CITY OF OAKLAND

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IGNACIO De La FUENTE
President of the City Council

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May 24, 2007

Dear Fellow Council Members:

On July 18, 2006, this City Council passed Resolution No.80055 urging the state legislature and the governor of California to provide comprehensive universal health care for the people of California by enacting Senate Bill (SB) 840, "The California Health Insurance Reliability Act." SB 840 was passed by both the state Assembly and the Senate in 2006 and vetoed by the Governor in 2006.

The California State Legislature is now considering whether to enact SB 840, entitled, "The California Universal Healthcare Act" to amend California's Health and Safety Code to provide comprehensive universal health coverage for the people of California. SB 840 is sponsored by Senator Sheila Kuehl and co-sponsored by Oakland's state legislators, Assemblywoman Loni Hancock, Senate President Pro Tem Don Perata, and Assemblymember Sandre Swanson.

Since the City Council's initial endorsement of SB 840 on July 18, 2006, two changes of note have been incorporated into the bill: the California Universal Healthcare Agency will be under the control of a Universal Healthcare Commissioner appointed (not elected) by the Governor, and a two-year Premium Commission will be established immediately upon approval of the plan. The Premium Commission will, among other things, develop an equitable and affordable premium structure that will generate adequate revenue for the Universal Healthcare Fund to ensure stable and actuarially sound funding for the system. I have attached a brief staff report explaining SB 840 that was presented to you in July 2006 as well as two fact sheets on the new SB 840, and the analysis of the new SB 840 by the State Senate Legislative Counsel.

I ask you to join me again in adopting a resolution urging the state legislature to enact Senate Bill 840 and provide Comprehensive Universal Health Care for the people of California.

Sincerely,

Ignacio De La Fuente
President of the Oakland City Council

CITY OF OAKLAND
COUNCIL AGENDA REPORT

TO: Fellow Members of the Rules & Legislation Committee
FROM: Council President Ignacio De La Fuente
DATE: Thursday, July 13, 2006
RE: **A RESOLUTION URGING THE STATE LEGISLATURE AND THE GOVERNOR OF CALIFORNIA TO PROVIDE COMPREHENSIVE UNIVERSAL HEALTH CARE FOR THE PEOPLE OF CALIFORNIA BY ENACTING SENATE BILL 840, "THE CALIFORNIA HEALTH INSURANCE RELIABILITY ACT."**

SUMMARY OF THE RESOLUTION

This Resolution urges the State Legislature and the Governor of California to provide comprehensive universal health care for the people of California by enacting Senate Bill 840, "The California Health Insurance Reliability Act."

FISCAL IMPACT

There should be no net fiscal impact to the city government. If the state government enacts SB 840, Oakland's city government, as with all California employers, would no longer pay health care premiums for its employees because those employees would be covered under a new, more efficient state-wide system. However, Oakland's city government, as with all California employers, would be required to pay into the system to help fund universal health care. The elimination of health care premium costs should offset the increase in other required payments.

ENVIRONMENTAL IMPACT

There is no direct impact to the natural environment.

BACKGROUND

If enacted by the state government, SB 840 would provide health insurance to all Californians including the approximately 5 million Californians who are uninsured. All Californians would be consistently covered by this health care insurance system because it would not be subject to a person's changing income or employment status. SB 840 would provide high-quality medical care because consumers would have the freedom to choose their personal primary caregiver.

The complete 94-page bill (SB 840) is available on-line at
http://info.sen.ca.gov/pub/bill/sen/sb_0801-0850/sb_840_bill_20050712_amended_asm.pdf

To save paper, we have attached only the first 7 pages of the 94-page bill which include the objective analysis by the State's "Legislative Counsel" as well as Chapter 1 of the bill entitled

"General Provisions." We have also attached a 2-page summary from the League of Women Voters of Oakland which has endorsed the bill.

SB 840 is authored by State Senator Sheila Kuehl, a Democrat from Los Angeles, and is co-sponsored by Oakland's state legislators, Assemblywoman Wilma Chan, Assemblywoman Loni Hancock, and Senate President Pro Tem Don Perata.

SB 840 would create a "single-payer" health care system whereby a new California Health Insurance Agency and a newly elected Health Insurance Commissioner would reduce costs by streamlining the multiple administrative layers burdening the current system, by eliminating the need for uninsured patients to visit emergency rooms for routine care, and by increasing the ability of Californians to take advantage of preventative medical care.

The White House and the United States Congress have failed repeatedly to enact laws to provide universal health coverage and there is little hope that they will accomplish this important goal in the near future. It is impractical for every city government, with their limited tax bases and relatively large numbers of uninsured households, to subsidize health insurance in order to cover 100% of their residents. SB 840 would, therefore, leverage the economies of scale, the immense purchasing power, and the broad tax base of California, which is the most populous state in the country and the 6th largest economy in the world.

How would this state law pay for universal health care? A variety of taxes are required to fund the proposal including a payroll tax, business income tax, and a tax on un-earned (investment) income. These new expenses will, for most households, be offset by eliminating the current expenses of health insurance premiums (currently paid by both employers and employees) and payments made directly to health care providers. Although there will be a net savings in health care expenditures statewide, some higher-income households will pay more for health insurance.

For additional information on the costs and benefits of SB 840 (formerly SB 921), a 113-page analysis by an independent health care consulting firm entitled, "The Health Care For All Californians Act: Cost and Economic Impacts Analysis" is available on-line at: www.lewin.com/Lewin_publications.

ACTION REQUESTED OF THE CITY COUNCIL

I am asking the City Council to approve this Resolution to urge the State Legislature and the Governor of California to provide comprehensive universal health care for the people of California by enacting Senate Bill 840, "The California Health Insurance Reliability Act."

Thank you for your consideration.

Draft report prepared by: Alex Pedersen, Legislative Aide, Office of City Council President Ignacio De La Fuente

Fact Sheet

SB 840 (Kuehl)
The California Universal Healthcare Act
Affordable Health Insurance for All Californians

February 27, 2007

Background: The single greatest problem facing California's healthcare system and its economy is the growing cost of health insurance. The number of uninsured Californians has now reached 6.5 million residents, and most of the newly uninsured were from solidly middle-class families. It's easy to see why.

Health insurance premiums have increased 87% since 2000, with the average employee contributing 143% more to their company-sponsored health insurance. Meanwhile wages have only increased 20% over this time period. Health care costs have outpaced increases in wages by a ratio of 4:1 since 2000.

Overall, healthcare costs in the United States are rising at double the rate of inflation. This is nearly twice the rate of most other industrial nations, and the U.S. already spends between two to three times as much on healthcare (per capita and as a percentage of GDP) as other industrial nations. How long can this continue?

