



# Office of the Governor

ARNOLD SCHWARZENEGGER  
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## Speeches

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### Governor Joins Speaker Núñez for Capitol Press Conference on Health Care Reform

Video of the Governor

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GOVERNOR: I first want to say thank you to Speaker Núñez for being here today with us, and who has been an extraordinary partner; Dean Tipps with the SEIU State Council, then Duane Dauner with the California Hospital

Association, Danny Curtin with the California Conference of Carpenters, Willie Pelote with the American Federation of State, County and Municipal Employees, Anthony Wright with Health Access, Jim Keddy with PICO, and Dr. Karen Grossman with the California Academy of Family Physicians, and then Tom Epstein with Blue Shield, Dean Germano with the California Primary Care Association, and Veronica Montoya with the Latino Coalition for a Healthy California, then Betsy Imholz from Consumers Union. And then there a lot of people that are not here today, like Steve Burd, we want to thank him also, from Safeway, and who was the head of the Coalition of Businesses, the AARP, and the list goes on and on and on.

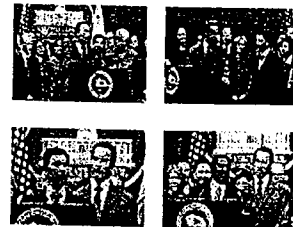
So we just wanted to come here and talk a little bit about our health care reform. I think it's very clear that the Senate did not approve of this, and I think that because the Senate did not really take the opportunity, and actually missed a golden opportunity here, and did not approve and pass comprehensive health care reform, we here are all here to say that we're not going to turn our back on reforming our broken health care system. We're going to continue to fight. It's a very important issue for the people of California. I think the people of California have made it loud and clear and let us know that 60 to 70 percent of the people in this state want to have health care reform, because they know that we have a broken health care system.

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Now, because of the Senate vote the problem didn't go away; the problem is still existing, and I think it will get worse as time goes on. There are still an endless amount of hardworking Californians that have to live in fear that they can't get health care, or that those that have health care, their policy gets canceled as soon as they get sick or go to a hospital. Some of them live in fear that they can't get health care because of a medical history, or because of age. A mother is still, maybe with her child in an emergency room, and gets stuck for 10 hours until she can see a doctor, because there are so many people there that abuse, actually, the emergency room. Emergency rooms are closing; there will be 30 that closed in the last 10 years. We have still skyrocketing health care costs that go up by double digit increases for families and also for businesses. I think all of those things are big problems that exist in California, and all of those things ought to be fixed. I think that we have to do everything that we can.

Basically, as I have said, this is a bump in the road. This is not over for health care reform. We're going to regroup again, bring everyone together, bring the Senate, the Assembly, all the stakeholders together to get this done. I think that I have to compare this with other things that we have tackled since I have come into office, big issues. Whenever you deal with big issues like that, they're not easy to really accomplish. We have known this when I held my State of the State Address early in January of 2007. I made it very clear that it's going to be a very difficult task. And if it would have been easy, I think we would have had health care reform already 60 years ago, when Earl Warren tried to reform health care and provide universal health care for Californians. He did not succeed, he failed in that. And since then, other states have tried it, the federal government has tried it for almost 100 years and they have not been successful. So it's a huge undertaking.

But we were very fortunate that we had a lot of people that are as passionate about health care reform as I am, and as Speaker Núñez is, and those people are all standing behind us here. Now, these are people that come from different points of view. You have to understand, this is like we have -- each one of them make tremendous concessions. Each one of them have compromised, because we started with some people way out here on the right, and some people way out here on the left. And they came together through the negotiations, and came together, and came together, so that we can come to an agreement. So I want to thank them from the bottom of my heart for all the great, great work that you have done, and for the understanding, and really sitting down -- even though in the most difficult moments, we sat there and we worked through it and we worked through it. And there are people here that we don't sometimes have that much in common. But when it comes to health care we all feel passionate about it.

So I just want to say thank you to all of you, and now I want to hand the microphone over to a man that I learned to gain a whole new respect. We have done a lot of things together, and we have fought through the infrastructure bonds, and we had obstacles there, and we had setbacks there where everyone said it's not going to go. And we pulled through it and we did it. And he was there on AB 32 when also everyone said we would not be able to pass it, and we fought through it and we did it. And now this is another very important thing, health care reform, that we will get done.

