as a way to lower premiums for younger residents;
 - Requiring insurers to offer plans in the individual market as a condition of participation in the small employer market.

Next year, Senator Vitale plans to introduce the second phase of his plan to:

- Require all individuals in the state to obtain health insurance.
- Create Garden State AllCare, a state-funded and state-sponsored health plan.
- Provide subsidies to those who need help affording health care coverage.
- Require employers that do not offer health insurance to offer section 125 plans so that people can purchase health care coverage with pre-tax dollars.

As part of broader health reform, on August 8, 2008, Governor Corzine signed four bills designed to increase hospital accountability, including [A2609](#), which prohibits hospitals from charging certain uninsured residents more than 15 percent above the Medicare payment rate for services provided.

Updated as of 8/19/08

¹⁰ S. 1557. 2008 Legislative Session (New Jersey, 2008). For bill text see: http://www.njleg.state.nj.us/2008/Bills/S2000/1557_R3.HTM. For information on Vitale's plan see: <http://www.healthcareformj.com/>. A.2609/S.1797. 213th Legislative Session (New Jersey, 2008). For bill text see: http://www.njleg.state.nj.us/2008/Bills/A3000/2609_I1.HTM.

NEW MEXICO

Status of reform effort: Legislation incorporating Governor Richardson's universal coverage plan did not pass during the 2008 legislation session. In August 2008, the Governor called a special session of the legislature to debate more limited health care legislation expanding coverage to children.

On October 25, 2007, Governor Bill Richardson (D) announced his "Health Solutions New Mexico Plan" to provide universal and comprehensive health care coverage to all New Mexicans. "Health Solutions New Mexico" would create a Health Coverage Authority (HCA) that would serve as a single point of accountability for data, analysis, plan management, and policy. The HCA would be charged with setting benefit and plan choices, affordability guidelines, and would seek ways to reduce cost and improve quality.

"Health Solutions New Mexico" includes the following components:

- *Individual mandate:* As of January 1, 2010, individuals must show proof of health care coverage through commercial insurance, public program enrollment, or proof of the ability to self-fund health problems that may arise (individuals with incomes below 300% FPL would be exempt from the mandate);
- *Employer Mandate:* Require employers with 6 or more employees to contribute a fee per employee, with a dollar-for-dollar offset for any contribution toward employee coverage;
- *Insurance Risk Pool:* Create larger risk pools by expanding the New Mexico Medical Insurance Pool and by exploring other options, including allowing people to buy-in to Medicaid;
- *Insurance market reforms:* Require commercial health care insurers to spend at least 85 percent of premiums directly on health care; Guarantee issue without exclusion of pre-existing medical conditions;

The total cost and revenue for all sources will be driven by assumptions and policy decisions at the state and federal levels, including CHIP reauthorization, people's source of coverage, and the affordability guidelines that will be developed by the HCA. The Health Solutions New Mexico plan was introduced in the legislature as [H.B. 62](#). The bill was debated, but was not enacted by the legislature. Components of the reform plan may be implemented through Executive Order and may be included as 2009 budget proposals.

After calling a special 2008 legislative session to focus on expanding coverage to children, Governor Richardson signed legislation that provides \$22.5 million to insure an expected 17,000 children in Medicaid and CHIP.¹¹

Updated as of 10/16/08

¹¹ H.B. 62. 48th Legislative Session (New Mexico, 2008). For bill text see: <http://legis.state.nm.us/LCS/ session.asp?chamber=H&type=++&number=62&Submit=Search&year=08>.

NEW YORK

Status of reform effort: The Partnership for Coverage contracted with the Urban Institute to model four health reform proposals that are expected to be presented during the Spring of 2009. On May 15, 2009, Governor Paterson announced health reform legislation that builds on health care provisions in the 2009-2010 budget.

In July 2007, then Governor Eliot Spitzer (D) directed the Health Commissioner and the Insurance Superintendent to initiate the “Partnership For Coverage” to develop a comprehensive plan for universal health care in New York. The group was charged with studying the obstacles to health care in the current system and to develop, evaluate, and recommend a universal health care plan. The Health Commissioner and the Insurance Superintendent solicited proposals and held public hearings throughout the state to receive feedback from the public, stakeholders, academic experts, and legislative representatives. New York contracted with the Urban institute to model four health reform proposals that are expected to be presented during the Spring of 2009.

In addition, in June 2007, then Governor Spitzer signed [S06344](#), which allows employers to buy into Family Health Plus. Previously, only parents with incomes below 150 percent of the federal poverty level and childless adults with incomes below 100 percent of the federal poverty level could qualify for Family Health Plus. Employers are required to pay at least 70 percent of the premiums for their employees and the state will pay the remainder of the cost.