Despite this high spending, U.S. healthcare outcomes rank at the bottom of all industrial nations, and the U.S. has a more confusing and error-prone health care system. More than half of all Americans report forgoing recommended healthcare because of the cost, and Americans are more likely to report difficulty seeing a doctor on the day they sought.

California spent an estimated $186 billion in healthcare last year. This is plenty of money to provide every resident of the state with excellent healthcare, ensure fair and reliable reimbursements to doctors, nurses and other providers, and guarantee a high quality of care for all.

SB 840 (Kuehl), the California Universal Healthcare Act would provide fiscally sound, affordable healthcare to all Californians, provide every Californian the right to choose his or her own physician and control health cost inflation. SB 840 achieves the following:

Covers everyone: Eligibility is based on residency, instead of on employment or income. Under SB 840, all residents are covered. No California resident will lose his or her health insurance because of unaffordable insurance premiums, or because he or she changes or loses a job, or goes to or graduates from college or has a pre-existing medical condition.

It's Affordable: SB 840 requires no new spending. The system will be paid for by federal, state and county monies already being spent on healthcare and by affordable insurance premiums that replace all premiums, deductibles, out-of-pocket payments and co-pays now paid by employers and consumers. SB 840 saves businesses, families and government billions of dollars off their yearly healthcare premiums.

Shared responsibility: Under SB 840 everyone – individuals, employers and government pays something in and everyone gets healthcare.

Guarantees real choice: Under SB 840, all consumers have complete freedom to choose their healthcare providers. No more restrictive HMO networks. Delivery of care remains as it is; a competitive mix of public and private providers.

Provides fair reimbursements: SB 840 requires actuarially sound reimbursements for providers. Doctors, nurses, hospitals and other healthcare providers will receive fair and reasonable reimbursements for all covered services they provide. No more uncompensated care.

Guarantees money goes to care, not administration: Our current system wastes 30% of every healthcare dollar on complicated benefits schemes, enrollment procedures, and access limitations. SB 840 mandates that the system spend 95% of your health care dollars on actual care. This diverts $20 billion away from administrative overhead and into real healthcare services.

Puts California's market power to work for patients. Under SB 840, California will use its purchasing power to buy prescription drugs and durable medical equipment in bulk. It has been estimated that this model of system-wide bulk purchasing could save California $5.2 billion in the first year.

It improves quality. SB 840 expands system-wide the use of medical standards that rely on the best available medical science, and place an emphasis on preventative and primary care to improve California's overall health in a way that also saves billions of dollars.

Guarantees comprehensive benefits: Coverage includes all care prescribed by a patient's healthcare provider that meets accepted standards of care and practice.

Specifically, coverage includes hospital, medical, surgical, and mental health; dental and vision care; prescription drugs and medical equipment, such as hearing aids; emergency care including ambulance; skilled nursing care after hospitalization; substance abuse recovery programs; health education and translation services, including services for those with hearing and vision impairments; transportation needed to access covered services, diagnostic testing; and hospice care.

Contains the growth in healthcare spending: This is the real challenge facing the state. It is estimated that by 2015, healthcare spending under SB 840 would be $68.9 billion less than current projections. Total savings over a 10 year period would be $343.6 billion.

For more information about SB 840, contact Sara Rogers or Mia Orr in the Capitol office at (916) 651 - 4023, or Emily Gold in the District Office at (310) 441–9084.

LEWIN GROUP REPORT
The Health Care for All Californians Act: Cost and Economic Impacts Analysis

Initially Released January 19th, 2005

FACT SHEET
February 27th, 2007

• The Lewin report, prepared by an independent firm with 18 years of experience in healthcare cost analysis, affirms the feasibility for California to create a fiscally sound, reliable state insurance plan that covers all Californians and controls health cost inflation.
• The Lewin report shows that all California residents can have affordable health insurance; and that, on average, individuals, families, businesses and the state of California, all of whom are now burdened with rising insurance costs, will save money.
• In February 2007, State Senator Sheila Kuehl (D-23) introduced the California Universal Health Care Act, based on these and other findings. The Lewin study shows that the SB 840 (Kuehl) will insure every Californian, contain the overall growth in healthcare spending and allow everyone to choose his or her own doctor.

SAVINGS OVERALL

• The Lewin report model demonstrates that SB 840 would achieve overall savings of more than $29 billion dollars, most of which would be used toward covering the uninsured and providing financial savings to employers and families. Overall, SB 840 would achieve universal coverage with broad benefits while actually reducing total health spending for California by about $8 billion in the first year alone. Savings would be realized in three ways:
1. The Act would replace the current system of multiple public and private insurers with a single, reliable insurance plan. This saves about $20 billion in administrative costs.
2. California would buy prescription drugs and durable medical equipment (e.g., wheelchairs) in bulk and save about $5.2 billion.
3. California would emphasize preventive and primary health care delivery saving an estimate $3.4 billion.

SAVING FOR STATE AND LOCAL GOVERNMENTS

• In addition, state and local governments would save about $900 million, in the first year, in spending for health benefits provided to state and local government workers and retirees.
• Aggregate savings to state and local governments from 2006 to 2015 would be about $43.8 billion.

SAVINGS FOR BUSINESSES

• Employers who currently offer health benefits would realize average savings of 16% compared to the current system.

SAVINGS FOR FAMILIES

• Average family spending for health care is estimated to decline to about $2,448 per family under the Act in 2006, which is an average savings of about $340 per family.

• Families with under $150,000 in annual income would, on average, see savings ranging between $600 and $3,000 per family under the program in 2006.

COST CONTROLS

• By 2015, health spending in California under the Act would be about $68.9 billion less than currently projected. Total savings over the 2006 through 2015 period would be $343.6 billion.

• Savings to state and local governments over this ten-year period would be about $43.8 billion.

COMPREHENSIVE BENEFITS

• The Lewin Report assumes an insurance plan that covers medical, dental and vision care; prescription drug; emergency room services, surgical and recuperative care; orthodontia; mental health care and drug rehabilitation; immunizations; emergency and other necessary transportation; laboratory and other diagnostic services; adult day care; all necessary translation and interpretation; chiropractic care, acupuncture, case management and skilled nursing care.

EFFICIENCIES

• The Lewin Report shows that efficiencies in the system make these superior benefits available while generating savings.

FREEDOM TO CHOOSE

• The Lewin Report model assumes the consumer's freedom to choose his or her own care providers. This means that each Californian will be free to change jobs, start a family, start a business, continue education and or change residences, secure in the knowledge that his or her relationships with trusted caregivers will be secure.