So thank you again for your great partnership and for your passion on this. Please welcome Speaker Núñez. Thank you. (Applause)

**SPEAKER NÚÑEZ:** Thank you very much. For some reason I had to adjust the microphone downward a little. I want to say first and foremost that people that are standing on this stage deserve an enormous amount of credit for the courageous stand that they have taken in favor of health care reform. For some it is a business model that they see is failing, and a mission that seeks to cure the ill and provide the type of dignity in health care that people deserve. And I know that I speak for Bob Epstein and others from the insurance side. To others that are here, like Jim Keddy, who represents an organization whose core mission is to make sure children have rights and live a peaceful life with all of the things that they need in order to be fulfilled, and so for his organization it was a matter of making sure of children. And you look at people like Dean Tipps and Willie Pelote, the represent poor workers in the State of California. Well, they represent some not so poor workers as well. And the workers they represent already have health insurance, but they know that every time they go to the bargaining table and negotiate a contract they find it more and more difficult to bargain for the type of health care that the workers need, because the cost of health care has been rising at 2.5 times the rate of inflation. So it's harder for employers to put the type of health care on the table that workers are going to benefit from.

And so you've got other folks here like Danny Curtin, who represents construction workers. Construction workers who, for the most part, the construction workers they represent already have health care. But they know that in order to keep what you have right now, you've got to expand access to care to those who don't have it, because it's the only way you're going to contain costs. And they realize that as a fundamental right of a modern state like California, and a democracy like the democracy that we live in, you've got to make health care accessible to everybody.

So some folks that asked me yesterday whether or not I was disappointed, and I tried not to say very much yesterday, to be honest with you, because I wanted to make sure that I was thoughtful about the words I expressed. And I paid very close attention to the hearing, and some of you saw me, I sat through the whole hearing. And I sat in my office and I listened to the press conference thereafter by some of my colleagues in the Senate. And I will tell you that I'm not here to point fingers at any one person. But I do know that there are 3.6 million people that would have benefitted from the bill that we put before the Senate Health Committee yesterday, and which was flatly rejected by members of that committee. And I will tell you one thing, I respect the opinions, the perspectives, and the decisions that elected officials make on a daily basis.

But I also think that this opportunity is not one that we're going to leave behind us, and we're going to move on. This bill is not something we're throwing in the trash and saying, okay, let's go back and start from square one. Because when you look at a coalition like the coalition that is here today, this is truly bipartisan. I don't care what anyone says; this is bipartisanship at its best. When you can put hospitals and organized labor, and patient care advocates and nurses, and people who will come to the table to see to it that from the business community, and from the working class community, you have a voice for people, and they have access to health care. It seems to me that, you know, in some ways that's bipartisan. When you have a Democratic Speaker and a Democratic legislature in the Assembly, a majority that negotiates a bill with the governor, a Republican governor, and gets that done, it seems to me that that's bipartisan. So people can try to distort what it may or may not be, and try to find all types of reasons to justify what they may or may not have done. But at the end of the day, there are 3.6 million people that are going to go without care.

And so the question for us here is, what do we do next? And I'll tell you what my answer to that is. Yeah, I'm a little bit disappointed about what happened yesterday, but that's not going to slow this process down, or this coalition

Remarks at the 2008 Catholic Health Assembly

Gov. Schwarzenegger Attends  
Sabbateo Clinic Dedication Ceremony

from moving forward and taking what we have -- which is not a template for health care access. I believe it's a roadmap to getting the right type of health care that we need, to bridge, being a bridge between those who want government run health care, and those who want the market, the private market, to dictate the pace of how health care is delivered. This is a marriage between two philosophies that the people of California and this country have been looking for all along. And so we're going to continue to embrace this type of reform. We're not going to give up. We're going to take this roadmap and we're going to continue to move forward until such time that every one of those 800,000 children that don't have health care have access to it.

