

**Assembly Budget Subcommittee No. 1 on Health and Human Services**  
**Assemblymember Patty Berg, Chair**  
**January 23, 2008**  
**State Capitol, Room 4202**

**Overview of Governor's Budget-Balancing Reduction (BBR) Proposals**  
**Managed Risk Medical Insurance Board**

(BBR's available on DOF website at [http://www.dof.ca.gov/budget/historical/2008-09/documents/BBR\\_0809.pdf](http://www.dof.ca.gov/budget/historical/2008-09/documents/BBR_0809.pdf))

General Fund (in Thousands)

BBR page #	Title	2007-08 Savings	2008-09 Savings	Requested Legislative Action	Comments
480	<b>Healthy Families Program (HFP)</b>	--	\$ 41,900		Summary of total Special Session Issues. Also includes loss of \$76.1 million of federal funds for a total program reduction of \$118 million
482	Reduce Plan Rates by 5 Percent	(0)	(22,400)	Special Session Trailer Bill Language (SSTBL)	BBR recognizes that health plans may request to cover fewer benefits to absorb the cuts. Assumes implementation by July 1, 2008
484	Annual Benefit Limit for Dental Coverage--limit to \$1,000 per child.	(0)	(6,300)	SSTBL	BBR estimates that 5% of children will reach their limit annually.
486	Increase Premiums by average of \$3	(0)	(11,100)	SSTBL	No increase for families under 150% of poverty. \$7 increase for families between 150% and 200% of poverty and \$4 increase for families between 200% and 250% of poverty. Family maximums for the two groups increase from \$27 and \$45 per month currently to \$48 and \$57, respectively. Almost two-thirds of the additional \$31 million of premium payments is offset by a loss of federal funds.
488	Increase Co-payments for Health Services	(0)	(3,400)	SSTBL	Co-payments would increase from the current \$5 to \$7.50 for non-preventive services for families above 150% of poverty. Almost two-thirds of these payments are offset by a loss of federal funds.