BILL ANA

SENATE HEALTH
COMMITTEE ANALYSIS
Senator Sheila J. Kuehl, Chair

BILL NO: SB 840
S
AUTHOR: Kuehl
B
AMENDED: As Introduced
HEARING DATE: April 18, 2007
8
FISCAL: Appropriations
4

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CONSULTANT:
Patterson/cjt

SUBJECT

Single payer health care coverage

SUMMARY

This bill would establish the California Universal *Healthcare System (CUHS) under which all California* residents would be eligible for specified health care benefits. The CUHS would, on a single payer basis, negotiate for or set fees for health care services provided through the system, and pay claims for those services. The bill would also establish various boards and offices, with duties as specified, related to the administration of the system.

CHANGES TO EXISTING LAW

Existing law:
Existing federal and state law establishes several publicly financed health insurance programs, including Medicare, *Medi-Cal, and the Healthy Families program, that provide* health coverage to eligible individuals and families, including children, the aged, blind, and disabled, and pregnant women.

Existing law also provides for the regulation of private health care service plans by the Department of Managed

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Health Care (DMHC), and health insurance policies by the California Department of Insurance (DOI).

This bill:
This bill would establish the CUHS to provide health insurance coverage to every California resident. The bill would prohibit the sale of any private health care service plan or health insurance policy in the state, and would make the CUHS the primary payer for health care services in California.

This bill would establish a new state agency, the California Universal Healthcare Agency (CUHA), which would oversee the CUHS and receive all federal, state and local monies paid with respect to the applicable provisions of state and federal law. The CUHA would be comprised of the *following entities:*

The Universal Healthcare Policy Board
The Office of Patient Advocacy
The Office of Health Planning
The Office of Healthcare Quality

The Universal Healthcare Fund
The Public Advisory Committee
The Payments Board
Partnerships for Health

System governance
The bill would provide for the appointment of a commissioner of the CUHA by the Governor subject to confirmation by the Senate. The appointed commissioner would be the chief officer of the agency, and would establish the CUHS budget, set goals, standards and priorities for the system, set rates, appoint specified officers and directors within the system, and promulgate generally binding regulations concerning implementation of the CUHS. The bill would require the commissioner to be subject to conflict of interest provisions two years prior to, during, and for two years following his or her service.

The bill would assign duties to the commissioner, including the oversight and establishment of integrated service delivery networks, an enrollment system, a system-wide electronic claims and reimbursement system, a system of

secure electronic medical records, a referral system, and health planning regions. The commissioner would also be required to develop a system budget, to determine the appropriate levels for a reserve fund for the system, to implement specified cost control measures, to negotiate and set rates, fees and prices, and to oversee measures to ensure quality of care.

Lastly, the bill would require the commissioner to seek all reasonable means to secure a repeal or waiver of any provision of federal law that preempts any part of the bill and, in the event that preemption is not waived, would require the commissioner to promulgate conforming regulations.

The bill would also establish the Universal Healthcare Policy Board, to establish goals and priorities for the system, establish the scope of services to be provided to patients, and establish guidelines for evaluating the performance of the system, its officers, the health planning regions and providers. These guidelines would include measures to ensure public input.

The bill would establish a Public Advisory Committee to advise the Board on all matters related to the system. Members of the committee would be appointed by either the Governor, the Senate Committee on Rules or the Assembly Speaker, and would represent a range of providers, including physicians, nurses, hospitals, allied health professionals, clinics, other providers; and other stakeholders, including consumers, labor, and business.

The bill would establish an Office of Patient Advocacy, headed by a patient advocate appointed by the commissioner, to represent the interests of patients in order to secure the health care services and benefits to which they are entitled and to advocate for, and represent the interests of, patients in the governance bodies created under the Act. The patient advocate would additionally be required to establish and maintain a grievance process, as defined, to receive and respond to consumer complaints regarding the system, and to develop educational and informational guides for consumers to inform them of their rights and benefits

within the system.

SB 840 would establish the Office of Health Care Planning and assign the director of the office various duties, including evaluating regional budget requests, estimating the health care workforce, health disparities, infrastructure needs required to meet the health care needs of the population in accordance with the goals and standards set forth by the commissioner, and other duties as specified.

The commissioner would be required to establish the Office of Health Care Quality, headed by the chief medical officer, in order to support the development of high quality, coordinated heath care services, establish processes for measuring the quality of care delivered in the health insurance system, and establish a means to make changes needed to improve health care quality. The bill would assign various duties to the chief medical officer, including establishing evidence-based standards of care to serve as guidelines to support health care providers. The chief medical officer would be required to identify, measure, and prevent medical errors within the system, and to recommend to the commissioner a benefits package based on clinical efficacy for the system, including priorities for needed benefit improvements.

Additionally, the bill would require the chief medical officer to establish a separate grievance system, separate from that of the Office of Patient Advocacy, for all grievances involving the delay, denial, or modification of health care services, and to establish an independent medical review system, as specified.

The bill would establish, within the Office of the Attorney General, the Office of the Inspector General for the CUHS who would be appointed by the Governor subject to Senate confirmation. The Inspector General would be granted broad powers to investigate, audit and review the financial and business records of individuals and entities that provide services or products to the system or are reimbursed by the system.

Transition

The bill would require the system to be operational no later than two years after it has been determined that the Universal Healthcare Fund has sufficient revenues to fund the costs of implementing the bill's provisions. The bill would require the transition to be funded from a loan from the General Fund and from other sources, including private sources identified by the commissioner. A transition advisory group comprised of the officers of the system, specified stakeholders and health care policy experts, and representatives from all existing departments and agencies affected by establishment of the system, would be established to advise the commissioner on all aspects of implementation of the CUHA.

Regional Planning
This bill would require the commissioner to establish up to 10 health planning regions comprised of geographically contiguous counties grouped according to specified criteria including patterns of health utilization, health needs of the population, geography, population and demographic characteristics.

The commissioner would be required to appoint a director for each region who would be required to identify and prioritize regional health care needs and goals, assess projected revenues and expenditures to ensure fiscal solvency of the system at a regional level, establish and implement a regional capital management plan and operating budgets, and undertake other duties as specified.

The bill would require each regional planning director to appoint a regional planning board to advise the director on regional health policy and to appoint a regional medical officer who would administer the regional Office of Healthcare Quality. The regional medical officer would also be required to assure the evaluation and measurement of quality of care delivered in the region, and to perform other specified duties.