And I've got to tell you, we're going to be looking at other plans. I think it's time, for example, for us to have an honest conversation about single payer. Some of us on the democratic side don't want to have an honest conversation about it. I'm going to put it on the table right now. We need to have an honest conversation, because we cannot create the false sense of hope that we can do something better if it hasn't been tested, vetted, and put through the same type of scrutiny that our effort has been put through.

And I intend to put each and every proposal that seeks to cover health care for everybody through that same process, because I think it's only fair, and because I also believe that we need to be comparing any proposal not to some wishful thinking of what we might be able to do two decades from now, but the world that we live in today, where people get denied health care every day, where people get ill and go to the doctor, and then they're told that their insurance company denies them the care because they have a pre-existing condition, or somebody who can't afford to purchase their own health insurance and has to wait until they get so sick that they have to end up in the emergency room. I think that the reality that we're confronted with right now, and the challenge of leadership for us here today, and for others, is to say are we going to continue with this fight? We may have lost the first round in this fight, but there are still 11 more to go.

And so with that I want first to just say thank you to everybody that's here. But more specifically, I want to thank the Governor, because I think Governor Schwarzenegger demonstrated an enormous amount of leadership, a thoughtfulness, and his commitment to the uninsured is a commitment that nobody, whether they agree or disagree with his point of view, can question at any given time. He is deeply committed to making sure that those who don't have access to health care do. And I'm certainly one who stands behind the Governor in his effort. And I've said it all along. This bill, yeah, it was a compromise. But this was a strong Democratic bill that I stand behind 120 percent. I did so yesterday, I'll do today, and I'll do the same tomorrow. So with that, thank you all very much.

And now I want to introduce one of the Governor's best friends in the State of California, they work very closely together. (Laughter) Representing the State Council SEIU, Mr. Dean Tipps. (Applause)

DEAN TIPPS: Well hey, times do change. So first of all, I would actually like to very much thank the Governor and the Speaker for their leadership on this issue. It's their commitment that has gotten us to this point, it's their commitment that has allowed us to put this coalition together and get us as far as we have gotten to this point. SEIU represents now in California over 650,000 working people and their families. As the Speaker indicated, we represent workers in multiple industries, and we are organizing, and trying to improve the lives and change the lives of many low-wage workers for whom access to health care is a real struggle. And it's a real struggle for our union every single day to get them the health care coverage they, and every other Californian, and every other American, deserves. We are veterans of this fight. Our union was at the forefront of the fight for Prop 186, the single payer initiative, that managed to get 28 percent of the vote back in 1994. We also were leading the fight on Prop 72, where we came within 1 percentage point of winning. And I believe, as I recall, we weren't quite on the same side on that one, Governor. But we all learn lessons, right?

So now, really as a result of the leadership that's come, both from the Democratic leadership in the legislature and from the Governor to put this on the table. Now we've been able to really create, I think, the kind of dialogue and learn from past experiences, and try and confront the difficulty here of health care reform. There's a reason why we don't have health care reform in America. That's because it's very hard. And it's very hard to achieve what we see here, of this kind of broad coalition working together in support of a reform proposal.

Our union made health care reform it's No. 1 priority this year, and actually the year before, and said this is our goal, we will not stop until we achieve comprehensive health care reform. That is our position now. It's our position now and until we achieve comprehensive health care reform.

We are well aware that the state has other problems, including a major budget crisis. But we believe this crisis, the health care crisis, the status quo in health care, is completely unacceptable. It drives our budget problems, it drives personal tragedies every day. It drives the number of bankruptcies we have in this state. It is an endless array of personal stories of tragedy, of frustration, of people who had ambitions that were crushed by their experience when they needed, or tried to get health care and had to sacrifice and change their lives, and change their goals in their lives in order to achieve health care. This system we have today is more than broken; it is completely unacceptable, and it needs change. And there is urgency behind that. And from our standpoint, we will not quit until we achieve comprehensive health care reform in this state and nationally, and we very much thank the Governor for his commitment to keep the fight going forward, the Speaker for his commitment, and those that you're about to hear from.

