

SB 810 (LENO)

The California Universal Health Care Act

Author: Senator Mark Leno, D-San Francisco

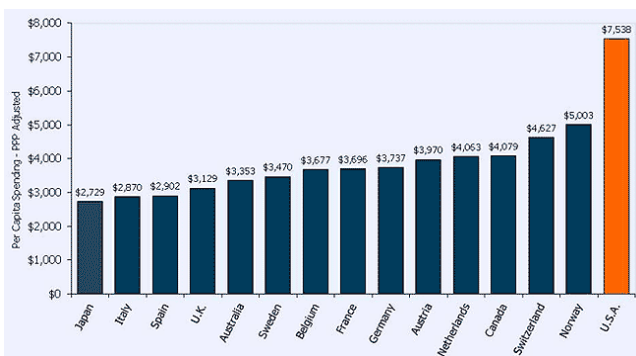
May 2011

Affordable High-Quality Health care for All Californians

Health care costs negatively impact California's economy and state budget, limiting access and quality for Californians and rapidly increasing costs for employers and families.

The U.S. spends over **\$2.5 trillion** (17.6% of our GDP) on health care—twice as much as other wealthy nations—and health insurance premiums annually grow 4 times faster than wages.

Total Health Expenditure per Capita, U.S. and Selected Countries, 2008¹



Despite our high spending, our health care system ranks a dismal 37th in the world according to the World Health Organization. Studies show that the quality of care in the U.S. is falling behind other wealthy nations². California can do better.

SB 810 (Leno) is the solution to rising health care costs and declining quality.

SB 810 is an improved "Medicare-For-All" style single-payer health care reform plan. It combines public financing with competitive private health care delivery and provides:

Truly Universal Health Care - Eligibility is based on residency, instead of on employment or income.

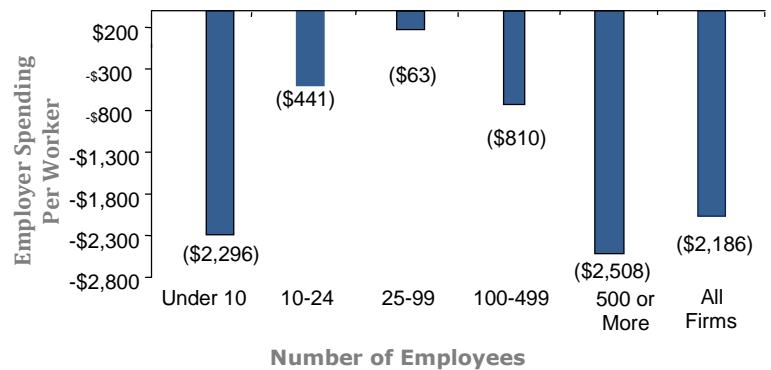
¹ Organisation for Economic Co-operation and Development (2010), "OECD Health Data", *OECD Health Statistics* (database).

² Commonwealth Fund. *Mirror Mirror on the Wall*. 2010.

No California resident will ever again lose his or her access to health care because of unaffordable premiums, changing or losing a job, their age, divorce, or a pre-existing medical condition.

Affordable Coverage – SB 810 requires NO NEW SPENDING because California already spends plenty of money to cover every resident with better coverage than what most Californians have currently. This plan is paid for with federal, state and county monies already spent on health care and with premiums that are based on a percentage of income (for families) or payroll (for employers) that eliminate the premiums, deductibles, and co-pays now paid by employers and consumers.

Estimated Savings for Employers Offering Coverage³



Savings for State and Local Budgets – Health care comprises over a third of our state budget through direct health programs such as Medi-Cal and Healthy Families, as well as through the purchase of health benefits as an employer. SB 810 saves school districts, counties, and the state millions of dollars each year, providing more money for education, roads, and other essential services.

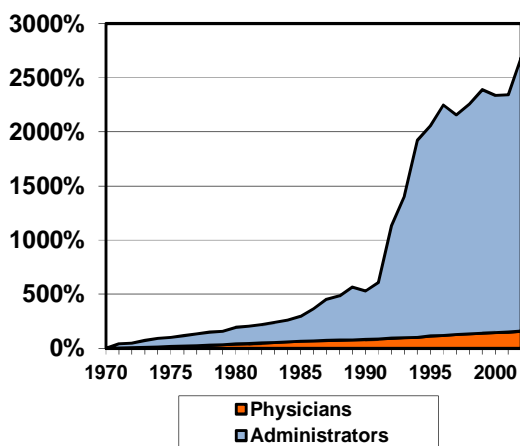
Freedom to Choose Your Providers - Under SB 810, all consumers will have complete freedom to choose their health care providers. That means no more restrictive HMO networks.

³ Lewin Report on SB 921. January, 2006.

Fair Reimbursements - Doctors, nurses, hospitals and other health care providers will receive actuarially-based reimbursements for all covered services provided. That means no more uncompensated care. Importantly, SB 810 requires that reimbursements be sufficient to attract an adequate supply of providers throughout the state. SB 810 also dramatically reduces administrative overhead costs for providers, freeing up resources for increased provider reimbursements.

Cost Containment through Efficiency - Nearly half of every dollar spent on health care is squandered on clinical and administrative waste, insurer overhead and profit, and over-priced pharmaceuticals. SB 810 is estimated to save California about \$20 billion through reduced administrative costs in the first year alone⁴.

Growth of Physicians to Administrators⁵



Additionally, SB 810 allows California to use its purchasing power to achieve \$5.2 billion in bulk purchase savings for prescription drugs and durable medical equipment.

By increasing the emphasis on the delivery of primary and preventative care, Californians also save an estimated \$3.4 billion.

Finally, SB 810 is estimated to significantly reduce fraud, saving nearly \$800 million in fraudulent health care spending.

Total savings under SB 810 reach nearly \$29 billion in the first year, money that would be used to pay for health care services for those who are currently uninsured or underinsured. Through these savings

and efficiencies, SB 810 covers every California resident with comprehensive benefits and reduces premiums for families and employers, without increasing spending.

Comprehensive Benefits: Coverage includes all care prescribed by a patient's health care provider that meets accepted standards of care and practice.

Specifically, coverage includes hospital, medical, surgical, and mental health; dental and vision care; prescription drugs and medical equipment such as hearing aids; emergency care including ambulance; skilled nursing care after hospitalization; substance abuse recovery programs; health education and translation services, transportation needed to access covered services, diagnostic testing; and hospice care.

SB 810 is Constitutionally Sound: While federal health reform faces constitutional challenges to its keystone 'individual mandate' provision, single payer is based on America's long standing and publicly supported Medicare model of health care financing.

Federal Health Reform: [Section 1332](#) of the Affordable Care Act includes a specific provision enabling states to enact a single payer system if it is demonstrated that the plan would cover more people with comparable coverage at a lower cost.

Support: SB 810 is sponsored by the following coalition of patients and providers:

California Nurses Association, Health Care for All California, California One Care, California School Employees Association, Physicians for a National Health Program – CA, Single Payer Now, California Teachers Association, California Federation of Teachers, California Alliance of Retired Americans, Amnesty International, League of Women Voters, California Council of Churches, Progressive Democrats of America, Consumer Federation - CA, National Organization for Women - CA, Vision y Compromiso, Wellstone Democratic Renewal Club, Dolores Huerta Foundation, California Health Professional Student Alliance, Courage Campaign

For more information, contact Sara Rogers at (916) 651-4003 or sara.rogers@sen.ca.gov.

⁴ Lewin Report on SB 921. January, 2006.

⁵ Bureau of Labor Statistics & NCHS