Eligibility
The bill would deem all California residents eligible for the CUHS, and would base residency on physical presence in the state with the intent to reside. This bill would also state legislative intent for the system to provide health

care coverage to state residents who are temporarily out of the state.

The bill would provide that visitors to the state who receive care under the CUHS will be billed for all services rendered. Additionally, the bill would deem individuals who are eligible for health benefits from California employers but working in another jurisdiction to be eligible for benefits under the CUHS if they make certain payments. This bill also would provide that individuals who arrive at a health facility unable, because of physical or mental conditions, to document eligibility shall be deemed eligible for services.

Benefits
The bill would provide that any eligible individual may receive services under the system from any willing professional health care provider. Covered benefits would be defined under the bill to include all medical care determined to be medically appropriate by the patient's health care provider, including but not limited to:
- inpatient and outpatient health facility services;
- inpatient and outpatient professional health care provider services by licensed health care professionals;
- diagnostic imaging, laboratory services, and other diagnostic and evaluative services;
- durable medical equipment including prosthetics, eyeglasses, and hearing aids and their repair;
- rehabilitative care;
- emergency transportation and necessary transportation for health care services for disabled indigent persons;
- language interpretation and translation for health care services;
- child and adult immunizations and preventive care;
- health education;
- hospice care;
- home health care;
- prescription drugs listed on the formulary;
- mental and behavioral health care;
- dental care;
- podiatric care;
- chiropractic care;
- acupuncture;
- blood and blood products;

- emergency care products;
- vision care;
- adult day care;
- case management and coordination to ensure services necessary to enable a person to remain in the least

restrictive setting;
substance abuse treatment;
care of up to 100 days in a skilled nursing facility following hospitalization;
dialysis; and
benefits offered by a bona fide church, sect, denomination, or organization whose principles include healing entirely by prayer or spiritual means.

This bill would allow the commissioner to expand benefits beyond the minimum outlined above when expansion meets the intent of the statute and can be sufficiently funded.

The bill would exclude specified services from coverage by the CUHS health care services that are determined by the commissioner and chief medical officer to have no medical indication, including services primarily for cosmetic purposes, private rooms in inpatient health facilities, and services of a provider or facility that is not licensed by the state. The bill would prohibit co-payments and deductibles for preventive care or when prohibited by federal law.

The bill would require individuals enrolling in integrated health care systems to retain membership for at least one year after an initial three-month evaluation period during which they could withdraw at any time. The bill also would require patients to have a referral from a primary care provider to see a specialist, except that referrals would not be needed to see a dentist and allows a specialist to serve as the primary care provider if the provider agrees to coordinate the patient's care.

For the first six months of system operation, the bill would provide that no specialist referral shall be required for patients who had been receiving care from a specialist prior to initiation of the system. This bill would allow a patient to appeal the denial of a referral through the dispute resolution mechanism established by the

STAFF ANALYSIS OF SENATE BILL 840 (Kuehl) Page 8

commissioner.

Budgeting and financing provisions
The bill would establish the Universal Healthcare Fund (UHF) within the State Treasury administered by a director appointed by the commissioner. The bill would provide that

all claims for health care services rendered pursuant to the system shall be submitted to the UHF via an electronic claims and payment system.

The bill would require the UHF director to establish a system account and a reserve account. The system account would be required, at all times, to hold an amount estimated in the aggregate to provide for the payment for all losses and claims for which the system may be liable.

The bill would require the UHF director to immediately notify the commissioner when trends indicate that expenditures for the system may exceed revenues and to immediately notify the Legislature and the public regarding the possible need for cost control measures. The bill would specify the types of cost control measures the commissioner could implement, including changes in the system of health facility administration that improve efficiency, postponement of introduction of new benefits or benefit improvements, imposition of co-payments and deductibles under specified circumstances, imposition of an eligibility waiting period if the commissioner determines that people are immigrating to the state for the purpose of obtaining health care through the system, and other as specified.

The bill would provide that at the regional level, if the commissioner or regional planning director determines that

regional revenue and expenditure trends indicate a need for regional cost containment, specified cost control measures may be followed.

The bill would provide that if the Budget Act has not been enacted by June 30th of any year, all moneys in the reserve account of the Universal Healthcare Fund would be used to implement the bill's provisions until funds became

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STAFF ANALYSIS OF SENATE BILL 840 (Kuehl) Page 9

available through the Budget Act. The bill would also require the Controller to make one or more General Fund loans to the fund for the purposes of making payments for health care goods and services, if the reserve funds are exhausted

The commissioner would be required to establish a budget for all expenditures, specifying a limit on total annual state expenditures and establish regional allocations to cover a three-year period. The commissioner would be required to limit the growth of spending on a statewide and regional basis with reference to average growth in state domestic product across multiple years, population growth, advances in technology, and other factors. Additionally, the bill would require the commissioner to adjust the system budget so that aggregate spending for the state would not exceed spending under this division by more than five percent.

The bill would require the commissioner to project the system's revenues and expenditures pursuant to specified factors and to convene an annual conference of system officers and representatives of the governance system to discuss projections and possible policy directions. The commissioner would also be required to establish specified budgets for various components of the health care system and shall include various adjustments including cost-of-living differences between regions, health risk of enrollees, workforce development needs, and projected savings due to improved access and efficiency of care delivery, among others variables.

This bill would require the commissioner to seek necessary approval so that all current federal payments for health care are paid directly to CUHS, which would then assume responsibility for all benefits and services paid by the federal government with those funds. This bill would also require the commissioner to establish formulas for equitable contributions to CUHS from counties and other local government agencies.

The bill would provide that the system be secondarily responsible for providing care to the extent that the federal, state, or county programs are not transferred to

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STAFF ANALYSIS OF SENATE BILL 840 (Kuehl) Page 10

the system. Additionally, the bill would require the CUHS to cover Medicare share of cost expenses to the extent that the commissioner obtains authorization to incorporate Medi-Cal or Medicare revenues into the UHF.

This bill would provide that until a single public payer for all health care in the state is established, health care costs shall be collected from "collateral sources" including insurance policies, health plans, employers, employee benefit contracts, government benefit programs, judgments for damages, and any liable third party.

Health care providers
Under the bill, the commissioner would be required to establish a Payments Board that is responsible for negotiating reimbursements and establishing a uniform payments system for health care providers and managers not part of health delivery systems, essential community providers, and group medical practices.

The bill would also require the Payments Board to negotiate *compensation for upper level managers subject to specified* guidelines, and to report annually to the commissioner on the status of health care provider and upper level management reimbursement including satisfaction with reimbursement levels and the sufficiency of funds allocated.

