

California Healthcare – Dollars and Politics

On health-related bills, how lawmakers vote correlates closely
with campaign donations.

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Executive Summary

We examined seven health-related bills in the California Legislature during the 2005-2006 and 2007-2008 legislative sessions. Using campaign contribution records from the National Institute on Money in State Politics, we examined patterns of contributions from organizations supporting and opposing each bill. We found that campaign contributions from both supporters and opponents correlated with how legislators voted in five out of the seven bills examined. For the two remaining bills, contributions from groups on one side of the bill (support or opposition) correlated with how legislators voted, while contributions from groups on the other side did not.

The report reveals that, on the whole, campaign contributions and votes on key health care bills are closely aligned.

For example, AB 977 (2006) would have required health plans and health insurers to seek regulatory approval before selling most health care plans.

Unions, such as the American Federation of State, County, Municipal Employees, and consumer groups supported this bill. Health plans, such as Blue Cross of California and Kaiser Permanente, were opposed. This bill passed the Assembly and died with a vote in a Senate committee, with 2 Senators voting Yes, 4 voting No, and 5 not voting.

Supporters of the legislation, like the unions, gave an average of \$3,750 to each of the 2 Senators voting Yes. They gave much less, \$478 on average, to each of the 9 Senators voting No or not voting.

Opponents of the legislation, mostly health insurance firms, gave an average of \$13,951 to each of the 9 Senators voting No or not voting. They gave 14 times less – an average of \$1,000 – to each of the two Senators voting Yes.

Supporters gave this much, on average, to each legislator voting Yes :	\$3,750	\$\$\$\$\$\$\$\$
Supporters gave this much, on average, to each legislator voting No :	\$478	\$
Opponents gave this much, on average, to each legislator voting Yes :	\$1,000	\$\$
Opponents gave this much, on average, to each legislator voting No :	\$13,951	\$

Campaign Contributions and Legislative Votes

Campaign contributions are only one factor affecting legislator behavior. Some other factors, which we did not evaluate in this report, are industry lobbying, advocacy by community groups, and legislator philosophy. The correlation we found between industry giving and legislative outcomes does not show that one caused the other, and we do not make this claim. The purpose of this report is to reveal how contributions correlate with legislation and with

votes by legislators, so that citizens have key information needed to draw their own conclusions about how campaign contributions affect policy.

When a legislator receives campaign contributions from an industry group or labor union, and then casts a vote favorable to that industry, the campaign dollars might have been a factor in convincing the legislator to cast that favorable vote. Or, the legislator might already have been inclined to vote that way; the industry might be providing funding to a legislator who already sympathizes with the industry's point of view.

In either case, campaign contributions can distort public policy. Even if campaign contributions did not affect the opinion of a single legislator, campaign resources still flow to legislators who are most favorable to the industry. These industry-favorable legislators have more campaign funds and thus more resources to put towards their elections. Candidates who take positions contrary to industry interests are unlikely to receive industry funds and thus have fewer resources for their election campaigns.

Methodology

We examined seven health-related bills in the California Legislature. Six were from the 2005-2006 legislative session, and one was from the 2007-2008 session. The bills were recommended to us by the California Clean Money Campaign as significant for health care policy in California. For each bill, we found which organizations supported and opposed it, using support and opposition information routinely gathered by the California Legislative Analyst's office and found in the official legislative record for each bill.

For each supporter or opponent organization, we researched the campaign contributions associated with that organization by collecting records of contributions from Jan. 2005 through Dec. 2006, using the website of the National Institute on Money in State Politics (followthemoney.org). We treated a contribution as "associated with" an organization if the organization gave the contribution directly or if that organization was listed as the contributor's employer.

For each bill, we examined the last vote on that bill in the California Legislature, excluding votes on "motion to reconsider" and a few other procedural motions. In some cases this last vote was a committee vote; in other cases the vote was an Assembly or Senate floor vote.

For this last vote on each bill, we combined the campaign contribution information with the information about how each legislator voted to calculate the average contribution given to legislators who voted Yes and who voted No.

Because legislation needs a certain number of Yes votes to move forward, a legislator who does not vote has the same effect as a legislator voting No. So, in our calculations, we classified legislators who did not vote as if they had voted No.