On April 23, 2008, Governor Paterson (D) signed legislation that expands the Child Health Plus program to 400 percent of the federal poverty level. New York also allows children with family incomes above 400 percent of the federal poverty level to buy-in to the program at full cost. Implementation began on September 1, 2008.

The [2009-2010 enacted budget](#) includes provisions to simplify the public coverage enrollment process and authorizes the Department of Health to apply for a federal waiver for funding to expand Family Health Plus coverage to all adults with incomes below 200 percent FPL. In March 2009, New York submitted a request for a three-year extension of their Medicaid waiver to continue and expand public coverage. Building on health reform provisions in the budget, in May 2009, Governor Patterson introduced health reform legislation. The [legislation](#) includes the following components:

- Expands COBRA coverage from 18 months to 36 months for people who lose their jobs;
- Extends the age that dependent children can remain on their parent’s health insurance to 29;
- Requires the approval of health insurance rates by the Superintendent of Insurance.¹²

Updated as of 5/19/09

¹² S. 06344. 2007 Legislative Session (New York, 2007). For bill text see: <http://assembly.state.ny.us/leg/?bn=S06344&sh=t>.

OREGON

Status of reform effort: In June 2009, legislation was passed that expands coverage to children and some low-income adults. The legislation also creates the Oregon Health Authority Board, a health insurance exchange, and a quality care institute.

In January 2007, Governor Ted Kulongoski's (D) [Healthy Kids Plan](#) was introduced in the legislature. On August 9, 2007, Governor Kulongoski signed the Healthy Kids Plan, which authorizes the children's eligibility expansion, but made the program funding contingent upon the passage of the Measure 50 ballot initiative. The ballot initiative, which proposed an 84-cent increase in the state tobacco tax, was not approved by voters on the November 2007 ballot.

On June 28, 2007, Governor Ted Kulongoski (D) signed the [Healthy Oregon Act](#), which provides a detailed timeline for developing a full-scale health reform plan to be passed by the 2009 legislature. The bill establishes the Oregon Health Trust Board, which is responsible for gathering public input and creating a comprehensive health care plan. In November 2008, the Oregon Health Trust Board made health reform recommendations to the legislature.

In July 2009, the legislature passed two pieces of health care legislation. [HB 2116](#) creates the Health Care for All Oregon Children program to provide affordable and accessible coverage for all children. The legislation does the following:

- Expands Medicaid and CHIP coverage to children in families with incomes below 200 percent of the federal poverty level (FPL);
- Establishes a private health plan option administered by the state which provides premium subsidies on a sliding scale to children with family incomes between 200 and 300 percent FPL. Children with family incomes above 300 percent FPL can purchase coverage through the private option at full-cost;
- Expands outreach and simplify the application process;
- Increases funding for the Oregon Health Plan (Medicaid) to enroll eligible low-income adults who have been on a waitlist to obtain coverage.

The expansion is expected to cover 80,000 additional children, which would bring the share of insured children to 95 percent. The legislation is also expected to expand coverage to 50,000 low-income adults. The coverage expansion is financed with a tax on insurers and hospitals. In addition, [HB 2009](#) creates the Oregon Health Authority Board to be the policymaking and oversight entity for all health reform efforts to improve health care quality, improve coordination, and contain costs. It also calls for the creation of a health insurance exchange and a quality care institute.¹³

Updated as of 7/10/09

¹³ Healthy Kids Plan. For plan see: www.oregon.gov/Gov/pdf/letters/hkp.pdf. Healthy Oregon Act-S.B. 327. 2007 Legislative Session (Oregon, 2007). For bill text see: <http://www.leg.state.or.us/07reg/measpdf/sb0300.dir/sb0329.en.pdf>. H.B. 2009. 2009 Legislative Session (Oregon, 2009). For bill text see: <http://www.leg.state.or.us/09reg/measpdf/hb2000.dir/hb2009.b.pdf>.

PENNSYLVANIA

Status of reform effort: In 2007, Governor Rendell's proposed health care reform plan, Prescription for Pennsylvania, was introduced into the state legislature, but not acted on. However, several bills aimed at achieving smaller elements of the health care reform plan were enacted. By the end of the two-year legislative session, the legislature failed to reach a compromise over expanding coverage to some uninsured adults.

In January 2007, Governor Edward Rendell (D) proposed "Prescription for Pennsylvania" to expand affordable health care coverage, increase quality, and control health care costs. The coverage component of Prescription for Pennsylvania, Cover All Pennsylvanians (CAP), would build on the state's "Cover All Kids" initiative by offering affordable health insurance coverage to uninsured adults and small businesses through the private insurance market. The plan would:

- Provide premium subsidies to individuals with incomes less than 300 percent of the federal poverty level;
- Mandate insurance coverage for adults with incomes above 300 percent of the federal poverty level;
- Require full-time college and graduate students to obtain a minimum level of health insurance;
- Reform the private insurance market;
- Give parents the option to extend their health insurance to cover their dependents, up to age 30.