The bill would allow providers to choose to be compensated by the system or by persons to whom they provide services, in which case they may establish charges for their services. Providers who accept any payment under this division would not be allowed to bill a patient for any covered service. Providers electing to be compensated under fee-for-service would be required to choose *representatives of their specialties to negotiate* reimbursement rates with the Board consistent with the state action doctrine of the federal anti-trust law.

The bill would require provider compensation to be actuarially sound and include a just and fair return for health care providers. The bill would require physicians to be reimbursed for all services provided pursuant to the CUHA. The bill would require payment schedules that would

be in effect for three years, and for bonus payments associated with specified performance standards and goals for the system including service to medically underserved areas.

The bill would allow all licensed and accredited health care providers in the state to participate in the CUHS, and would prohibit a provider from refusing to care for a patient based on discrimination. The bill also would allow individuals to select a primary care

provider, and women to select an obstetrician-gynecologist in addition to a primary care provider.

Under the bill, integrated health delivery systems, essential community providers, and group medical practices that provide comprehensive, coordinated services would be required to negotiate operating budgets with regional planning directors and would be allowed to choose to be reimbursed on the basis of a capitated system or a non-capitated operating budget that covers all costs of providing health care services. The bill would prohibit payments from capitated or non-capitated operating budgets to pay for capital expenses, with specified exceptions. Health systems operating under capitated or non-capitated budgets would be required to immediately report any projected operating deficits to the regional planning director who would then evaluate whether to make an

adjustment in the operating budget.

The bill would provide that margins generated under a health system's operating budget could be retained and used to meet the health care needs of the population, conditioned upon specified restrictions. Health facilities operating under system operating budgets would be allowed to raise and expend funds from sources other than the system including, but not limited to, private or foundation donors for purposes related to the goals of the system.

Funding of health facilities and equipment
The bill would direct the commissioner to perform a system-wide assessment of existing capital health care assets, prioritize short- and long-term capital needs, and

develop a multi-year capital management plan, according to

specified criteria, to govern all capital investments and acquisitions undertaken. This bill would require the commissioner to develop and maintain capital inventories on a regional basis and to establish a process whereby those intending on making capital investments or acquisitions would be required to prepare a business plan, as specified.

The bill would require the establishment of a competitive bidding process, as described, for the development of capital management plans that meets the needs of the system and provides that the system may fund, partially fund, or participate in seeking funding for those capital projects. The bill prohibits capital investments from being made from operating budgets.

This bill would require the regional planning directors to develop a regional capital development plan pursuant to the CUHS capital management plan established by the commissioner. The bill would require regional planning directors to make financial information available to the public when the system's contribution to a capital project is greater than $25 million, and would require the commissioner to establish conflict of interest requirements in regard to capital outlays made by the system.

Purchase of prescription drugs
Under the bill, the commissioner would be required to establish a budget for the purchase of prescription drugs and to use the purchasing power of the state to obtain the lowest possible prices for prescription drugs. This bill also would require the commissioner to establish a budget to support research and innovation recommended by the system to support the goals and standards of the system. The commissioner would also be required to establish a budget to support the training, development and continuing education of health care providers and the health care workforce needed to meet the health care needs of the population.

Health care premiums
The bill would establish the California Universal Healthcare Premium Commission, comprised of specified representatives including health finance experts, business and labor representatives, and state tax department

representatives to determine the aggregate costs of providing health care coverage pursuant to the CUHA, and to develop an equitable and affordable premium structure, as described, that would generate adequate revenue to support the system and ensure actuarially sound funding for the system.

The Premium Commission would be authorized to obtain grants from and contract with individuals and entities and receive charitable contributions or any other lawful source of income in order to perform its function. The Premium Commission would be required to seek structured input from representatives of stakeholder organizations, policy institutes, and other expertise to ensure it has the necessary information to perform its function. Additionally, the bill would require that the Premium Commission be supported by a reasonable amount of staff time provided by the state agencies with membership on the commission.

FISCAL IMPACT

Unknown significant state costs to administer the single payer system, and to provide health care benefits as specified in the bill. These costs would be partially offset by savings from the redirection of funds from existing state and local health coverage programs. In 2005, the Lewin Group conducted a cost and economic impact analysis of a bill similar to this one and estimated program expenditures under the single-payer program would be approximately $166.8 billion if fully implemented in 2006, increasing to $261.8 billion in 2015. This assumes existing state and federal law would be changed to transfer spending on government health programs to the single payer system.

BACKGROUND AND DISCUSSION

Purpose of Bill

According to the author, this bill would provide fiscally sound, affordable health care to all Californians, provide every Californian the right to choose his or her own physician, and control health cost inflation. The author

states that the single greatest problem facing California's health care system and economy is the growing cost of health insurance. As evidence, the author cites research that demonstrates most of the newly uninsured come from solidly middle-class families. The author also cites unsustainable increases in health care premiums noting that health insurance premiums have increased 87 percent since 2000, and although wages have only increased by 20 percent over this period, the average employee contributes 143 percent more to their company-sponsored health insurance. The author states that overall, health care costs have outpaced increases in wages by a ratio of 4:1 since 2000. The author notes that California spent an estimated $186 billion in health care last year, and that this amount is sufficient to provide every resident of the state with excellent health care, and ensure fair and reliable reimbursements to doctors, nurses and other providers. The author states that a single payer universal health care system is the only long-term way to address the issue of unsustainable growth in spending, arguing that private insurance companies are not innovators when it comes to cost management - they are, instead, innovators only when it comes to risk aversion. The author also cites studies demonstrating that nearly half of all health care spending is misspent on administrative and clinical waste related to the fragmentation of the current system. Other studies highlighted by the author find that 30 percent of every health care dollar is wasted on administrative overhead, alone.

The author argues that under a single payer system, California would consolidate the administrative waste of thousands of health plans - saving the system nearly $20 billion in the first year. In addition, the author states that a single payer system would emphasize preventative and primary care and allow California to use its purchasing power to negotiate discounts for prescription drugs and durable medical equipment.

The author cites the Lewin Group analysis stating, that a single payer health care system could achieve universal coverage while reducing total health spending in California. Additionally, the author argues that SB 840 is the gold-standard for health reform in California because

15

it offers truly universal health care since eligibility is based on residency, not on employment or income. The author states that this provides affordable coverage, involving no new spending, because the plan will be paid for by federal, state and county monies already being spent on health care and by affordable insurance premiums that replace all premiums, deductibles, and co-pays now paid by employers and consumers.

The author states that SB 840 will combine needed cost controls with high medical standards, and place an emphasis on preventative and primary care to improve California's overall health in a way that also saves billions of dollars.

