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Calif. Single-Payer Bill Stalls

Thursday, January 26, 2012 · [Leave a Comment \(Edit\)](#)

SACRAMENTO, Calif., Jan. 26 (LID)— A controversial proposal that would pave the way for universal health care coverage in California stalled Thursday in the state Senate, amid staunch opposition from business groups.

Senate Bill 810 seeks to establish a single-payer health care system to be administered by a new state department, the California Healthcare Agency, which would pool premiums and negotiate pay rates with hospitals and providers.

S.B. 810 would create a public-private partnership to provide California residents coverage for medical, dental and vision services, in addition to hospitalization and prescription drug benefits.

Dubbed “Medicare for All,” the California Universal Health Care Act failed on a 19-15 vote, short of the 21 votes needed to advance the bill to the state Assembly.

No Republicans voted for the bill. Meanwhile, four Democrats abstained and one voted against passage. For passage this session, S.B. 810 must be sent to the Assembly by a legislative deadline Tuesday.

S.B. 810 was introduced by Sen. Mark Leno (D-San Francisco), who argued the bill would expand access to health care services while lowering costs.

“By guaranteeing universal access for all Californians, our single-payer plan will reduce the health care burdens that are hurting families and our state’s economy,” Leno said Jan. 19 after his proposal cleared the Senate Appropriations Committee on a 6-2 vote.

Moreover, California spends about \$200 billion annually on “a fragmented, inefficient health care system,” which wastes 30 percent of every dollar on administration costs, added Leno, chairman of the Senate Budget and Fiscal Review Committee.

Speaking in opposition to the bill Thursday, Senate Health Committee Vice Chairman Tony Strickland (R-Moorpark) said S.B. 810 enactment would create a mammoth bureaucracy.

“Clearly, if you want the compassion of the IRS and the efficiency of the DMV doing your healthcare, this bill is for you,” Strickland quipped.

S.B. 810 would not provide financing to run the program, estimated to cost up to \$250 billion a year.

The bill is co-sponsored by the California Nurses Association/National Nurses United and the California School Employees Association.

It is opposed by a handful of health insurers and business groups, including the California Medical Association, California Chamber of Commerce, the Howard Jarvis Taxpayers Association and the California Farm Bureau



Leno



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Federation.

The California Taxpayers Association, in its opposition, said higher payroll taxes that would be needed to fund a single payer health care system would hinder economic growth and discourage business investment in the Golden State.

The California Association of Health Plans (CAHP), too, urged lawmakers to reject the bill, arguing that eliminating the state's health-insurance market would be a mistake.

"Competitive forces in the private marketplace are vital in health care and must be preserved," CAHP Director of Legislative Affairs Nick Louizos wrote in a Jan. 20 opposition letter to senators.

"California's premiums are still competitive and in some cases lower than other large markets," he said. "Competition has been demonstrated, many times over, to achieve a better result than a centrally planned monopoly."

S.B. 810 is nearly identical to a proposal Leno introduced in 2010. The measure failed in the Assembly.

In 2008, Gov. Arnold Schwarzenegger (R) vetoed S.B. 840, a universal health care bill — the California Health Insurance Reliability Act (CHIRA) — amid cost concerns.

More Information:

S.B. 810, as before the state Senate is available at http://www.leginfo.ca.gov/pub/11-12/bill/sen/sb_0801-0850/sb_810_bill_20120123_amended_sen_v97.html.

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