California health care reform

The State of California has initiated significant initiatives aimed at introducing reforms into the health care sector. In the last 3 years significant milestone has been made on account of changing the existing framework of health care delivery with regard to emerging population and economic issues. In the year 2007, California's Governor Arnold Schwarzenegger made an announcement regarding a plan that will see all the state's residents have health care coverage through institution of health insurance for employees working in business settings (Isaacs & Schroeder 1537). This reform was essentially similar to ones passes fronted in states like Vermont, Massachusetts, and Hawaii in previous years. Segal Elizabeth, Gerdes Karen and Steiner Sue observe that, " In 2008 too, California was investigating the possibility of a Massachusetts-like health plan" (238).

Various issues surrounded the implementation of these policy reforms on account of business sizes/potential. This is because it entailed setting an assessment level, which ensured that it did not ruin companies by being neither too high nor too low such that all employers would opt to pay it (Isaacs & Schroeder 1537). This led to the development of significant complications. In essence the proposed levy was 4% by the Governor which the residents deemed as being too high (Isaacs & Schroeder 1537). The policy reform did not sail through past the congress's approval on account of the fact that it would lock out unemployed persons who would be forced to incur significant costs by purchasing their individual insurance coverage. This was primarily observed in 2008 in which reform efforts at all levels seen in California experienced significant implementation hurdles (David 2).

During the same year the reform efforts were significantly affected by an impending budget shortage. David Fisher observes, “ Other challenges facing state reform efforts are the California proposition system and the current budget crisis” (2). Hence, this leads to the assessment of viability of the reforms based on cost fundamentals. For instance, California already faced a $14 billion budget deficit, while the Californian Legislative Analyst Office already projected that the annual cost will overrun the budget by $300 million up to $. 1. 5 billion, which pits proponents fronting for the reduction of costs against focusing on the broader benefits of the package (Isaacs & Schroeder 1539). Moreover, this had a significant impact on account of the proposed policy initiatives necessitating the need for policy makers for the reforms to incorporate revisions on the critical components hoping that the new developments would be received positively by California’s fraternity. This also partly reflected a failure on California’s stakeholders in conducting research on the situation on the ground, economic potential, employment fundamentals, and other critical factors bound to affect the reforms.

In the year 2009, health care bill proposed by senate democrats introduced subsidized premiums for low and middle class California residents. In these proposal cost sharing was to be introduced through an established health insurance exchange program in which the low and middle class residents purchase the premiums (Jacobs et al 1). A research carried out to measure the impact on California residents took into account the current income indices per household. The research discovered that the new reforms would impact positively resulting in the removal of the current Californian health care premiums plan, which is deemed as being overtly high. Moreover, it was discovered that the proposed subsidies would make the premiums to be affordable for Californians lacking jobs through capping of enrollee contributions at a friendly percentage income especially for those falling below 400 percent FPL (Jacobs et al 2). Hence, these indicated that the senate bill initiated positive reforms in the case of California compared to other states.