



OCTOBER 20, 2010

## California Families Cannot Afford Repeal of the Federal Health Law

Californians are more likely to be uninsured, less likely to get on-the-job benefits, more likely to be denied for pre-existing conditions, and more likely to need help to afford coverage in a high cost-of-living state. **Yet some in California want to repeal the new law to address these issues that are disproportionately a problem in California.** The impact of repealing the federal health law on California families would be significant. Repeal would:

### LEAVE CONSUMERS AT THE MERCY OF INSURANCE COMPANY ABUSES

Repealing consumer protections and continuing to allow insurance company abuses would give free reign to Anthem Blue Cross and other insurers. This would allow insurance companies to continue to make record profits while:

- **almost 400,000 Californians are denied coverage** for “pre-existing conditions”;
- **rescinding coverage** after a patient gets sick and needs care;
- **imposing arbitrary annual and lifetime caps** on coverage, leaving *insured* patients at risk of medical debt and bankruptcy; and
- **selling “junk” coverage** that does not provide basic benefits.

### DENY MILLIONS HELP WITH HEALTH CARE

Those who advocate repealing health reform would negatively impact millions of Californians who are looking forward to improved access and affordability under the new law:

- Deny **30,000** Californians with “pre-existing conditions” coverage from the new coverage program;
- Deny **2 million** uninsured Californians access to coverage through Medicaid;
- Deny **3.8 million** uninsured Californians access to new coverage through individual health insurance, and prevent improvements to coverage for **21 million** Californians with employer or individual plans.
- Condemn **66,000** more California families a year to bankruptcy due to unaffordable health care costs.
- Prevent **3.2 million** young adults in California (under age 26) the opportunity to obtain coverage on their parents’ insurance plans.
- Deny all **4.5 million** California seniors free preventive services under Medicare.



## REJECT RESOURCES AND FEDERAL FUNDS FOR CALIFORNIANS

If health reform were repealed in California's current fiscal crisis, the state would lose out on \$124 billion in new federal funds, and billions in subsidy dollars would disappear from the pockets of Californians:

- Denying Californians access to **\$106 billion** in tax credits would mean **increased health insurance premium costs for millions of California families.**
- **Increasing taxes on up to 392,000 California small businesses by \$4.3 billion** by stopping small business tax credit.
- **Increasing prescription drug costs for 794,000 California seniors by \$9.3 billion** by leaving the Medicare Donut Hole unfilled.
- **Continuing the \$2.6 billion burden** on health care providers for uncompensated care.
- **Eliminating \$1.4 billion in new funding to California community health centers.**
- **Increasing the federal deficit** by over \$143 billion in the first ten years, and over \$1.2 trillion in the ten years after that.

## CUT THE HEALTH SYSTEM WE ALL RELY ON

Repeal of health reform would lead to **further denials of coverage and additional cuts to California's health care system** of clinics, hospitals, and emergency rooms.



This factsheet was prepared by Health Access, a statewide coalition of consumer, labor, ethnic, senior, faith, and other organizations that has been dedicated to achieving quality, affordable health care for all Californians for over 20 years. Please visit our website and read our daily blog at [www.health-access.org](http://www.health-access.org)