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CAHU STATEMENT ON SENATE PASSAGE OF SB 562
Government-Run Universal Single Payer

CAHU is dismayed that the California State Senate saw fit to pass the \$400 billion per year tax plan to pay for universal single payer legislation, SB 562 (Lara/Atkins).

Rick Coburn, president of the California Association of Health Underwriters, commented, "Any way you try to look at the possible financing of SB 562, you run into problems. The Senate Appropriations Committee analysis estimates it would take \$400 billion annually to set up and run the government-mandated single payer system. More than \$225 billion dollars of that money comes from assuming the federal government will provide waivers to take away people's current Medicare, Medicaid, Veteran's benefits and all public and private ERISA-protected health care plans. A separate economic analysis by the bill sponsors suggests that an additional \$107 billion annually should come from brand new taxes on businesses and individuals."

CAHU points out that besides the immense barrier of getting waivers from the federal government, there are basic problems with the sponsor's "economic analysis". Stephanie Berger, CAHU president-elect, noted that "it is impossible to provide a government-rationed health program that provides anything and everything to everyone in California at a lower cost than today when they eliminate all co-pays and deductibles. Their numbers are wishful thinking at this point and do not pass the real-world economics test." CAHU believes that there needs to be a fully independent examination of the SB 562 costs and financing mechanisms, not an economic analysis paid for by the sponsors.

CAHU supports finding other ways, including finding more dollars for local community clinics, improving delivery of healthcare locally, among other ideas. Utilizing the structure of Covered California, the state could create a system that expands coverage to all Californians using a market-based approach. Coburn commented further, "That is what California citizens really want from their elected officials, not a government-run, government-rationed health care system. We look forward to working with lawmakers on solutions that provide high-quality, comprehensive, accessible and affordable health care for all Californians."

SB 562 now moves to the Assembly for consideration.

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About California Association of Health Underwriters (CAHU)

The California Association of Health Underwriters is the state's largest association of health insurance agents, brokers and other health insurance industry professionals. www.cahu.org.