

# **Schwarzenegger Announces He Will Veto Healthcare Bill**

**The legislation would launch the process of establishing a state-run insurer to cover all residents. He says it would cost too much.**

By Jordan Rau, Times Staff Writer  
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SACRAMENTO — Highlighting the limits to his collaboration with Democratic lawmakers, Gov. Arnold Schwarzenegger announced Tuesday that he would veto legislation aimed at creating one state-run insurer to finance the medical expenses of all Californians.

"Such a program would cost the state billions and lead to significant new taxes on individuals and businesses, without solving the critical issue of affordability," Schwarzenegger wrote in a column published in the editorial pages of the San Diego Union-Tribune.

The decision — declared before the bill had reached the governor's desk — brought swift condemnation from healthcare advocates and lawmakers. They said Schwarzenegger has been a consistent impediment to helping the more than 6 million uninsured Californians obtain coverage.

"We think a governor should take bold steps, and when it comes to the health of Californians, our governor is faint of heart," said Rose Ann DeMoro, executive director of the California Nurses Assn., which supported the bill. "He's in the pocket of the drug companies and the insurance companies and the healthcare companies."

The Democratic plan, written by Sen. Sheila Kuehl (D-Santa Monica), would have created one public insurer, known as a single payer, to replace the existing network of private companies. Private doctors and hospitals would remain, but would have their rates set by the new state agency.

An analysis commissioned by Health Care for All California, a nonprofit group that favors universal health insurance, estimated that universal coverage would cost \$10.7 billion annually, or 0.7 percent of the state's general fund revenue.

Los Angeles Board of Supervisors.

In his published article, Schwarzenegger wrote that "I must veto" the bill "because I cannot support a government-run healthcare system." He defended his record on healthcare by noting that he had signed bills to ban junk food in public schools and to compel drug makers to lower the costs of their medicines for low-income families.

He said he hoped next year to work with lawmakers, including Kuehl, to develop "a comprehensive approach" that emphasizes preventive medicine and caps costs without abolishing private insurers.

Schwarzenegger's statement omitted one intervening detail between now and then: the November election he must first win. His Democratic opponent, state Treasurer Phil Angelides, says he favors universal healthcare coverage but has not taken a position on the bill. Angelides' reticence comes as the Schwarzenegger campaign has been enthusiastically adding up the cost of all the programs the treasurer has endorsed over his tenure.

Kuehl said she would reintroduce her bill, SB 840, next year and attempt to build more support. She said she hoped to work with Schwarzenegger, though she pointedly questioned his commitment to the issue by saying: "My grandmother taught me that you know a person more by their actions than their words."

In April, Massachusetts' Republican governor and Democratic Legislature approved the first state plan for universal health insurance. It is a mix of mandates that require everyone to obtain coverage, employers to offer it and government subsidies to help the financially struggling.

But no comprehensive California plan has reached the same kind of consensus. In 2004, voters — with Schwarzenegger's backing — repealed a law that would have required mid-sized and large employers to provide coverage or pay into a common system. And a bipartisan proposal to require all Californians to purchase health insurance, as they must have auto coverage, went nowhere in last year's legislative session.

Schwarzenegger has until the end of September to act on 1,032 bills the Legislature is sending him. Also on Tuesday, the governor signed legislation that would:

- Protect the elderly from exploitative lenders. The bill requires independent counseling for an elderly borrower before a reverse mortgage lender is allowed to accept an application or charge a fee. It also bars annuities — a complicated insurance product that is not always appropriate for the old — from being incorporated into the deal. SB 1609 by Sen. Joe Simitian (D-Palo Alto).
- Prevent college athletes who have been convicted of a violent felony from playing team sports at a public college or university in California. Students may resume their sport after completing their sentences, including probation.

AB 2165 by Assemblyman Jay La Suer (R-La Mesa), was prompted by an incident in

which football players from Grossmont College in El Cajon pleaded guilty to beating a man in the spring of 2005 but continued to play until they were sentenced in October.