



California Association of  
**Health Plans**



**CalChamber**<sup>®</sup>

April 12, 2023

**To: Members of the Senate Health Committee**

**RE: Joint Opposition to SB 770 (Wiener)**

Our organizations oppose SB 770 (Wiener) as amended April 12, creating a workgroup to petition the federal government to redirect hundreds of billions of dollars in Medicare and Medi-Cal funding to a costly new, untested state-run health care system, thereby eliminating the Medicare and Medi-Cal programs that serve millions of Californians.

SB 770 is the first step toward single payer health care, which would not only eliminate Medicare and Medi-Cal, but would prohibit all private health coverage and force every Californian into an untested new health system with no ability to opt out. Single payer is projected to cost over \$500 billion a year, requiring large tax increases on individuals, employers and small businesses.

California has made incredible progress in expanding access to affordable health coverage since the passage of the Affordable Care Act, lowering our uninsured rate to low single digits. We have made additional strides in improving the affordability of health coverage, efforts that were further strengthened with the subsidies provided under the recent American Recovery Act and the creation of the Governor's new Office of Health Care Affordability.

Studies continue to show Californians are satisfied with their health care and want to *build* on this progress, not destroy their ability to choose private coverage for their families.

### **SB 770 Is the First Step to Eliminating Medicare and Private Health Coverage in California**

SB 770's ultimate goal is to force all Californians out of their existing health coverage – including Medicare, employer-based coverage and ACA plans – and into a new untested government-run system, with no ability to opt out or choose private coverage instead.

Californians like their private coverage and strongly support protecting their right to choose it. Californian seniors like their Medicare and strongly support protecting the existing Medicare program.

## **SB 770 Gambles Californians' Health Care on the Future Support of all Congresses**

The federal waiver SB 770 seeks is not permanent. This means that even if Congress were to allow such a waiver now, there are no guarantees and no legal mechanisms to ensure that a later Congress wouldn't revoke the waiver. This would potentially eliminate 40% of the funding for California's supposed future new health care system, throwing it into chaos and jeopardizing patient care for all Californians.

We should not gamble Californians' health care on the politics or actions of future Congresses.

## **SB 770's Goal Ultimately Requires Massive Tax Increases on Individuals and Employers**

In 2022 the Legislative Analyst's Office estimated the cost of the last legislative single payer proposal, AB 1400 (Kalra) at over \$500 billion. Even if SB 770 is effective in seeking a waiver from the federal government to eliminate Medicare and Medi-Cal in California and replace it with an untested new system, **it would still require raising taxes by roughly \$300 billion a year** or \$3 trillion in the first decade alone.

Californians do not need new or higher taxes – especially to fund a massive new untested government program that they don't want.

## **If Enacted, SB 770 Will Cause Massive Disruption to Patients' Health Care**

SB 770's goal – single payer – would eliminate all existing health coverage. Under prior single payer proposals, existing health coverage would be replaced with a new government-run program overseen by nine political appointees, who would largely be in control of what benefits are offered, how providers are compensated and how patients will transition to their new doctors. The legislation contains almost no details on this massive transition and no guarantees that patients will be able to keep their doctors, specialists or pharmaceutical or other benefits.

Prior versions of single payer have also provided little detail on how California's health care providers will be compensated, a key feature in ensuring access to care. Low provider reimbursement rates within existing publicly funded and administered programs like Medi-Cal have caused chronic shortages in access to care in communities that disproportionately rely on existing state-run programs. Both Medi-Cal and Medicare rates are frequently under budgetary pressures from lawmakers.

This bill does not add one provider or facility in California. In fact, moving to state-run government health care could eliminate consumers' choice of physicians, hospitals, and other providers. We will lose doctors to other states, leading to long wait times for procedures and appointments and reduced access to specialists.

## **Conclusion**

California has made incredible strides improving access to affordable coverage. The vast majority of Californians are satisfied with their health care and want private coverage options.

They want the Legislature to build on the progress we've made, not overhaul our health care system, especially while we are still dealing with the ramifications of the pandemic.

SB 770 seeks authority California doesn't need to pursue a new health care system Californians don't want.

We urge the Legislature to build on the progress we've made and pursue constructive, viable solutions to further improve access to affordable health care.

Or as a *San Jose Mercury News* [editorial](#) recently stated about a single payer bill: "Single-payer bill is a big waste of California's Legislature's time".

Sincerely,



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