And with that, I would like to introduce Duane Dauner from the Hospital Association. (Applause)

DUANE DAUNER: Thank you, Dean. Governor Schwarzenegger, Speaker Núñez, as we look at this from the hospital standpoint it is clear that both of these gentlemen are individuals of vision, boldness, courage, and leadership. And that's what has brought us all together. The California Hospital Association has had health care reform as a top priority for the past two decades, and we now have an opportunity to build on where we are today, take it forward, and cross the finish line. This is a marathon, not a sprint, and we have a long ways to go, but in reality it's a short distance. We can build on the accomplishments that have been laid out before us thus far, and work together, all of the organizations that are up here, to put forth a proposal that will achieve the goal that all of us have been striving for, for many years.

It is a pleasure to work with these individuals, because we have that thread of the public at heart. And as long as we keep in mind that we're trying to serve the public and patients, we will succeed, and I'm pleased that the hospitals have been able to step up and be a participant and a contributor in this fight as we move forward for the future.

I'd like to introduce Anthony Wright, who is the Executive Director of Health Access. (Applause)

ANTHONY WRIGHT: I'm the Executive Director of Health Access California, the statewide health care consumer advocacy Coalition. This is our 20th year, and so we know more than anyone that this wasn't the first year of health care reform, and it's not going to be the last. In fact, over the last five years we've been working on proposals, each of the last five years, on five different proposals to dramatically expand health coverage. And with each one we come closer, and with each one we never gave up, we continued to build on the progress we made with the previous ones, whether it was to expand coverage to children, or workers, or all Californians, and we seek to do that again with this proposal. And while yesterday's vote was cold comfort for those of us in California, those who are both insured and uninsured, who need the security of health care, I want to be clear that we've made progress. I was last week at a conference of many of my fellow consumer advocates from around the nation, Pennsylvania and Illinois, and New Jersey. And I was impressed with how much they were watching what's going on here in California, how much the whole world was watching with regard to the policies, and taking ideas from what we are doing here with regard to the coalition, challenging them to make coalition efforts that they had not contemplated before, and finally for inspiration, the fact that we have gotten further, frankly, with a more comprehensive proposal, further in the process than virtually any other state in the country. And so, we have made progress in the nation fight. We're going to make more progress at the statewide fight, because again, it's not the first year of health care reform, and it's not the last.

And with that, I'd like to introduce a board member of mine and a coalition ally, Willie Pelote, the Director of the American Federation of State, Municipal and County Employees in California. (Applause)

WILLIE PELOTE: Thank you, Anthony. You know, I'm glad that I came here today. I got the treatment that I needed. And the treatment that I needed was to know that we are going to still move forward, because I don't believe that whenever you find one barrier, that you just give up and walk away from something that is as important as this, and that is to make sure that every Californian who needs comprehensive health care will one day realize that that is a part of their life every day. So I needed to come here today, because yesterday I was very disappointed. And today I feel fantastically well, because I know that we're going to still have the leadership that started off with the Governor, joined by the Speaker, and I truly believe with the Senate Pro-Tempore as well, to say to Californians that we as a government are going to work together with every coalition in the state to finally say one day soon, and not later -- because I'm a very firm believer in the Second Coming -- that we're going to give you health care reform, every child, every mother, every father, and every brother, will know that he or she can go in and see a doctor and get the appropriate treatment for the ill, and leave without losing their homes. Or when they change jobs, knowing that that will follow with them. I want to say clearly, I needed to come here today. I want to say to the Governor, the Speaker, and the Senate Pro-Tempore, Don Perata, let's continue to work together with this coalition and their coalition to finally say to everyone in California, this is your day, because your government has acted properly, and delivered to you finally what you deserve, and that's health care expansion for everyone. And it's going to give relief to my members as well. 170,000 in the State of California, that we will no longer pay for emergency care, but we will pay for preventive care. And we will work with the Governor to make sure that everybody can be not only healthy, but know clearly that they are protected with health care in the State of California. Like everywhere else that you can travel in places that most of you know about. We want to make sure that California is just like that. So I needed to come here because I needed to hear this. And after hearing it, AFSCME is going to continue with the administration, the Speaker, and the Senate Pro-Tempore, to use any influence that we have, to be there every minute of the day, whatever and how long it might take, until we get comprehensive expansion of health care reform in the State of California. Governor, Mr. Speaker, and the Senate Pro-Tempore Don Perata, there was a gentleman that couldn't have said this better, he's no longer with us. But let's get it on.