The Governor's proposal was introduced as [House Bill 700](#), the "Pennsylvania Health Care Reform Act." While the Governor's proposal was not enacted in its entirety, activity in the state has focused on considering individual bills and using executive authority to achieve some of the elements in the Pennsylvania Health Care Reform Act. The Governor announced the following initiatives:

- Established the Office of Health Equity in the Department of Public Health
- Created the Chronic Care Management Commission, which is responsible for improving the management of chronic diseases.
- Improved patient safety by eliminating hospital and health-facility-acquired infections and to address the provider shortage problem in the state by enabling nurses and other practitioners to practice to the fullest extent of their training and skills.
- Established a program that will identify and stop Medicaid payments for care due to preventable hospital errors, and will prohibit hospitals from charging patients for these errors.

An alternative to Governor Rendell's "Cover All Pennsylvanians," [S.B. 1137](#), proposed to expand health coverage to some uninsured adults. The Governor supported this legislation, which was passed by the Pennsylvania House but was not debated by the state Senate. By the end of the 2008 legislative session, the legislature failed to reach a compromise on legislation that would have expanded health coverage to some uninsured adults.¹⁴ Updated as of 10/16/08

¹⁴ H.B. 700. 2007 Legislative Session. For bill text see: http://www.gohcr.state.pa.us/prescription-for-pennsylvania/HOUSEBILL700P_N_1011.htm. S.B. 1137. 2007 Legislative Session. For bill text see: <http://www.legis.state.pa.us/CFDOCS/Legis/PN/Public/btCheck.cfm?txtType=HTM&sessYr=2007&sessInd=0&billBody=S&billType=B&billNbr=1137&pn=1838>.

VERMONT

Status of reform effort: In 2006, Governor Douglas signed comprehensive health reform legislation aimed at achieving near universal coverage and improving care for people with chronic conditions. Catamount Health, the subsidized insurance product for uninsured residents, was implemented on October 1, 2007.

On May 25, 2006, Vermont Governor Jim Douglas (R) signed the [2006 Health Care Affordability Act](#), which provides the foundation for Vermont's Health Care Reform Plan.

The primary components of the plan are as follows:

Catamount Health: A health insurance plan for individuals who do not have access to employer-sponsored insurance.

- Premium assistance, on a sliding scale, to individuals and their dependents with incomes below 300 percent of the federal poverty level;
- Monthly premium assistance cost for individuals and their dependents range from \$60 per month for those with incomes under 200 percent of the federal poverty level and \$135 per month for those with incomes between 275 percent and 300 percent of the federal poverty level; Premiums for those with incomes above 300 percent of the federal poverty level are \$393 for an individual and \$1100 for a family.

Employer-Based Premium Assistance: Premium assistance for individuals with incomes below 300 percent of the federal poverty level, to help them pay for their employer's insurance plan.

Employer Requirement: \$365 assessment fee for employees who are not offered or do not take up health care coverage and who are uninsured; exception for small employers.

Blueprint for Health: A statewide initiative that was already underway to improve health and health care in Vermont, has now been included in the implementation of health reform. The plan is built on the premise that prevention and support for chronic conditions will result in a healthier population through appropriate, timely and effective treatment, and reduced demand for medical services.

The plan is financed through multiple revenue sources including premium collections, employer fees, a tobacco tax increase, and federal matching funds through the Medicaid program.

Implementation of the plan began on October 1, 2007. In November 2007, Vermont embarked on an education, outreach and enrollment campaign to inform residents about the insurance products and premium assistance that is available to Vermonters. Prior to implementation it was estimated that there were approximately 60,000 uninsured state residents. As of September 2008, 5,704 individuals were enrolled in Catamount Health. An additional 358 individuals were enrolled in the Catamount Health employer-sponsored insurance premium assistance program. Since October 1, 2007, an additional 4,195 people have enrolled in public programs, and 691 low-income adults have enrolled in the Vermont Health Access Plan (VHAP) employer-sponsored insurance premium assistance program. ¹⁵

Updated as of 10/16/08

¹⁵ H. 861. 2007 Legislative Session (Vermont, 2007). For bill text see: <http://www.leg.state.vt.us/HealthCare/h861CommofConf1-8.htm>.

WASHINGTON

Status of reform effort: Washington has proceeded with coverage expansions for children; however, the economic crisis has forced the state to stop implementation of other health reform-related coverage expansions and to cut enrollment in Basic Health, the state's coverage program for low-income adults by 40,000.

In February 2007, Governor Chris Gregoire (D) proposed legislation, the "Healthy Washington Initiative," which adopted recommendations from the Blue Ribbon Commission on Health Care Costs and Access to improve quality, address costs, and increase access to health care.

