

California Immigrant Policy Center

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CIPC Legislative Update

July 23rd, 2007

The Status of Health Care Reform in California and its Impact on Immigrants; Update on Federal Proposals to Improve Immigrant Access to Healthcare and Public Benefits

The state Legislature has now entered the fourth week of its budget stalemate. The Assembly passed a budget late last week that still contains much of what CIPC and allies advocated for during budget hearings in May. However, the proposed budget now delays the SSP Cost of Living Adjustment (COLA) for 5 months and redirects \$84 million from Temporary Assistance for Needy Families (TANF) to the General Fund. This marks the first time since 2004 that SSP recipients will receive the COLA, however, the delay will cut \$123 million from assistance for the elderly and disabled.

The Senate is scheduled to reconvene Wednesday. Senate Republicans are proposing an additional \$700 million in cuts and both SSI and CalWORKs are likely to be on the table. CIPC will continue to monitor the budget proceedings and advocate for protecting these vital programs. Check our website and stay tuned for action alerts and an analysis of the final budget.

CALIFORNIA HEALTH CARE REFORM

In January, the governor released his ambitious proposal to reform California's troubled health care system in the form of a ten-page memo. The Democratic leadership, Senate President Pro Tem Don Perata and Assembly Speaker Fabian Núñez, have put forward an alternative proposal in Assembly Bill 8. The Democratic and gubernatorial proposals have some significant similarities: both provide health coverage to all children regardless of immigration status, expand public programs and require employers to provide coverage or contribute to a state purchasing pool for uninsured workers. However, divisions remain over key provisions, such as employer contributions and an individual mandate.

AB 8 passed in the Senate Health Committee last week and now makes its way to the Senate Appropriations Committee and then the Senate Floor. In the meantime, legislative leaders and the governor begin negotiations to reach a compromise on the remaining differences. Below are some highlights of the current version of AB 8 and its potential impact on immigrants.

AB 8 (Núñez)

❖ Expansion of Public Programs –

AB 8 provides health coverage to California's children by expanding Medi-Cal and Healthy Families to all children, regardless of immigration status, with family incomes at or below

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300% of the federal poverty level. The bill also expands eligibility for these programs to low-income parents.

A large portion of California's uninsured, low-income children are already eligible for but are not enrolled in public programs; AB 8 increases participation in public programs by simplifying eligibility and enrollment. Specifically, the bill eliminates the assets test, the deprivation test and semi-annual reporting requirements. ***CIPC supports efforts to cover all children and increase enrollment in public programs.***

❖ Employer Contribution (the "pay or play" model) –

AB 8 requires employers that do not currently provide health care coverage for their full-time and part-time employees to pay a portion of their employees' health care costs. By 2010, employers will be required to either "play" by spending at least 7.5 percent of payroll to provide health care coverage or services to their workers or, as an alternative, "pay" an equivalent amount to enroll their workers in a state purchasing pool. *The governor's proposal also includes an employer play or pay model but would only require employers to contribute 4 percent of payroll to their employees' health care costs, which is substantially lower than what other proposals have called for in the past.*

Employers that choose to play and provide health care coverage or services to their employees can spend the minimum 7.5 percent of payroll in a variety of ways, including employer-based coverage, Health Savings Accounts, healthy lifestyle programs, onsite health fairs, disease management programs and financial incentives to participate in health screenings.

Employers that pay fees into the state purchasing pool will be required to notify their employees that they must enroll in a plan offered through the state purchasing pool, to be called the California Cooperative Health Insurance Purchasing Program (Cal-CHIPP).

❖ The Purchasing Pool –

Plans offered through Cal-CHIPP must meet Knox-Keene standards, which provides for a basic package of medical benefits, and also provides prescription drug benefits. ***CIPC recommends the Cal-CHIPP plans also include dental and vision benefits, as communities of color are most likely to go without this coverage.***

Monthly premiums that workers with family income at or below 300 percent of federal poverty level must pay for plans offered through Cal-CHIPP will be capped, between 0 to 5 percent of income. ***CIPC recommends extending this cap to all out-of-pocket costs, such as co-payments, that these families will pay so that the health coverage will truly be affordable.***

Eligible low-income Cal-CHIPP enrollees may also apply for subsidies to help them afford the monthly premiums. ***CIPC recommends providing the subsidies to all Cal-CHIPP enrollees according to their income and financial need while maximizing federal funds for Cal-CHIPP where possible.***

Because of the current structure of the employer mandate, many immigrants who are self-employed or seasonal workers will not be eligible for employer based health coverage under this proposal. ***CIPC recommends expanding eligibility for enrollment in the state purchasing pool to include seasonal or temporary workers.***

❖ Implementation & Oversight –

AB 8 gives the Managed Risk Medical Insurance Board (MRMIB) broad powers to implement and oversee Cal-CHIP, including emergency regulatory authority to allow quick implementation without the usual public comment periods that allow for transparency and input from stakeholders.