I'd like to now introduce to you the Director from PICO, Mr. Jim Keady. (Applause)

JIM KEDDY: I was going to bring you a message from the faith community this afternoon, but I think we've already heard one from Reverend Pelote. (Laughter) Speaking on behalf of the children's health movement in California, we have thousands of children in our state who have conditions like asthma, thousands of children with diabetes who are suffering because they are not able to get the regular medical attention they need to get better. We have thousands of children who need health coverage, their parents need health coverage, and their neighbors need health coverage. We need a new system. We're here today to express our commitment to continue to step forward with the Governor, with the Speaker, with the partners here in the room until we find a solution.

Next I'd like to introduce Dr. Karen Grossman from the California Academy of Family Physicians. Thank you. (Applause)

DR. KAREN GROSSMAN: I'm here today on behalf of other family physicians, doctors, and most of all my patients and my community, to thank the Governor and the Speaker for working so hard to get us this far in health care reform. I'm disappointed about what happened yesterday, and I do know that all these people standing here before you today will keep working very hard so that when I go back to the office I'm not just seeing the lucky people, the lucky people who have insurance, who have jobs, who can have health care insurance today. I'll know that I'm seeing patients who, in the whole state, know that they can come into my office any time they need, for their health care concerns. They don't have to go into the emergency room unless they need to, and when they do go to the emergency room they know that it's not going to mean the end of their financial livelihood. So I'm very honored to be here today, and I'm going to continue working with the Governor and everybody up here, to make sure that we have a good, healthy health care system in California.

And I'd like to introduce Tom Epstein with Blue Shield. (Applause)

TOM EPSTEIN: Thanks. I'm also here representing other health plans that are behind me here, Kaiser Permanente and Health Net, and all three of us are part of the coalition to advance health care reform. We've been proud to be a member of the coalition of the willing for so long, and now we're delighted to be part of the keep hope alive coalition going forward. (Laughter) Blue Shield embraced a plan for universal coverage based on shared responsibility almost six years ago, and thanks to the leadership of Speaker Núñez and Governor Schwarzenegger, we actually almost got there this year. And we shouldn't forget the progress that was made, and I want to give a few examples from the health care world. As someone who worked on the Clinton Health Plan 15 years ago, I was aware that the health insurers were not exactly great participants in achieving coverage. But this year we had six health plans that were working with the Governor and Speaker on this bill. We agreed to accept a medical loss ratio limiting the amount -- or requiring us to spend a certain amount of our revenue on medical expenses. And we also accepted guaranteed issue, requiring health insurers to take everybody who comes in the door. Those are remarkable achievements, and only one health plan actively opposed those provisions. And I think that's remarkable. The Governor and the

Speaker deserve enormous credit for that. And we're not going to stop until every Californian is guaranteed the health coverage that they deserve.

So with that, I want to introduce Dean Germano, who represents community clinics. (Applause)

DEAN GERMANO: Good afternoon. I'm here on behalf of the California Primary Care Association. I'm also an executive director of a community clinic up in Redding, California (Inaudible) are medically uninsured. But one of every three patients that comes through my door has no coverage whatsoever, and often has put off care for prolonged periods of time. Worry, stress, and all the other contributions that add up to higher acuity and often financial distress. So when the Governor and the Legislature took on this issue this year, community health centers were right there to try to support this as best we can, knowing we're in the crosshairs of this very dysfunctional system in which we live. Governor, even though we've had a little setback, Speaker Núñez, we are committed to working with you and the coalition to make this happen, because quite frankly -- I think it was you, Governor -- that failure is not an option. So, we're going to make it happen. Thank you.