The plan seeks to provide access to health care coverage for all Washingtonians by 2012 using the following measures:

- Create a statewide connector through which health insurance products can be bought and sold;
- Direct the Health Care Authority to provide grants to community health centers that work with local hospitals to reduce unnecessary emergency room visits;
- Create the Washington Quality Forum to address disparities in care;
- Expand chronic care management;
- Direct state health agencies to change contracts and reimbursement for pay-for-performance;
- Promote prevention.

On March 13, 2007, Governor Gregoire signed [SB 5093](#), which provides health insurance for all children by 2010. The legislation expands CHIP coverage to children with family incomes up to 300 percent of the federal poverty level, permits families with higher incomes to buy-in to public coverage at full cost, and covers all immigrant children. The CHIP eligibility expansion to 300 percent of the federal poverty level was implemented on February 23, 2009.

On May 2, 2007, Governor Gregoire signed [SB 5930](#) which codifies the recommendations of the Blue Ribbon Commission. In April 2008, Governor Gregoire signed several pieces of legislation aimed at advancing health reform. [HB 2537](#) authorized the implementation of the Health Insurance Partnership, which was designed to offer private health plans to small employers and subsidize the premiums for employees with incomes up to 200 percent of the federal poverty level. Coverage through the partnership was supposed to be available in March 2009 but a budget shortfall has led to the termination of the program's implementation. Budget reductions are also forcing Washington to reduce enrollment in Basic Health, the state's coverage program for low-income adults, by 40,000 individuals by January 1, 2010. As of May 4, 2009, Washington is not processing new applications and is determining what criteria will be used for reducing enrollment.

Despite the Health Insurance Partnership termination and program reductions, in April 2009 the legislature passed three health reform-related bills. One of the bills establishes the [Washington Health Partnership](#) working group to focus on health reform goals and to re-examine health reform proposals called for in previous legislation. The other bills focus on [streamlining administrative procedures](#) for payors and providers and improving [electronic medical records](#). The latter two bills were signed by the Governor and the Washington Health Partnership bill is awaiting his signature.¹⁶ Updated as of 05/19/09

¹⁶ S.B. 5093. 2007 Legislative Session. For bill text see: <http://www.leg.wa.gov/pub/billinfo/2007-08/Pdf/Bills/Session%20Law%202007/5093-S2.SL.pdf>. S.B. 5930. 2007 Legislative Session. For bill text see: <http://www.leg.wa.gov/pub/billinfo/2007-08/Pdf/Bills/Session%20Law%202007/5930-S2.SL.pdf>.

WISCONSIN

Status of reform effort: BadgerCare Plus, the state's newly simplified Medicaid program, was launched on February 1, 2008 and 129,000 have enrolled as of March 2009.

In January 2006, Governor Jim Doyle (D) introduced BadgerCare Plus, which sought to provide universal health care coverage for children and expand coverage to adults below 200 percent of the federal poverty level. BadgerCare Plus would merge three existing programs Family Medicaid, BadgerCare and Healthy Start. Children with family incomes up to 200 percent of the federal poverty level would be able to enroll at no cost; children with higher family incomes would be charged sliding scale premiums based on income, not to exceed 5 percent of family income. In February 2007, the proposal was introduced as one component of the 2007-2009 Biennial Budget Bill, SB 40.

On October 26, 2007, Governor Jim Doyle (D) signed the state budget bill ([2007 Wisconsin Act 20](#)), which included provisions of the Governor's BadgerCare Plus proposal. The bill provides universal health care coverage for all children, regardless of income.

The legislation does the following:

- Extends CHIP eligibility to children with family incomes up to 300 percent FPL;

- Requires children in families with incomes above 200 percent of the federal poverty level to pay a premium, while those in families above 300 percent of the federal poverty level will be able to buy-in to the program at full-cost, approximately \$80/month/per child;

- Expands health care coverage for parents and caretaker relatives up to 200 percent FPL under Medicaid and to pregnant women up to 300 percent FPL with no premium or cost-sharing requirements;

- Expands coverage to childless adults with incomes up to 200% FPL.

The legislation also simplifies eligibility rules, assists employees in purchasing affordable health care coverage, and provides incentives for healthy behavior. Implementation of the expansions for children, parents, and caretaker relatives occurred in February 2008. In January 2009, childless adults enrolled in County health plans were transitioned into the BadgerCare Plus Core Plan. Full enrollment of childless adults began in mid-July 2009. BadgerCare Plus is funded with federal and state funds. As of March 2009, 80,845 children, 44,996 parents and 3,182 pregnant women were enrolled.¹⁷

Updated as of 7/10/09

¹⁷ 2007 Wisconsin Act 20 (Wisconsin, 2007). See bill text: <http://www.legis.state.wi.us/>.