



HEALTHY CALIFORNIA FOR ALL

Accessible, Affordable, Equitable, High Quality, Universal

History of Health Reform in California

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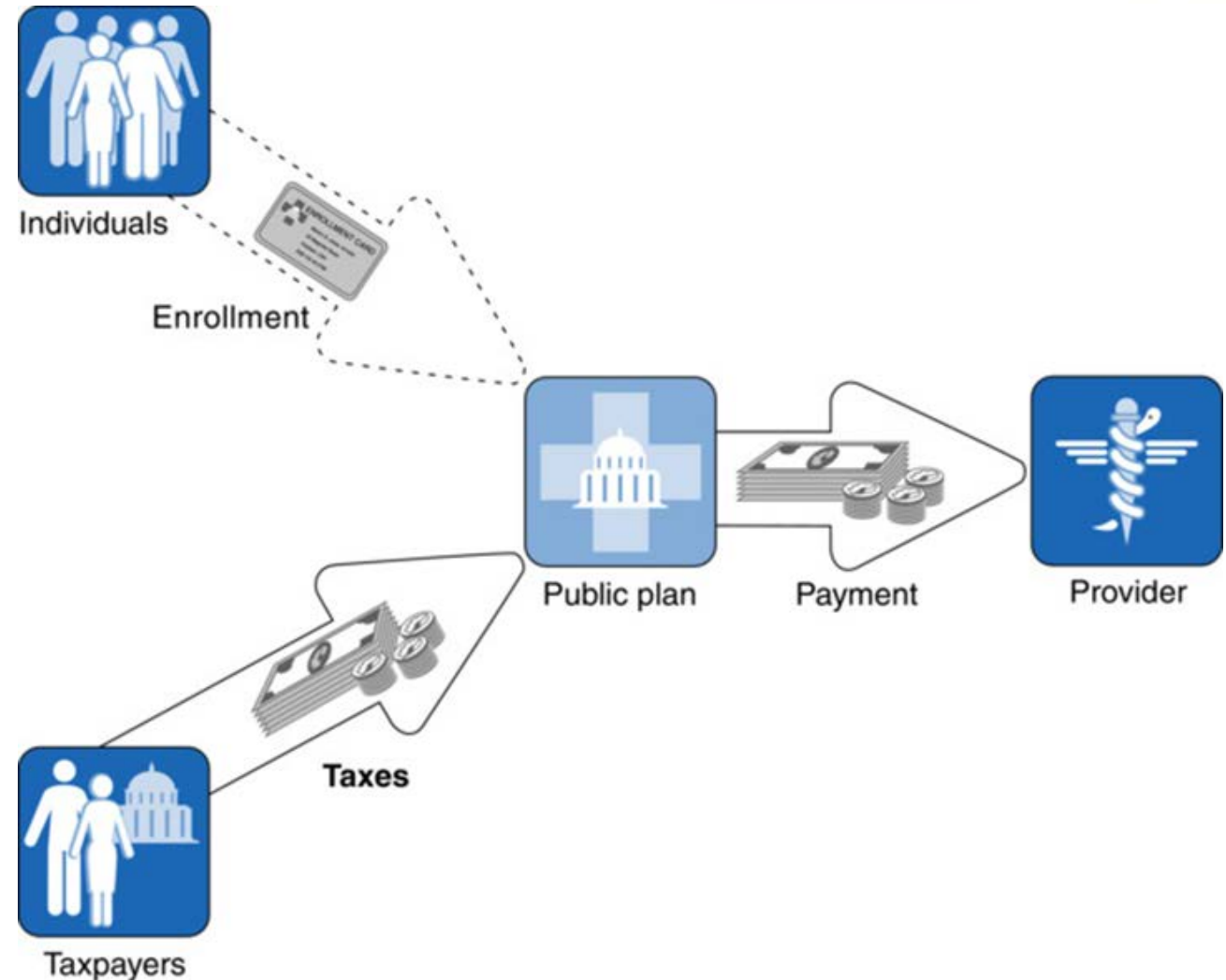
University of California, San Francisco