And I'd like to introduce Betsy Imholz from the Consumers Union. (Applause)

BETSY IMHOLZ: Betsy Imholz from Consumers Union, non-profit publisher of Consumer Reports. Health reform is not for the fainthearted. When Consumers Union was founded 70 years ago, that was one of our primary issues; seeking universal care. And we've worked, of course, for many years here in California toward that end as well. And we've worked and supported a range of options including the single payer option. I will say that the past 18 months have been a very unusual, even historic period in health reform history in California. It's been a period of open doors, of conversation, of debate, of analysis, of consumer groups themselves debating the pros and cons of various proposals, and doing the analysis. And it's been highly unusual. I thank our leaders, I thank the Governor and Speaker Núñez for their leadership on this issue. And in the end, we do feel that AB X11 was a very viable, credible product based on very reasonable and realistic assumptions, and supported it. We will continue to work forward on this, and we know it's for the long haul, we are not fainthearted. You can't be if you're a consumer advocate working on health reform, and look forward to working with everyone as we go forward. We heard some policy leaders saying that they were concerned about health reform and didn't want to vote for it because economic times are hard, and we're heading into even rougher times. But from where we sit, we see it differently, which is who is hit hardest by difficult economic times? It's low and moderate income consumers. Health care is not going to get any better for them, and we do feel that we need to help the millions of Californians out there that don't have it. Thank you very much.

Let me introduce the speaker, Veronica Montoya from Latino Coalition for a Healthy California. (Applause)

VERONICA MONTOYA: Thank you, Betsy. Good afternoon. My name is Veronica Montoya, I'm with the Latino Coalition for a Healthy California. And today we are proud to stand shoulder to shoulder with our colleagues. For over 15 years our organization has worked for a single purpose, and that is to improve access for Latino health here in California. Unfortunately, today California's Latinos still represent a majority of those that are uninsured. What is no different from our counterparts in terms of other Californians is that many of them are full-time employed and continue to work hard. The last year has definitely been an exhilarating year for us, but no different than the last 14 years that preceded that. One thing that we do want to continue to echo is that we will continue to work on behalf of California's Latinos to ensure that there is quality, affordable health care for them. So our message to our families and to yours is simple: We will continue to work on behalf of your family to ensure that access to affordable, quality health care is a reality.

Next I'd like to introduce Danny Curtin, who is with the California Conference of Carpenters. (Applause)

DANNY CURTIN: Thank you very much. I'm really honored to be here in this crowd, but mostly because of what we're talking about. We're in a conversation about a universal health care plan. For those of you who cover the Capitol, most of the major fighting that goes on around here is about an asterisk on a footnote in a subparagraph in some bill. And this is a fight that is historic in moment. I think of the Civil Rights Act, you know, those kinds of things. The universal health care movement -- I beg to differ with the Speaker for a moment -- this is not the first round. The first round, I think we've well past the first round. I want to thank the Governor, of course, and the Speaker, of course, for the fight they put in here. But if you look at the diverse coalition that's up here, we're way past the first round on this. When you -- okay. (Laughter) I'm going to pay for that, I feel it. I really do feel that. But at any rate, when you have insurance companies up here accepting the kinds of things that are in this plan -- you can't deny people care because of previous health care conditions. Well, there's another side to that coin, which is everybody's got to participate. And that's what I want to sort of address. everybody has to participate. I work for the Carpenters Union; we have health care. We will benefit immediately by this plan in some ways, but not in fundamental ways immediately. Our people who are unemployed for a long period of time often have to drop out of our health care plan, because the premiums are not cheap. And you're carried over for a period of time, but not for too long. And our retirees have a hard time meeting co-payments, because our plan doesn't pay for retirees ad infinitum. They have to co-pay. So this plan will help us immediately in those two areas. But the real issue for us, in Northern California our plan costs \$8.65 every hour worked by every union carpenter. That's an extraordinary amount of money. That's more than the minimum wage. The accountants, or the prognosticators, are telling us that by 2009 our plan may go up to \$12.00 an hour. Now, this is not a gift from the employers, this is a negotiated wage that our members are not getting because it's going to health care. Okay, we're willing to go there. Part of the problem is, out of that \$8.65, we're competing with employers who are not paying any health care, and it's our health care that's subsidizing their workers who go to the emergency rooms, who misuse Workers' Comp, which is also a high cost, a hidden tax, as the Governor likes to say. It's actually not so hidden. When you're looking at \$12.00 an hour for health care, it's much, much more obvious than hidden. Ah-hah! (Laughter) Hey, the mumbling back here has got to go. I'm having a hard enough time keeping track of this. Very good. Now, we don't mind subsidizing health care for people who can't afford it. But when I hear labor officials say that they're worried about the middle class, and the cost to the middle class, I do mind. Every one of our members has to pay that \$8.65 an hour. We don't go to our members and say, "Look, we've got you this lovely contract. You can either get health care or you can get \$8.65 more an hour on your pay scale, but you don't get health care. It would fall apart. It doesn't work that way. This is a big problem, a comprehensive problem. You heard all these stories -- I believe it's 40 percent of all bankruptcies are driven by health care -- it's a big problem. Everybody has to contribute. And for labor people to say that the middle class is going to be hurt by this, people making over \$82,000 a year will not receive a subsidy in this plan, well, I'm telling you, I'm not going to shed any tears over that. That's mid-management level people. They should be paying for their health care. Workers making a decent living, they should be paying for their health care. Our people pay for it and subsidize them. That cost shift is very, very important. Frankly, I just want to say I know we have some very, very

