

ANALYSIS OF AMENDED BILL

Author: Kuehl Analyst: Victoria Favorito Bill Number: SB 840
 Related Bills: See Legislative History Telephone: 845-3825 Amended Date: August 7, 2006
 Attorney: Patrick Kusiak Sponsor: _____

SUBJECT:	California Health Insurance Reliability Act/Insurance Premium Commission/Members Include FTB Executive Officer
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SUMMARY

This bill would establish the California Health Insurance System and California Health Insurance Premium Commission. This analysis will only address the provisions relating to the Franchise Tax Board.

SUMMARY OF AMENDMENTS

As introduced on February 22, 2005, the bill added a division to the Health and Safety Code. The August 7, 2006, amendments made various changes, including the addition of the California Health Insurance Premium Commission.

This is the department's first analysis of this bill.

PURPOSE OF THE BILL

According to the author's staff, the purpose of this bill is to pool the existing health care spending from various areas into one general fund to create a single payer health care system.

EFFECTIVE/OPERATIVE DATE

The provisions of this bill would become effective on January 1, 2007. Provisions relating to the California Health Insurance Premium Commission become operative on January 1, 2007.

POSITION

Pending.

ANALYSISTHIS BILL

This bill would establish the California Health Insurance System, which would be administered by the California Health Insurance Agency.

Board Position:

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_____ N	_____ OUA	<u> X </u> PENDING

Department Director

Date

Selvie Stanislaus

8/28/06

This bill would require the Governor to appoint a commissioner to head the California Health Insurance Agency.

This bill would allow for the creation of the California Health Insurance Premium Commission. The commission would be comprised of 10 non-government members (representing academia, private sector, and public interest groups) and 11 ex officios of various state and legislative entities. The Executive Officer of the Franchise Tax Board would be required to be a member of the commission along with the Chair of the State Board of Equalization, the Director of the Employment Development Department, the Legislative Analyst, the Secretary of the California Health and Human Service Agency, the Director of Finance, the State Controller, two members of the Legislature, the State Treasurer, and the Lieutenant Governor.

This bill would require the commission to meet at least once a month, make certain determinations, and submit a detailed recommendation for a premium structure to the Governor and the Legislature on or before January 1, 2009. The meetings of the commission would be conducted pursuant to the Bagley-Keene Open Meeting Act. A draft recommendation must be submitted to the Governor, Legislature, and the public at least 90 days prior to the January 1, 2009 deadline.

IMPLEMENTATION CONSIDERATION

This bill would not directly impact the programs administered by the department.

LEGISLATIVE HISTORY

SB 921 (Kuehl, 2003/2004), a similar bill, would provide California residents with health care coverage through a single payer health system. SB 921 was held in the Assembly.

FISCAL IMPACT

This bill would not significantly impact the department's costs.

ECONOMIC IMPACT

This bill would not impact the state's income tax revenue.

LEGISLATIVE STAFF CONTACT

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