AB 977 (2006) - Health plan regulation

This bill would require health plans and health insurers to seek regulatory approval before selling a plan or policy that includes any deductible, copayment, other out-of-pocket cost, or limitation on benefits or coverage, and would require the Department of Managed Health Care and the Department of Insurance to develop regulations for the creation of standard benefit designs.

This bill passed the Assembly and died with a vote in the Senate Business, Finance, and Insurance Committee vote on June 21, 2006:

2 voting Yes - 4 voting No - 5 not voting.

Supporters gave this much, on average, to each legislator voting Yes :	\$3,750	\$\$\$\$\$\$\$\$
Supporters gave this much, on average, to each legislator voting No :	\$478	\$
Opponents gave this much, on average, to each legislator voting Yes :	\$1,000	\$\$
Opponents gave this much, on average, to each legislator voting No :	\$13,951	\$

The following lists include all groups supporting and opposing this bill, according to the Official California Legislative Information website, including groups that did not make campaign contributions. Groups that gave contributions of more than \$75,000 to state-level candidates in the 2005-2006 election cycle are listed first, in bold, and the amount given is listed after their names (listed amount is the total given during 2005-2006 to all California state-level candidates). The numbers in the table above include contributions from all supporters and opponents, not just the groups that appear in bold.

Supporters

American Federation of State, County, Municipal Employees	\$793,762
California School Employees Association	\$362,422
California Hospital Association	\$145,850
California Federation of Teachers	\$99,700
California Labor Federation	
California Nurses Association	
Coalition for Humane Immigrant Rights of Los Angeles	
Congress of California Seniors	
Health Access	
Health Care for All, California	
Health Care for All, Central California Chapter	
Health Care for All, Marin	
Health Care for All, Santa Barbara Chapter	
Latino Coalition for a Healthy California	
Mexican American Legal Defense and Educational Fund	
Services, Immigrant Rights, and Education Network	
The California Partnership	
Western Center on Law and Poverty	
9 to 5, Bay Area Chapter, National Association of Working Women	

California Alliance for Retired Americans
 CalPIRG
 Children Now
 Children's Defense Fund
 Coalition for Community Health
 Gray Panthers
 Latino Issues Forum
 North Bay Labor Council
 Novato Community of Christ
 San Francisco Gray Panthers
 Santa Clara Valley Health and Hospital System
 The Children Partnership
 The Greenlining Institute
 The Kennedy of Club of San Joaquin

Opponents

Blue Cross of California	\$264,700
California Association of Health Underwriters	\$215,268
California Association of Health Plans	\$166,519
California Chamber of Commerce	\$164,249
Association of California Life and Health Insurance Companies	\$150,800
Pacificare	\$124,658
Kaiser Permanente	\$117,518
Health Net	\$95,600
America's Health Insurance Plans	

AB 2281 (2006) - Health plan contract disclosure

This bill establishes standards and disclosure requirements affecting health care service plan contracts.

This bill died with an Assembly Floor vote on May 31, 2006:

37 voting Yes - 36 voting No - 7 not voting

Supporters gave this much, on average, to each legislator voting Yes :	\$5,793	\$\$\$\$\$\$
Supporters gave this much, on average, to each legislator voting No :	\$1,051	\$
Opponents gave this much, on average, to each legislator voting Yes :	\$3183	\$\$\$
Opponents gave this much, on average, to each legislator voting No :	\$6,732	\$\$\$\$\$\$\$

The following lists include all groups supporting and opposing this bill, according to the Official California Legislative Information website, including groups that did not make campaign contributions. Groups that gave contributions of more than \$75,000 to state-level candidates in the 2005-2006 election cycle are listed first, in bold, and the amount given is listed after their names (listed amount is the total given during 2005-2006 to all California state-level candidates). The numbers in the table above include contributions from all supporters and opponents, not just the groups that appear in bold.