Definition of Terms



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- Single Payer system
- “Unified financing”





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Problems Persist, Despite Progressive Actions Implemented in California and its Counties

Single Payer: An Evidence-Based Policy



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- Coverage
 - Access, health outcomes, health security
- Costs
 - Efficiency
 - Payment regulation
 - Global budgeting
- Equity
 - In coverage and care
 - In financing

Administrative Savings



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- Total health administration spending per capita, 2017 (in US \$)
 - United States: \$2,497
 - Canada: \$593
- Projected national savings in 2017 if US administrative costs were reduced to Canadian levels
 - \$605 billion

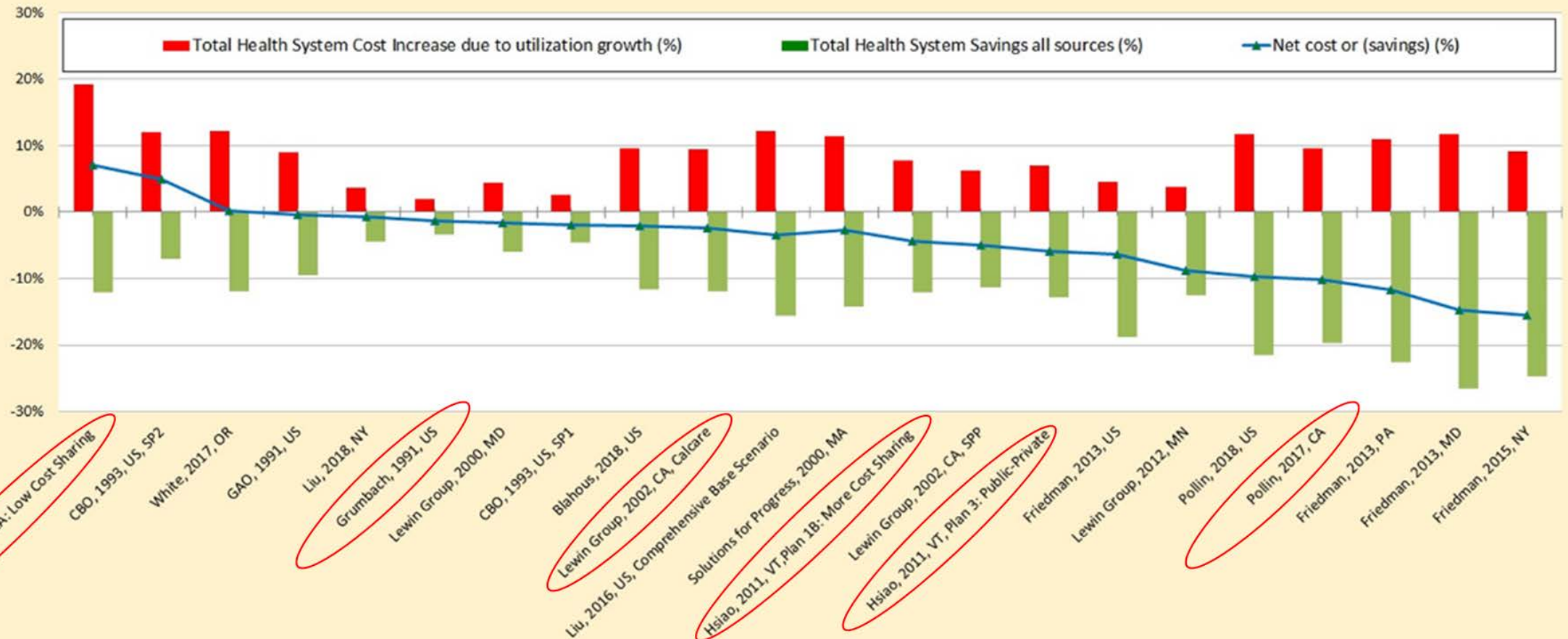
Source: Himmelstein D, Campbell T, Woolhandler S. Health Care Administrative Costs in the United States and Canada, 2017. *Ann Int Med* Jan 7 2020.