Uninsured Californians
According to the California Health Care Foundation (CHCF), approximately 6.6 million people are uninsured in California, and the number of uninsured continues to rise as employer-sponsored health insurance declines. CHCF reports that approximately 40 percent of uninsured workers are employed by small businesses, and the number of uninsured workers in mid-sized firms continues to rise. Additionally, although families with incomes below the poverty level are most likely to be uninsured, more than 30 percent of the uninsured have family incomes of more than $50,000. Nearly 75 percent of uninsured children are in families where the head of the household has a full-time job. CHCF also reports that Latinos represent more than half of California's uninsured population and are more likely to be uninsured than any other ethnic group. Of the total number of uninsured, Asians comprise 20 percent, African Americans comprise 18 percent, and Caucasians comprise 13 percent.

Related legislation

SB 1014 (Kuehl), a companion to SB 840, this bill would impose a health care coverage tax on the wages of an employee that would be paid by both the employee and the employer, and direct revenues generated from these taxes to fund the California Health Insurance Fund that would be

STAFF ANALYSIS OF SENATE BILL 840 (Kuehl) Page 16

created by SB 840. This bill is set for hearing in the Senate Health Committee on April 18, 2006.

SB 48 (Perata) proposes a health care reform plan designed to insure all working Californians and their dependents, as well as all children regardless of residency status in households with incomes up to 300 percent of the federal poverty level. This bill is set for hearing in the Senate Health Committee on April 25, 2007.

AB 8 (Nunez) proposes a health care reform plan designed to insure all working individuals and dependents employed by firms of two or more employees, all children, regardless of residency status, with household incomes up to 300 percent of the federal poverty level, and eventually low-income childless adults. This bill is set for hearing in the Assembly Health Committee.

SB 236 (Runner) would enact the Cal CARE program to increase access to health care services in the state and provide health coverage incentives. This bill is currently in the Senate Rules Committee.

Prior legislation

SB 840 (Kuehl, 2006), would have implemented a system

substantially similar to that proposed by this year's SB 840. This bill was vetoed.

AB 772 (Chan, 2005) would have created the California Healthy Kids Insurance Program, to expand health care coverage to all California children. This bill was vetoed.

SB 921 (Kuehl, 2004), also would have implemented a system substantially similar to that of this year's SB 840. SB 921 was held in the Assembly Health Committee.

SB 2 (Burton), Chapter 673, Statutes of 2003, enacted the Health Insurance Act of 2003, to provide health coverage to employees (and in some cases their dependents) who do not receive job-based coverage and who work for large and medium employers. SB 2 was repealed by Proposition 72, a voter referendum on the November 2004 ballot.

STAFF ANALYSIS OF SENATE BILL 840 (Kuehl) Page 17

Arguments in support
Supporters argue that over 6.5 million Californians lack health insurance coverage, health care costs continue to rise at double digit rates, and comprehensive reform, such as that proposed by SB 840, is the only effective solution to those problems. Supporters argue that lack of insurance coverage prevents people from getting affordable care when they need it and that despite enactment and expansion of public programs such as Medi-Cal and the Healthy Families program, millions of Californians, most of them working adults, remain uninsured and cannot obtain health coverage.

Supporters state that SB 840 would cover everyone because eligibility is based on residency, instead of on employment or income, and that no California resident would ever again lose their coverage because of unaffordable insurance premiums, because he or she changes or loses a job, or because he or she has a preexisting medical condition. Supporters assert that this bill requires no new spending, and would save businesses, families and the government billions of dollars. They argue that our current health care system wastes 30 percent of every health care dollar on complicated benefit schemes, enrollment procedures, and access limitations, and that this bill will ensure that money goes to care and not administration by mandating that the system spend 95 percent of health care dollars on actual care.

Supporters assert that SB 840 provides real choice to all consumers who will have complete freedom to choose their health care providers rather than working within restrictive HMO networks. In light of patient choice, delivery of care will remain the same under this bill - a competitive mix of public and private providers. Lastly supporters argue that SB 840 will improve quality by expanding a system-wide use of medical standards that place an emphasis on preventative and primary care.

The County Health Executives Association of California (CHEAC) has taken a "support if amended" position. CHEAC states that counties should be relieved of the health portion of Health and Welfare Code Section 17000, considering that with the implementation of universal health coverage, there will no longer be a need for this

STAFF ANALYSIS OF SENATE BILL 840 (Kuehl) Page 18

requirement on counties. Additionally, CHEAC argues that local public health funding must be preserved, and that

health realignment revenues dedicated to communicable disease control, epidemiology, public health laboratories, and public health nursing should be maintained at the local level.

Arguments in opposition
Opponents state that costs associated with this bill would create an expensive labyrinth of bureaucracy, and that competition among private companies leads to lower costs and better care. Opponents assert that a socialized state-run health care system would eliminate these companies, thereby forcing people to rely upon the state to take care of their health needs, and limiting medical advances because of decreased competition. Opponents argue that this bill would extend taxpayer obligations too far, result in rampant fraud, waste and mismanage public services, and damage the state's competitiveness for jobs. They state that a major portion of the health care system created by this bill would be paid for through increased taxes which would discourage business growth, and hurt state investments, and that that out-of-state individuals would move to California to take advantage of the new health care system adding to the state's economic burden.

Opponents disagree with the premise that a single payer system will generate substantial savings from lowered administrative costs and profits, as administrative costs will not be eliminated under a single payer system. They assert that competitive forces in the marketplace are vital in health care, and that while California's premiums have increased, they are still lower than other large markets. Opponents cite cases in Canada where waiting times to see general practitioner increased by 72 percent, and where some provinces sent patients to the U.S. to have heart surgery as a result of long wait times.
The California Medical Association (CMA) states the bill may create unintended consequences that could hurt patient care and the practice of medicine. CMA states that the bill allows for a decrease in benefits to cover revenue and shortfalls, leaving open the possibility to reduce benefits from what a standard Medi-Cal or commercial plan now offers. The CMA also cites concerns that the premium

commission created by this bill has a concentrated authority to decide benefit design, provider payments, and cost-sharing that may not benefit patients. Lastly, the CMA states that a single-payer system may limit the ability of doctors to make autonomous decisions about courses of treatment.

COMMENTS AND QUESTIONS

1. Contracting ability. The bill does not provide explicit authority for the commissioner to contract out for services relating to enrollee eligibility or claims processing. A recommended amendment would be to allow the commissioner to contract out for these services upon findings that doing so would create efficiency and cost-savings to the system.