strong leaders here. Nothing of value comes easily. And I can tell you, I know the Governor worked all his life, he didn't become who he is because he had an easy time of it. He worked very, very hard. And I know the Speaker, he came from a low-income family, an immigrant family, struggled, a lot of kids. I know he became a boxer, probably so he could keep safe in the neighborhood. He's taken a punch or two. We're well past the first round. We are beginning to turn the corner on a national level, I believe. That's why I was as disappointed as I was yesterday. And I loved what Willie Pelote had to say -- I'm feeling a lot better today. This fight is not even close to over. It's close to over in a successful sense, not in an unsuccessful sense. I want to thank the leadership. And again, look at this diverse coalition. It's almost comical in some respects, because you won't get it up here too often. And almost the opposition to this, is almost the same in some respects. You've got some labor people, you've got some insurance people. So it's confused. It's confused because the Governor goes for big programs. We're changing not a little asterisk on a subparagraph; we're fighting for universal health care.

I want to thank again the Governor, and bring him back up here so you can have at him. Thank you very much. (Applause)

GOVERNOR: Okay, I can take a few questions quickly, and then we'll move on. Yeah, please.

Q: In regards to your regrouping, what's that going to look like? I mean, a new bill? Are you going to go to the ballot? What do you mean regrouping? What are you going to do?

GOVERNOR: We have not yet had the chance to really sit down and meet and regroup. But first of all we have to find out exactly what is the reason, and why it did not pass. Not what has been given to the public, but what is the real reason? So we've got to get in there and figure that out. And then work with everyone, bring everyone together again. The great thing is we have a great team here, and like I said, there are a lot of others that have been fighting right along, and negotiating with us, that are going to be with us. Everyone said they're going to continue working together on this, and we're going to add to this coalition.

Q: Can I just follow up? What do you mean the real reason, not the reason that's been given to the public? Is somebody not telling us the real reason, in your view, about what happened?

GOVERNOR: No, No, I think there are additional things. You know, with the public you give certain information, and then there is also something underneath that. And we want to go and get what is being said, and also what is underneath that. I mean, the sub-layers. In acting we call it the sub-layers, the different colors underneath. And so we need to find out all that, because it makes it easier then to get right away to the bottom and to find a solution to the problem.

Q: Mr. Governor, the Speaker is already talking about looking at a single payer system. Are you on board with the single payer system, Mr. Governor? Are you ready to start looking at a single payer system?

GOVERNOR: No, absolutely not. I think that the Speaker was saying we should analyze it, and we should take it through the same scrutiny to see what comes out. Because, for instance, the LAO I don't think has ever done a real study on that, or on other kinds of health care proposals that were introduced in the past. So I think that's what the Speaker is saying, basically. Yeah?

Q: Are you suggesting that the LAO's fiscal numbers -- many of the committee members yesterday said that there is no money for this, and the LAO's report was a pretty solid fiscal reason why they would not vote for this.