Systematic Review Single Payer Net Cost Year 1



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Single Payer Estimated Utilization, Savings, & Net, U.S. Settings,
First Year of Implementation, by %Net Total Health System Cost/Savings



Source: Cai C et al. Projected costs of single-payer healthcare financing in the United States: A systematic review of economic analyses. PLOS Medicine January 15, 2020 <https://doi.org/10.1371/journal.pmed.1003013>



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Source: Erin C. Fuse Brown, Elizabeth Y. McCuskey. Health Affairs Blog July 2019
<https://www.healthaffairs.org/doi/10.1377/hblog20190717.466249/full/>

The Long But Distinguished Road in California for Single Payer



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- 1918: Governor Hiram Johnson sponsored ballot initiative for a public universal health insurance program; defeated 73% to 27%
- Single payer bills introduced into CA Legislature but not passed:
 - 1939: AB2172 sponsored by Governor Culbert Olson
 - 1940s: AB800 sponsored by Governor Earl Warren
 - 1971: AB2860 authored by John Burton and Willie Brown
 - 1972: SB770 authored by George Moscone
 - 1990 and 1992: SB2868 and SB308 authored by George Petris

1994: Proposition 186



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- Grass roots movement qualified a single payer initiative
- Outspent by more than 4 to 1 by insurance company-financed No on 186 campaign
- Defeated 73% to 27%
- 1994 was not a vintage year for progressive politics
 - Implosion of Clinton health reform plan
 - Gingrich Revolution and mid-term election

2003-2008: SB921 and SB840

- Single payer bills introduced
- General approach to tax financing mentioned but not specific tax rates
- SB840 twice passed by the CA Legislature; in 2006, only single dissenting Democratic vote in each chamber
- Twice vetoed by Governor



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2017: SB562

- Single payer bill introduced
- Passed out of the Senate
- Held in Assembly
 - Bill did not include specific financing provisions
- California Assembly Select Committee on Universal Coverage and Health Delivery Systems appointed
 - Report delivered in 2018 on paths to universal coverage, including single-payer and more incremental options



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So What About Vermont?



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- 2011: Single payer bill Act 48 sponsored by Governor Peter Shumlin to establish Green Mountain Care passes state legislature and enacted into law
- 2014: Governor Shumlin withdraws the plan citing “the limitations of state-based financing, the limitations of federal law, the limitations of our tax capacity, and the sensitivity of our economy.”

Which Brings Us to 2018-2020



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- Nov 2018: Election of Governor Gavin Newsom
- Jan 7, 2019: Governor sends letter to President Trump and Congressional leaders:

“I ask that you amend federal law to enable States to apply for and receive Transformational Cost and Universal Coverage Waivers, empowering California to truly innovate and to begin transformative reforms that provide the path to a single-payer health care system.”
- November, 2019: HR5010 State Based Universal Care Act introduced in House of Representatives
- Dec 2019: Appointment of Healthy California for All Commission

Recap of the Road that Brought Us to Where We Are Today



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- A country, Canada, serving as an example of state-equivalent jurisdictions administering single payer programs with federal support
- A century of legislative and ballot initiative efforts to enact a state-based single payer program in California
- Unsurprisingly fierce opposition from certain sectors of the health care industry (e.g., insurance corps, pharma)
- Hesitation sometimes among liberal Democratic elected officials when it comes time to specify taxation and implementation details (see Vermont, above...)

Moving Forward on Next Phase of Journey: Some Considerations



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- Policy decisions: how to most effectively implement a program
 - Financing
 - Program design (benefits, provider payment, integrated health systems, etc.); see California Health Care Foundation *Key Questions When Considering a State-Based Single-Payer System in California, 2017*.
 - Federal waivers and limits of what can be done without them
- Political decisions: or, What I learned from watching Democratic Party presidential candidates debate Medicare for All
 - Taxes
 - Role, if any, of private health plans
 - Power and influence

Transformative, Disruptive Change or Incrementalism



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“You can’t jump over a chasm in 2 steps.”

- Quentin Young, MD, champion for civil rights and single payer health care