Suggested amendment:

a. Page 13, line 39 after the period, insert:

The commissioner may contract with a third party for eligibility and enrollment services if the commissioner finds that doing so would meet the system's goals and standards, and result in greater efficiency and cost savings to the system.

b. Page 14, line 4 after the period, insert:

The commissioner may contract with a third party for claims and payment services if the commissioner finds that doing so would meet the system's goals and standards, and result

in greater efficiency and cost savings to the system.

1. Bifurcated patient grievance process. The bill bifurcates the patient grievance process between the chief medical officer and the Office of Patient Advocacy, which may confuse patients desiring to file grievances. The intent of having the chief medical officer handle grievances relating to the denial, delay or modification of health services is to remain abreast of issues relating to access and quality of care. However, a recommended amendment would be to have the Office of

STAFF ANALYSIS OF SENATE BILL 840 (Kuehl) Page 20

Patient Advocacy assume responsibility for the handling of all patient grievances, and to report to the chief medical officer on grievances relating to the denial, delay or modification of health services to ensure the chief medical office can fulfill his or her role in assuring access and health care quality.

Suggested amendments:

a. Delete Section 140608 in its entirety.
b. Page 20, lines 28 - 30:

(5) Participate in the grievance process and independent *medical review system on behalf of consumers pursuant to* ~~Sections 140608 and 140609~~ Section 104610.

c. Between page 75, line 32 and page 87, replace the words "chief medical officer" with "patient advocate."

d. Page 75, line 32:

104610. (a) The ~~chief medical officer~~ patient advocate of the Office of Patient Advocacy, in consultation with the chief medical officer, shall establish a?

e. Page 76, line 10 - 20:

(4) (A) Provide for a written acknowledgment within five calendar days of the receipt of a grievance, except as noted in subparagraph (B). The acknowledgment shall advise the complainant of the following:
(i) That the grievance has been received.
(ii) The date of receipt.
(iii) The name, telephone number, and address of the system representative who may be contacted about the grievance.
(B) Grievances received by telephone, by facsimile, by e-mail, or online through the system's Internet Web site that are resolved by the next business day following receipt are exempt from the requirements of subparagraph (A) and paragraph (5). The ~~chief medical officer~~ patient advocate shall maintain a log of all these grievances. The log shall be periodically reviewed by the ~~chief medical officer~~ patient advocate and shall include the following information for each complaint:

STAFF ANALYSIS OF SENATE BILL 840 (Kuehl) Page 21

f. Page 87, line 38 after the period, insert:

140620. The patient advocate shall, on a biannual basis, report to the chief medical officer on the number, types, and outcomes of all patient grievances relating to the denial, delay or modification of health services.

1. Suggested technical and clarifying amendments:

a.Page 10, lines 7-8:

...be ~~determined pursuant to the same process as provided in~~ established by the California Citizens Compensation Commission in accordance with Section?

b.Page 13, lines 3-4:

(d) Oversee the establishment of ~~real and virtual~~ locally based integrated services networks , including those that provide services through medical technologies such as telemedicine, that include physicians in?

c.Page 13, line 35:

?California residents, including those that travel ~~frequently~~ out of state ; those?

d. Page 20, lines 28-30 (this proposed amendment becomes unnecessary if the amendments suggested in #2 are adopted):

(5) Participate in the grievance process ~~and independent medical review system~~ on behalf of consumers pursuant to ~~Sections~~ Section 104608 ~~and 104609~~ .

e. Page 27, lines 32-33:

?providers, and patients, oversee the establishment of ~~real and virtual~~ locally based integrated service networks ~~of~~ , including those that provide services through medical technologies such as telemedicine, that include physicians in fee-for-service, solo and group?

f. Page 31, line 40

□

STAFF ANALYSIS OF SENATE BILL 840 (Kuehl) Page 22

...under this division that ~~are~~ is currently provided by those programs.

g. Page 32, lines 37-39:

(7) adjustment to the ~~reimbursement~~ compensation of managerial employees and upper level managers ~~of~~ under contract with the system to correct for deficiencies in management and failure to meet contract performance goals.

h.Page 37, line 19:

(1)upper level managers employed ~~in~~ by, or under contract with, private health care..

a. Page 39:

Reverse the order of subparagraphs (4) and (5)

b.Page 39, line 19:

(8) Health care providers who accept any payment from the system under this?

c.Page 40, line 33:

(j) Reimbursement to health care providers and compensation to managers may?

d.Page 41, line 17:

...level managers employed by, or under contract with, integrated health care delivery?

e.Page 41, lines 21-23:

(b) Health care providers and upper level managers employed by , or under contract with, systems that provide comprehensive, coordinated health care services shall be

represented by their respective employers or contractors for the?

f.Page 79, line 36:

STAFF ANALYSIS OF SENATE BILL 840 (Kuehl) Page 23

?with ~~or employed by~~ the system, has recommended a drug, device

POSITIONS

Support: California Federation of Teachers (co-sponsor)
California Nurses Association (co-sponsor)
California School Employees Association (co-sponsor)
California Teachers Association (co-sponsor)
Health Care for All (co-sponsor)
Alameda Health Consortium
Alliance for Democracy - San Fernando Valley Chapter

Altschuler Clinic - A Center for Weight Loss and Wellness
American Federation of State, County, and Municipal Employees
American Federation of State, County, and Municipal Employees, Chapter 36
American Nurses Association California
Applied Research Center
Association of California Caregivers Resource Centers
CA Advocates for Nursing Home Reform
CA Alliance for Retired Americans
California Association of Public Authorities for In-Home Supportive Services
California Catholic Conference
California Church IMPACT
California Commission on the Status of Women
California Faculty Association
California Labor Federation
California Pan-Ethnic Health Network
California Physicians Alliance
California Public Interest Research Group
California Retired Teachers Association
Central Labor Council of Butte & Glenn Counties
City of Santa Cruz - City Clerk's Department
City of Santa Cruz - Mayor and City Council
City of West Hollywood
Coalition for Humane Immigrant Rights of Los Angeles
CoHousing Partners

STAFF ANALYSIS OF SENATE BILL 840 (Kuehl) Page 24

Consumer Federation of California
County Health Executives Association (if amended)
Davis Office Systems
Democratic Central Committee of Santa Barbara County
Effective Assets
First 5 Children and Families Commission, Marin
Friends Committee on Legislation of California
Gray Panthers
Health Access California
Health Care for All California - Santa Barbara County
Health Care for All Californians
Health Care for All Santa Cruz City
Health Care for All South Bay/Long Beach
Independent Employees of Merced County
JERICHO

