



January 7, 2022

The Honorable Ash Kalra  
1021 O Street, Room 5130  
Sacramento, CA 95814

The Honorable Alex Lee  
1021 O Street, Room 6330  
Sacramento, CA 95814

The Honorable Miguel Santiago  
1021 O Street, Room 6150  
Sacramento, CA 95814

SUBJECT: AB 1400 (Kalra, Lee and Santiago)  
SINGLE PAYER HEALTH CARE COVERAGE – OPPOSE

Dear Assemblymembers Kalra, Lee, and Santiago:

On behalf of our organizations and members, we are strongly **OPPOSED** to **AB 1400**, as introduced February 19, 2021, which mandates a government run single payer health care program and abolishes private health insurance, Medi-Cal, Medicare, Covered California, and the valuable advocacy services of insurance professionals and advisors. Our organizations believe **AB 1400** will harm California residents with a \$400 billion dollar price tag per year and no guarantee of better healthcare.

California Agents & Health Insurance Professionals (CAHIP), the National Association of Insurance and Financial Advisors of California (NAIFA-California), and Independent Insurance Agents and Brokers of California (IIABCal) are the largest associations of professional licensed health insurance agents and other health insurance industry professionals. Our members help millions of individual Californians and businesses evaluate, select, purchase, and use their health care coverage plans, resulting in greater health and financial security - all at no additional cost to the consumer. Our agents and brokers also serve as consumer advocates for the insured and their families when coverage disputes arise.

As associations representing health insurance agents in California, we understand the importance of health care coverage and affordability of that coverage. However, we believe the negative impacts that **AB 1400** would have on the health insurance marketplace and the overall economy in California significantly outweigh the benefits of creating a universal single-payer, government run program. Agents are concerned that **AB 1400** would cause those currently insured to lose their health care coverage and have it replaced with a new benefit structure determined by what government feels it can afford, not on what the consumer may want or need. While **AB 1400** promises all citizens healthcare coverage, it does not guarantee access to medical care.

The Senate Appropriations Committee set a conservative cost estimate for similar legislation at approximately \$400 billion dollars per year. This is twice the amount of California's average state budget. Additionally, all proposed funding offsets would require enormous resources and are unlikely to be feasible. Even with absorption of all existing

government health care funding and all current employer health care spending, there would still be a minimum funding shortfall of over \$150 billion per year. That fiscal impact would be unsustainable for employees and employers in California and would result in the highest tax burden in the country. AB 1400 gambles Californians' access to healthcare and their economic futures.

Our organizations have been active stakeholders, supporters and participants with Covered California. Our organizations believe **AB 1400** unnecessarily complicates the Covered California program by forcing the entire state health care system to move in an entirely different, prohibitively expensive direction. California is nearing the end of another successful open enrollment season and the percentage of those who are uninsured is at a record low. It is important to note that licensed, certified health insurance agents contributed in large part to this success story, having helped millions of Californians find and keep affordable health care coverage. Agents stand ready, willing and able to continue doing so.

Single payer health care leaves consumers virtually defenseless if a decision is made not to provide health care coverage for that individual. Currently, consumers who are denied coverage for a surgery, procedure or prescription by a carrier can turn to their health insurance agent for help. **AB 1400** eliminates hundreds of thousands of jobs in California. Under existing law, a health insurance agent is uniquely situated to successfully intervene on behalf of the individual, family, or business consumer. Since carriers must depend on agents for the distribution of their products, the agent is in a highly leveraged position when advocating on behalf of her/his consumer client. There is no such leverage in a single-payer format. The consumer is left undefended in the hands of a government-run single-payer bureaucracy.

Our organizations are available to discuss options with you to help repair problems encountered by everyday Californians who are trying to obtain and pay for health care. We have viable market stabilization strategies that will help California continue to lead the nation in successfully administering the Affordable Care Act. Please do not hesitate to contact us if you require further information: Faith Lane Borges (CAHIP) at 916-441-5050; John Norwood (IIABCal) at (916) 447-5053, or Shari McHugh (NAIFA California) at (916) 930-1993.

Sincerely,



Faith Borges  
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