The bill also gives MRMIB authority to adjust the employers' payroll contribution and the employees' monthly premiums in order to keep the purchasing pool open and running.

❖ Privacy Protections –

In the current version of AB 8, the author has taken amendments that take steps towards ensuring the privacy of enrollees in public programs. ***CIPC supports privacy protections in public programs and recommends adopting similar measures with regards to the privacy of the workers enrolled in the purchasing pool.***

❖ Individual Mandate v. Guaranteed Issuance –

The governor's proposal includes an individual mandate, requiring all Californians to obtain health insurance for themselves and their dependents. At this time, there is nothing in the governor's proposal to ensure the private health insurance policies that individuals will have to purchase will be affordable or include a benefit package that would provide meaningful access to health care services.

Under the governor's proposal, many immigrants working for small employers, who would be exempt from the employer mandate, would nevertheless be required to obtain health insurance for themselves and their dependents.

AB 8 does not contain an individual mandate. In addition, AB 8 would also require guaranteed issue, which will stop the industry practice of denying coverage to individuals solely based on pre-existing health conditions. AB 8 also creates a high-risk pool to provide health care to individuals who are typically denied coverage in the private market. Similar to the governor's proposal, AB 8 includes other insurance market reforms, including a requirement that insurance companies spend at least 85% of revenue on patient care, rather than administrative costs or corporate profits.

CIPC opposes an individual mandate and supports guaranteed issue and other insurance market reforms.

❖ Safety Net for the Indigent –

AB 8 is not intended to provide universal health coverage. While the governor's proposal is touted as a universal plan, it proposes to cut funding to public hospitals and other safety-net providers in half.

Many immigrants work in the informal economy and will not benefit from the employer mandate or public program expansions proposed in AB8 and the governor's proposal. As a result, immigrant workers will continue to rely on the existing county and public hospital system as their primary source of medical care. Given that this is the only source of care available to so many low-income immigrant families, as well as other Californians who may fall through the cracks, ***CIPC is strongly opposed to any cuts to the safety net*** and urges legislators and the governor to continue to protect this vital avenue for health care coverage.

In the coming months, the California Immigrant Policy Center will continue to monitor and analyze AB 8, and any additional amendments, as it goes through the legislative process. As a co-convenor of the Having Our Say coalition, we are proud to continue working with our allies and legislators to ensure that the final health care proposal that is enacted increases access to and improves the quality of health care coverage for all Californians. For more information, contact Layla Razavi at 916-448-6762 ext. 202.

FEDERAL ISSUES

Children's Health Bill Passes in the Senate Finance Committee without ICHIA Advocates Urge House Finance Committee to Include ICHIA as Part of Final Bill

Amidst threats of a Presidential veto, the Senate Finance Committee passed a five-year, \$35 billion expansion of the State Children's Health Insurance Program (SCHIP) last week by a vote of 17-4. A majority of Republicans on the Senate Finance Committee joined their Democratic colleagues in voting in support for the bill. The additional spending approved would be financed through higher tobacco taxes.

In order to ensure bipartisan support, **the Senate Finance Committee's SCHIP bill fell short by \$15 billion in funding, will not cover all 9 million uninsured children in the U.S., and did not include the Immigrant Children's Health Improvement Act (ICHIA)**, an option for states to federally cover legal immigrant children and pregnant women who are federally ineligible from Medicaid and SCHIP for their first five years in the U.S. Due to the cost-effectiveness of providing preventative care California already invests state funds to cover these children and pregnant women. California Senators Feinstein and Boxer and Governor Arnold Schwarzenegger supported the inclusion of the ICHIA provisions as part of SCHIP reauthorization. The Senate Finance Committee's SCHIP bill now heads to the Senate for a floor vote.

Advocates have turned their attention to the U.S. House of Representatives where there is a better chance that ICHIA (HR 1308) will be included in the House's SCHIP bill and that SCHIP will be funded at the budgeted \$50 billion amount. ICHIA must be the House's version of the SCHIP bill for ICHIA to be included in this year's final SCHIP reauthorization bill. **The House**

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Energy and Commerce Committee will be deciding what will be included in the House's SCHIP bill this week!