SPEAKER NÚÑEZ: I can tell you as a Democrat, I looked at LAO reports. And what we like to do is, we pick the stuff we like, and that's advantageous to us, and the things that are not we sort of ignore and brush aside. I was meeting with the education coalition, for example, today. They don't like the LAO's analysis on what we should do, or what she proposes to do, on Prop 98, and the suspension of 98 to balance the budget. But some of the same people that disagree with the LAO's analysis on that want to agree with the LAO's analysis that a \$250 premium for people in a purchasing pool that is going to be buying health insurance for millions of people ought to be made, the comparison that is, ought to be made to the individual market as opposed to group plans. And what we pay now for Medi-Cal, Healthy Families, or what you can do when you buy something at bulk -- you know, this analysis was essentially based upon what it would cost you to buy retail health care. We're looking at buying health care on a wholesale basis. And it seems to me that that analysis didn't do AB X1 justice. But that aside, if you look at the rigor that this bill was put through, I think it stood pretty tall, specifically with respect to the independent funding stream, the 14 plus billion dollars. The LAO not once questioned whether or not that money was going to come through. Of course I don't know that that was given the type of balance and objectivity that I would have given it in a hearing, but that's in the past. I think from this point forward we're going to have to look at what is fiscally prudent -- and there's clearly now a different vetting that we're going to have to go through with any plan, and I think that that's a new standard that was set yesterday. And I'm happy to work within those boundaries, just as long as every proposal is put through that same level of scrutiny.

Q: But don't you think -- I mean, this is health care. I would think you would welcome such -- I mean, I know it was the long death march, Steve Peace Part II. But wouldn't you accept and love to have another set of hearings on single payer and all these things? That hearing, love it or lump it, we finally got to see what this proposal is all about.

SPEAKER NÚÑEZ: I think it's all a matter of perspective. There's nothing wrong with getting into the details of a plan. I think we all should do that. But something as complex as health care -- I heard people getting up to testify on the bill and different portions of the subsets within the hearing, essentially trying to say the same thing in a different way. For somebody who understands the complexities of this bill -- I'm not saying I'm an expert, but I think I've learned the bill pretty well. You listen to people and what they're saying, if you know what you're talking about, you can understand what they're saying. If you don't, they can clearly and easily pull the wool over your eyes.

So yeah, we've got to have thorough hearings, but they must be fair, they must be objective. And look, if you're going to have disagreements, they ought to be over the facts, not over different versions of perceptions of what those facts might be. It needs to be over the clear facts. And we did not have a hearing, not for one minute, on the facts of this bill. I think that that debate was not about the facts. So while I welcome this type of scrutiny, I hope in the future what we're looking at is the facts. Let's analyze it, let's discern the facts, but let's be objective about it.

Q: Speaker Núñez, one of the main criticisms was about the federal funding, and the federal funding not being secured. That was a big chunk of money. Can you address that concern?

GOVERNOR: Can I just quickly say -- we have gone to Washington a year ago, and we have met with the President and with the Secretary of Health and Human Services. And he then came out here, and we had a big press conference where he made it very clear that the federal funding is available. All we have to do is reform our health care system, and they will be fully assisting us with federal funding, the matching funds, all of that. So that was absolutely -- if someone used that as an excuse, I can tell you, that's totally the wrong one to use.

>>: We would need a waiver, actually (Inaudible) a fee on hospitals.

GOVERNOR: Yeah, we go it all. I'm just telling you that the guarantee was there, the promise was there. They wanted to work with us because we deserve those kind of federal matching funds. So there was no problem there whatsoever, because the federal government was actually looking forward to having us fix our health care system so they can go and let other states do the same thing, to use us as a model. So there was no resistance there, no obstacle there. We have had other obstacles in other areas with the federal government, but this is definitely not one of them.

Q: Governor, the subtext you were talking about, do you think that may have anything to do with influence by tobacco lobbying, or maybe the Federation of Labor, or other interest groups?

GOVERNOR: No, it absolutely has nothing to do with that at all. No, I'm just saying that we all -- there is always beyond of what we say, there is something underneath also that makes us say certain things, and there is more there. And so I think when you have meetings, and when you get together, you kind of can get in there. So I have not spoken to Senator Perata, he has not called me about any of this, so I cannot tell you right now. But we soon will. Because we will have those meetings, we all will be sitting together, and then we will get into it. Okay? Thank you very much. Thank you.

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