

# Healthcare Facts



## Top 11 Problems with Gov. Schwarzenegger's Health Plan — an RN View

- 1. The goal of healthcare should be to help people, not criminalize them.** The plan forces people to buy health insurance – with proposed penalties such as requiring employers to check insurance status before hiring or getting schools to ask before a student is allowed to enroll, plus tax penalties and fines.
- 2. No cost controls.** No limits are set on rising insurance premiums, drug charges or on pass through charges to patients or consumers that hospitals, doctors or employers may impose in response to the new taxes.
- 3. Unaffordable, substandard insurance plans.** With no price controls, middle class Californians are likely to buy the cheapest plans which will carry out-of-pocket costs of up to \$10,000 per family for medical expenses. Subsidies for the low income will also be inadequate for many.
- 4. Encourages increased medical debt.** The double cost of premiums and high deductibles likely will force many consumers to cut other basic needs or incur higher debt at a time medical bills already account for half of all bankruptcies.
- 5. Discourages preventive care.** Many may opt to forgo medical visits rather than pay high deductibles, risking greater health problems and higher costs later and the spread of communicable diseases.
- 6. No uniform benefits.** Those who can afford it will be able to buy more comprehensive coverage. The plan also seeks de-regulation of existing minimum requirements for what health plans should cover.
- 7. Entrenches a two-tiered system with better care for the wealthy.** The high income will be able to buy better coverage and will also disproportionately benefit from the tax-free Health Savings Accounts promoted in the plan.
- 8. Not universal.** Even with penalties, some may choose not to buy plans due to cost, as has already occurred in Massachusetts.
- 9. Inadequate funding.** Revenues may not be sufficient for state pools for subsidies for the low income to buy insurance. California's Legislative Analyst says the Governor's budget plans rely on multiple "high-risk assumptions."
- 10. Employers may drop benefits for currently covered employees.** The proposed 4% tax for not providing coverage is cheaper than the 9%–11% employers who now provide benefits pay, not counting ever-rising premiums.
- 11. Threatens public health hospitals and clinics.** The proposed \$2 billion shift in tax funds now used for indigent care to buy insurance would starve public facilities of critical revenue, prompting more closures.