- ✓ **Groups should call the California Congressional representatives on the House Energy and Commerce Committee this week** and urge inclusion of ICHIA in the House's SCHIP bill. For a list of committee members go to:
<http://energycommerce.house.gov/membios/110fullmship.shtml>

You can contact the Members by calling the Capitol Switchboard at (202) 224-3121 and requesting to be connected to her/his office. Ask all your allies to do the same!

- ✓ **If you haven't done so yet, groups can still sign onto a national sign-on letter to support ICHIA by visiting:**
<http://www.democracyinaction.org/dia/organizationsORG/NILC/signUp.jsp?key=2115>

For more information about ICHIA, go to www.caimmigrant.org or contact Cary Sanders or Sonal Ambegaokar.

House Passes SSI Extension for Humanitarian Immigrants!

Last week the House of Representatives passed H.R. 2608, the "SSI Extension for Elderly, Disabled Refugees Act" by a voice vote. California Representatives Becerra and Stark and legislators McDermott, Weller and English spoke eloquently about the persecution, injustice and torture from which refugees flee, as well as the hardships they face in the U.S. They noted that this bipartisan bill, urged by faith based, immigrant rights and anti-poverty groups across the country, also received support from the Social Security Administration. The bill was sent to the **Senate** where it is set for a vote. The California Immigrant Policy Center (CIPC) and our allies met with key California representatives to help garner support for the bill.

HR 2608/S. 821 would allow low-income seniors and persons with disabilities including refugees, persons granted asylum or withholding of deportation/removal, Cuban and Haitian entrants and American immigrants, to receive critical assistance under the Supplemental Security Income (SSI) program for an additional two years. Without assistance this group would risk homelessness, hunger and despair, as often they are unable to naturalize within the current seven-year eligibility period due to immigration backlogs, delays and other barriers related to their age or disability. According to data from the Social Security Administration (SSA), approximately 12,000 humanitarian immigrant seniors and persons with disabilities have lost their basic means of support due to the seven-year time-limit. SSA projects that in coming years, more than 40,000 individuals will lose SSI.¹

Under the House version of the bill, humanitarian immigrants would be allowed to receive assistance as non-citizens for a period of nine years after obtaining the relevant status. Humanitarian immigrants already terminated from SSI due to the seven-year time limit would be eligible to receive SSI as non-citizens for an additional two years. The bill further extends the time

¹ "Thousands of Refugees who are Elderly or Disabled could Lose Supplemental Security Income in the Coming Months," report by the Center on Budget and Policy Priorities, 11-14-03, <http://www.cbpp.org/11-13-03imm.htm>

limit for humanitarian immigrants who have a pending naturalization application. These new extensions would be in effect during a three-year period, beginning October 1, 2007 and ending September 30, 2010.

For more information contact Dinah Wiley at the National Immigration Law Center (NILC), wiley@nilc-dc.org or visit NILC's web page at www.nilc.org. For local updates contact Cary Sanders at (510) 663-8282 ext. 303.

Harmful Food Stamp Amendments Defeated – For Now

In a significant victory for immigrant advocates, two harmful proposals that would have denied food stamps to currently eligible immigrants were not introduced in the House Agricultural Committee. The amendments, proposed by Rep. Steve King (R-IA) would have cut several thousand low-income immigrants off of the food stamp program, including refugees as well as other immigrants who have been in lawful status for more than five years.

King Amendment #99 would have repealed the 2002 Farm Bill's restoration of food stamp benefits for immigrants who have resided in the U.S. lawfully for five years. Legislation enacted in 1996 terminated food stamps for most immigrants. Congress subsequently recognized that the law went too far and restored eligibility for some legal immigrants on a bipartisan basis.

King Amendment #100 would have restricted immigrants' access to the Food Stamp Program further by denying food stamps to lawfully residing immigrants who have ever been in the country unlawfully. This amendment would have harmed many victims of trafficking, domestic violence and asylees who fled persecution or crimes, as well as other immigrants who had been out of status for any length of time. The amendment was not only inhumane, but would have been costly and unworkable, as there is no way to verify whether an immigrant was in the country unlawfully at some point in the past.

Both measures would have unnecessarily complicated program administration leading to program errors and further confusion among immigrant families.

The House committee bill, which presently does not contain the harmful amendments, will go to the floor for a vote, [where it could face amendments]. ***Thanks to those who made calls to California's Agricultural Committee Members. Your support helped to ensure that these amendments were not introduced. Congratulations! CIPC will continue to monitor developments as the Farm Bill moves forward.***

For more information contact Dinah Wiley at the National Immigration Law Center (NILC), wiley@nilc-dc.org or visit NILC's web page at www.nilc.org