Supporters

American Federation of State, County, Municipal Employees	\$793,762
Commissioner, California Department of Insurance	
100% Campaign	
Alzheimer's Association	
American Federation of State, County, and Municipal Employees	
Asian and Pacific Islander American Health Forum	
Asian Pacific American Legal Center of Southern California	
California Consumers United	
California Immigrant Welfare Collaborative	
California NeuroAlliance	
Coalition for Humane Immigrant Rights of Los Angeles	
Congress of California Seniors	
Foundation for Taxpayer and Consumer Rights	
Gray Panthers California	
Greenlining Institute	
Health Access California	
Health Care For All - California	
Healthy Kids Mendocino	
Latino Issues Forum	
Mexican American Legal Defense and Educational Fund	
National Multiple Sclerosis Society	
Services, Immigrant Rights and Education Network	
Southern California Americans for Democratic Action	
Sutter Health	

The California Partnership
Western Center on Law and Poverty

Opponents

Blue Cross of California	\$264,700
Association of California Life and Health Insurance Companies	\$150,800
California Restaurant Association	\$138,056
Pacificare	\$124,658
Health Net	\$95,600
America's Health Insurance Plans	
California Association of Small Employer Health Plans	
National Federation of Independent Business	

SB 1804 (2006) - Health plan database

This bill requires Department of Managed Health Care (DMHC) and California Department of Insurance (CDI) to maintain a database for each plan and insurer, in each county, on product lines, number of covered persons, and the number of providers by product line.

This bill died with a vote in the Assembly Health Committee on June 27, 2006:
6 voting Yes - 4 voting No - 4 not voting

Supporters gave this much, on average, to each legislator voting Yes :	\$5,708	\$\$\$\$\$\$
Supporters gave this much, on average, to each legislator voting No :	\$7,831	\$\$\$\$\$\$\$\$
Opponents gave this much, on average, to each legislator voting Yes :	\$1,600	\$\$
Opponents gave this much, on average, to each legislator voting No :	\$17,057	\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$

The following lists include all groups supporting and opposing this bill, according to the Official California Legislative Information website, including groups that did not make campaign contributions. Groups that gave contributions of more than \$75,000 to state-level candidates in the 2005-2006 election cycle are listed first, in bold, and the amount given is listed after their names (listed amount is the total given during 2005-2006 to all California state-level candidates). The numbers in the table above include contributions from all supporters and opponents, not just the groups that appear in bold.

Supporters:

American Federation of State, County, Municipal Employees	\$793,762
California Medical Association	
American College of Emergency Physicians, California Chapter	
American College of Obstetricians and Gynecologists	
American Federation of State, County, Municipal Employees	
California Academy of Ophthalmology	
California Orthotics & Prosthetics Association	
Health Access California	

Opponents:

Blue Cross of California	\$264,700
California Association of Health Plans	\$166,519
California Chamber of Commerce	\$164,249
Association of California Life and Health Insurance Companies	\$150,800
Pacificare	\$124,658
Kaiser Permanente	\$117,518
California Association of Physician Groups	\$116,066
Health Net	\$95,600
America's Health Insurance Plans	
CIGNA Health Care	

SB 1591 (2006) - Disability insurance benefits

This bill prohibits the Commissioner of the California Department of Insurance (CDI) from approving any group's disability insurance policy unless any benefit of the policy, or the policy as a whole, are sufficient to be of real economic value to the insured.

This bill passed the Senate and died with a vote in the Asm. Health Committee on June 27, 2006:
7 voting Yes - 5 voting No - 2 not voting

Supporters gave this much, on average, to each legislator voting Yes :	\$1,286	\$\$
Supporters gave this much, on average, to each legislator voting No :	\$757	\$
Opponents gave this much, on average, to each legislator voting Yes :	\$3,371	\$\$\$\$\$\$\$
Opponents gave this much, on average, to each legislator voting No :	\$11,327	\$

The following lists include all groups supporting and opposing this bill, according to the Official California Legislative Information website, including groups that did not make campaign contributions. Groups that gave contributions of more than \$75,000 to state-level candidates in the 2005-2006 election cycle are listed first, in bold, and the amount given is listed after their names (listed amount is the total given during 2005-2006 to all California state-level candidates). The numbers in the table above include contributions from all supporters and opponents, not just the groups that appear in bold.