Kramer Translation
Lambda Letters Project
League of Women Voters, California
League of Women Voters, Long Beach Area
League of Women Voters, North and Central San Mateo County
League of Women Voters, San Joaquin County
LifeLong Medical Care
Los Angeles Free Clinic
Lutheran Office of Public Policy - California
Mexican American Legal Defense and Education Fund
National Asian Pacific American Women's Forum
National Association of Social Workers
National Association of Working Women
Newsom & Fitzpatrick Medical Group, Inc.
Older Women's League of California
Organization of SMUD Employees
Pacific Palisades Democratic Club
Planned Parenthood Affiliates of California
San Diego County Court Employees Association
San Francisco for Democracy
San Luis Obispo County Employees Association
Santa Rosa City Employees Association
Service Employees International Union
Service Employees International Union, United Healthcare Workers
Sierra Friends Center
Sober Living Network

South Bay Center
South of Market Project Area Committee
St. Mary's Center
Sutter County Democratic Central Committee
Torrance Democratic Club
United Electrical, Radio and Machine Workers of America, UE Local 1421
United Methodist Women
United Nations Association - USA & UNESCO Santa Barbara County Chapters
Wellstone Democratic Renewal Club
Women For: Orange County
Women's Foundation
Women's International League for Peace and Freedom
Three individuals

Oppose: America's Health Insurance Plans
Association of California Life & Health Insurance Companies
Blue Cross of California
Blue Shield of California
California Association of Health Plans
California Association of Health Underwriters
California's Benefits Specialists
California Chamber of Commerce
California Medical Association
Cal-Tax
Capitol Resource Institute
Health Net
Howard Jarvis Taxpayers Association
Kaiser Permanente
National Association of Insurance and Financial Advisors of California

-- END -

CURRENT BILL STATUS

MEASURE : S.B. No. 840
AUTHOR(S) : Kuehl (Principal coauthors: Senators Alquist, Corbett, Migden, and Yee) (Principal coauthors: Assembly Members Bass and Hancock) (Coauthors: Senators Cedillo, Florez, Lowenthal, Oropeza, Padilla, Perata, Ridley-Thomas, Romero, Steinberg, and Wiggins) (Coauthors: Assembly Members Alarcon, Beall, Berg, Brownley, Coto, Dymally, Evans, Feuer, Hayashi, Huffman, Jones, Laird, Levine, Lieber, Lieu, Ma, Mullin, Nava, Nunez, Swanson, and Torrico).
TOPIC : Single-payer health care coverage.
HOUSE LOCATION : SEN
+LAST AMENDED DATE : 04/30/2007

TYPE OF BILL :
Active
Non-Urgency
Non-Appropriations
Majority Vote Required
State-Mandated Local Program
Fiscal
Non-Tax Levy

LAST HIST. ACT. DATE: 05/02/2007
LAST HIST. ACTION : Set for hearing May 14.
COMM. LOCATION : SEN APPROPRIATIONS
HEARING DATE : 05/14/2007

TITLE : An act to add Division 113 (commencing with Section 140000) to the Health and Safety Code, relating to health care coverage.

DRAFT

ORIGINAL

Approved as to Form and Legality

2007 MAY 10 PM 5:28

OAKLAND CITY COUNCIL

City Attorney

RESOLUTION NO. _____ C. M. S.

INTRODUCED BY COUNCILMEMBER President IGNACIO DE LA FUENTE

A RESOLUTION URGING THE STATE LEGISLATURE AND THE GOVERNOR OF CALIFORNIA TO PROVIDE COMPREHENSIVE UNIVERSAL HEALTH CARE FOR THE PEOPLE OF CALIFORNIA BY ENACTING SENATE BILL 840, "THE CALIFORNIA UNIVERSAL HEALTHCARE ACT."

WHEREAS, on July 18, 2006 the Oakland City Council passed resolution 80055 urging the state legislature and the governor of California to provide comprehensive universal health care for the People of California by enacting Senate Bill 840, "the California Health Insurance Reliability Act"; and

WHEREAS, Senate Bill 840 was passed by both the state Assembly and the Senate in 2006, it was vetoed by the Governor in 2006; and

WHEREAS, people have a fundamental right to good health; and

WHEREAS, the current system for delivering health care in the United States is too expensive for millions of Americans; and

WHEREAS, the White House and the United States Congress have failed repeatedly to enact laws to provide universal health coverage and show no signs of soon accomplishing this; and

WHEREAS, it is impractical for every city government, with their limited tax base and relatively large number of uninsured citizens, to subsidize health insurance in order to cover 100% of their residents; and

WHEREAS, the California State Legislature is now considering whether to enact Senate Bill (SB) 840, entitled "The California Universal Healthcare Act" to amend California's Health and Safety Code to provide comprehensive universal health coverage for the people of California; and

WHEREAS, SB 840 is authored by Senator Sheila Kuehl of Los Angeles and co-sponsored by Oakland's state legislators, Assemblywoman Loni Hancock, Senate President Pro Tem Don Perata, and Assemblymember Sandre Swanson; and

WHEREAS, SB 840 is supported by the League of Women Voters of California, the League of women Voters of Oakland, the Alameda County Medical Center, the California Nurses Association, the American Nurses Association of California, and hundreds of other California organizations; and

DRAFT

WHEREAS, SB 840 would create a "single-payer" health care system whereby a new California Universal Healthcare Agency under the control of a Universal Healthcare Commissioner, appointed by the Governor and subject to confirmation by the Senate, would reduce costs by streamlining the multiple administrative layers burdening the current system and by leveraging the economies of scale and purchasing power enjoyed by California as the 6th largest economy in the world; and

WHEREAS, providing universal health care coverage in California will further reduce costs by eliminating the incentive for uninsured patients to visit emergency rooms for routine care and by increasing the ability of Californians to pursue preventative medical care; and

WHEREAS, all Californians would be consistently covered by this health care insurance system because it is not subject to a person's changing income or employment status but by residency; and

WHEREAS, SB 840 will provide high-quality medical care, as consumers will have total freedom to choose their personal primary caregiver; now, therefore, be it

RESOLVED, the City Council of the City of Oakland urges the State Legislature and the Governor of California to provide comprehensive universal health care for the people of California by enacting Senate Bill 840, "The California Health Insurance Reliability Act"; and be it further

RESOLVED, the City Clerk of the City of Oakland will fax this Resolution as soon as possible to the heads of the State Assembly and the State Senate as well as to the Governor of California.

IN COUNCIL, OAKLAND, CALIFORNIA, _____,

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, BRUNNER, CHANG, KERNIGHAN, NADEL, REID, QUAN, AND PRESIDENT DE LA FUENTE

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____
LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California