Supporters:

- California Medical Association
- American College of Emergency Physicians, State Chapter of California
- California Nurses Association
- Health Access California
- Foundation for Taxpayer and Consumer Rights

Opponents

- Blue Cross of California** \$264,700
- California Association of Health Underwriters** \$215,268
- California Association of Health Plans** \$166,519
- California Chamber of Commerce** \$164,249
- Association of California Life and Health Insurance Companies** \$150,800
- Pacificare** \$124,658
- Health Net** \$95,600
- Allstate
- American's Health Insurance Plans
- American Specialty Health Insurance Company
- California Hispanic Chambers of Commerce
- CIGNA Healthcare

AB 2911 (2006) - Discount prescription drug program

This bill Establishes the California Discount Prescription Drug Program (Program) in the Department of Health Services (DHS) to use manufacturer rebates and pharmacy discounts in order to reduce prescription drug prices and improve the quality of health care for eligible Californians.

This bill became law with a Senate floor vote on August 30, 2006:

47 voting Yes - 31 voting No - 1 not voting

Supporters gave this much, on average, to each legislator voting Yes :	\$9,798	\$
Supporters gave this much, on average, to each legislator voting No :	\$217	\$
Opponents gave this much, on average, to each legislator voting Yes :	\$160	\$
Opponents gave this much, on average, to each legislator voting No :	\$0	

The following lists include all groups supporting and opposing this bill, according to the Official California Legislative Information website, including groups that did not make campaign contributions. Groups that gave contributions of more than \$75,000 to state-level candidates in the 2005-2006 election cycle are listed first, in bold, and the amount given is listed after their names (listed amount is the total given during 2005-2006 to all California state-level candidates). The numbers in the table above include contributions from all supporters and opponents, not just the groups that appear in bold.

Supporters:

Service Employees International Union	\$2,260,039
American Federation of State, County, Municipal Employees	\$793,762
OuRx Coalition	
AARP California	
AIDS Healthcare Foundation	
California Alliance for Retired Americans	
California Consumers United	
California Labor Federation, AFL-CIO	
California Mental Health Directors Association	
California National Organization for Women	
California Public Interest Research Groups	
Congress of California Seniors	
Consumers Union	
Health Access California	
Greenlining Institute	
Insurance Commissioner John Garamendi	
Latino Coalition for a Healthy California	
Mexican American Legal Defense and Educational Fund	
Senior Action Network	

Opponents:

Alpha Behavioral Health Services
California Council of Community Mental Health Agencies
California Healthcare Institute
Mental Health Association in California
National Health Law Program
Pharmaceutical Research and Manufacturers of America
Protection and Advocacy, Inc.
Western Center on Law and Poverty

AB 774 (2006) - Discounted payments policy for hospital care

This bill requires hospitals to maintain an understandable written policy regarding discounted payments and charity care to financially qualified patients.

This bill became law with a Senate floor vote on August 31, 2006:

22 voting Yes - 14 voting No - 4 not voting

Supporters gave this much, on average, to each legislator voting Yes :	\$3,623	\$\$\$\$\$\$\$\$\$\$\$\$
Supporters gave this much, on average, to each legislator voting No :	\$1,150	\$\$\$\$
Opponents gave this much, on average, to each legislator voting Yes :	\$626	\$\$
Opponents gave this much, on average, to each legislator voting No :	\$1,664	\$\$\$\$\$\$

The following lists include all groups supporting and opposing this bill, according to the Official California Legislative Information website, including groups that did not make campaign contributions. Groups that gave contributions of more than \$75,000 to state-level candidates in the 2005-2006 election cycle are listed first, in bold, and the amount given is listed after their names (listed amount is the total given during 2005-2006 to all California state-level candidates). The numbers in the table above include contributions from all supporters and opponents, not just the groups that appear in bold.

Supporters:

American Federation of State, County, Municipal Employees	\$793,762
California Federation of Teachers	\$99,700
Health Access California	
AARP California	
Applied Research Center	
Asian and Pacific Islander American Health Forum	
California Acorn	
California Alliance for Retired Americans	
California Church Impact	
California Commission on the Status of Women	
California Immigrant Welfare Collaborative	
California Labor Federation	
California National Organization for Women	
California Public Interest Research Groups	
Coalition for Community Health	
Coalition for Humane Immigrant Rights of Los Angeles	
Congress of California Seniors	
Consumer's Union	
East Bay Alliance for a Sustainable Economy	
Gray Panthers California	
Greenlining Institute	
Health Care for All - California	
Insure the Uninsured Project	

JERICHO

Latino Coalition for a Healthy California
Lawyers' Committee for Civil Rights
Multicultural Area Health Education Center
Screen Actors Guild
Santa Cruz Chapter of Healthcare for All
United Nurses Association of California
Union of Health Care Professionals
Valley Seniors

Opponents

University of California	\$282,190
California Hospital Association	\$145,850
California Association of Collectors	\$128,300
Adventist Health	
Alliance of Catholic Health Care	
Barlow Respiratory Hospital	
Biggs-Gridley Memorial Hospital	
California Association of Collectors	
California Hospital Association	
Catholic Healthcare West	
Citrus Valley Health Partners	
Community Hospital of the Monterey Peninsula	
Continental Rehabilitation Hospital of San Diego	
Lodi Memorial Hospital	
Loma Linda University Medical Center	
Mission Hospital	
Mission Hospital Regional Medical Center	
Paradise Valley Hospital	
Saddleback Memorial Medical Center	
Salinas Valley Memorial Healthcare System	
Seneca Healthcare District	
St. Jude Medical Center	
Saint Louise Regional Hospital	
Scripps Health	
University of California	

AB 1554 (2007) - Regulation of health insurance rate increases

This bill requires health care service plans licensed by the Department of Managed Health Care (DMHC) and health insurers certificated by the California Department of Insurance (CDI), effective January 1, 2009, to submit a rate application for approval by the respective regulator for any increase in the rate charged to a subscriber or insured, as specified.

This bill passed the Assembly and died with a vote in the Senate Health Cmte. on July 11, 2007:
5 voting Yes - 4 voting No - 3 not voting

Supporters gave this much, on average, to each legislator voting Yes :	\$13,380	\$\$\$\$\$\$\$\$\$\$\$\$
Supporters gave this much, on average, to each legislator voting No :	\$9,050	\$\$\$\$\$\$\$\$
Opponents gave this much, on average, to each legislator voting Yes :	\$4,790	\$\$\$\$\$
Opponents gave this much, on average, to each legislator voting No :	\$20,610	\$

The following lists include all groups supporting and opposing this bill, according to the Official California Legislative Information website, including groups that did not make campaign contributions. Groups that gave contributions of more than \$75,000 to state-level candidates in the 2005-2006 election cycle are listed first, in bold, and the amount given is listed after their names (listed amount is the total given during 2005-2006 to all California state-level candidates). The numbers in the table above include contributions from all supporters and opponents, not just the groups that appear in bold.

Supporters:

United Food and Commercial Workers Union, Western States Council	\$581,025
State Building and Construction Trades Council of California	\$579,890
California Teachers Association	\$490,903
California Teamsters Public Affairs Council	\$354,980
California State Employees Association	\$306,800
Consumer Attorneys of California	\$231,463
UNITE HERE!	\$224,163
California Conference Board of the Amalgamated Transit Union	\$120,750
California Federation of Teachers	\$99,700
American Federation of Television and Radio Artists	
California Alliance for Retired Americans	
California Church IMPACT	
California Conference of Machinists	
California Labor Federation	
California Public Interest Research Groups	
California Society for Clinical Social Work	
Consumer Federation of California	
Engineers and Scientists of California	
Foundation for Taxpayer and Consumer Rights	
Gray Panthers	
Health Care for All - California	

Professional & Technical Engineers, Local 21
Laborers' International Union of North America

Opponents

Blue Cross of California	\$264,700
California Association of Health Underwriters	\$215,268
Blue Shield of California	\$198,125
California Association of Health Plans	\$166,519
California Chamber of Commerce	\$164,249
Association of California Life and Health Insurance Companies	\$150,800
California Hospital Association	\$145,850
Kaiser Permanente	\$117,518
Howard Jarvis Taxpayers Association	\$113,700
Pacificare	\$124,658
Civil Justice Association of California	\$81,950
Health Net	\$95,600
America's Health Insurance Plans	
California Association of Joint Powers Authorities	
California Medical Association	
National Association of Insurance and Financial Advisors of California	