

'Medicare for All' Would Solve California's Budget Deficit

Written by Jennifer Epps / Calitics
Friday, 03 February 2012 03:08



In Canada, the only way to see a doctor is to call one up and make an appointment. Or walk in to their office. In Britain, the only way you'll get surgery is if you actually need it. And yet State Senator Mark Leno and 44 co-sponsors want to bring this kind of healthcare system to everyone in California! Imagine.

In fact, the California legislature twice approved such a system, in which private providers carry on as independently as always but the public pays their bills directly (rather than indirectly as it does now, through a patchwork quilt of emergency care, programs to bring healthcare to the poorest and the elderly, and subsidies for insurance premiums.) Both times Governor Arnold Schwarzenegger vetoed the bill. But Senator Leno, a longtime campaigner for single-payer — a.k.a. "Medicare-for-All" — has brought the bill back again as SB 810. Last week, the bill fell just two votes shy of passage with a tally of 19-15 in favor. (It needs 21 to pass because it requires more than a simple majority.) Sen. Leno plans to push for another vote under Reconsideration, because several Democratic state senators abstained, but the deadline to win their support is today.

This single-payer bill is championed by Campaign for a Healthy California, a coalition which includes the California Nurses Association, Physicians for a National Health Program, California Alliance for Retired Americans, Progressive Democrats of America, California School Employee Association, Democracy for America, the California Health Professional Student Alliance, and many others. They have put out action alerts to supporters of SB 810 to call on five key state senators to vote Yes: Los Angeles area state senators Alex Padilla, Rod Wright, and Ron Calderon; San Diego area senator Juan Vargas, and Fresno/Bakersfield senator Michael Rubio. If supporters can bring just two of these state senators around in time for a Reconsideration vote today, then patients in California could very soon be able to choose which doctor to see (rather than submitting to a 'network' or their HMO). And the leading cause of bankruptcy for

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both the insured and uninsured – medical bills – could be eliminated.

A lot of people – i.e. all other advanced democracies in the world – think access to healthcare is a basic human right, and that organizing that access is one of the functions of a government and of a civilized society. In fact, in poll after poll, the majority of Americans support a publicly-funded universal health care system as well.

But never mind that. This is a time of economic struggle, an overstretched state budget, and financial uncertainty. Giving the government the job of administering health insurance at this particular juncture is above all else...the most fiscally conservative thing to do.

SB 810 would eliminate private health insurance entirely. All Californians' healthcare costs would be paid for from one big pool. It's just like the way people get insurance coverage now, except much much simpler, everyone would be covered, and the profit motive would be removed. And making health insurance a government-run program would dramatically reduce a huge portion of health care expenses that are eaten away by needlessly complicated administration costs. It's the exact opposite of what the bill's detractors pretend. Rather than creating more bureaucracy or paperwork, SB 810 would very quickly whittle down the costs of administering healthcare, currently at 33% of California's total healthcare spending, to under 5%.

Providers would only have to bill one entity, a new California Healthcare Agency, and would have no need to chase after patients for unpaid balances, or argue with insurers about whether the insured really does need that organ transplant or dialysis. That's how Sen. Leno's site can claim that SB 810 would save California \$20 billion in the very first year by reducing administrative costs alone.

Moreover, health insurance commissioners would not need to watch over insurers and fight their premium hikes on behalf of consumers (health insurance premiums grow 4 times faster than wages). After SB 810, there would be no premiums. There would be no deductibles. There would be no co-pays. There would be no private health insurance.

These companies would still find a way to sell insurance for non-essential services — just as in Canada insurers offer policies for things like private rooms should the insured be hospitalized.

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Insurance companies are nothing if not resourceful, and we shouldn't worry about them too much. The big change would be that with a single-payer program, insurance companies could no longer build their business by keeping the whole health system stratified.

The U.S. spends twice as much of its GDP on healthcare as other wealthy nations do. It spends more, and gets less. Americans receive less doctor consultations, hospital care, and surgery than people in other industrialized nations, yet our healthcare costs are higher. Insurance companies, by insisting on their privileged position as middlemen between patients and physicians, balloon healthcare costs out of all proportion. Far from delivering medical care more cheaply, these companies take money from patients – and from non-patients, like those who put off getting care because they can't afford their deductibles or co-pays but who keep sending in premiums to ward off catastrophe – and apply it to profit dividends, CEOs' bonuses and even marketing to win over more customers. And all we get in exchange is the 37th best healthcare in the world, according to the WHO.

In addition to Big Insurance, we have Big Pharma driving up healthcare costs. Countries like Canada began long ago to use the leverage of government to negotiate down drug prices, but in the U.S., the government behaves as if it is powerless in the face of whatever pharmaceutical companies wish to charge. SB 810 would tackle prescription drug pricing in California by using its bulk purchasing power. Sen. Leno estimates that such savings on medication, as well as equipment, would save the state \$5.2 billion.

Lack of or inadequate insurance leads many to wait until their health is seriously threatened and then seek care in Emergency wards, rather than getting preventative screenings or catching the problem at the initial symptoms. This is not only costly to the hospital which provides the Emergency services, and to taxpayers who have to make up the costs, but it escalates costs in general, since by the time these patients seek care they are in need of much greater intervention. SB 810 would transfer the emphasis to preventative care and primary care, and thereby save Californians an estimated \$3.4 billion.

In short, Sen. Leno maintains that SB 810 would be fully funded from the money we already spend on health care, and that, to boot, California would save a total of \$29 billion just in the first year.

Considering that these cost-cutting measures would completely solve the state's fiscal crisis without either cutting social services or raising taxes, if Republicans really were fiscal

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conservatives they should have jumped on board with full support for SB 810. But of course insurance and pharmaceutical companies would be pretty unhappy with them, and campaign donations would stop flowing.

Considering that the Republicans' objections to the federal Affordable Healthcare Act was that it would force people to buy private health insurance – the result of the Obama Administration's barring single-payer advocates from all planning sessions – you would think that they would all be in favor of the freedom that SB 810 would bring. But of course it's hardly the freedom of the 99% that matters.

SB 810 has strong backing from ordinary, non-radical Californians. Sen. Leno's website lists 172 groups (unions and professional association, religious groups, city governments, Democratic Clubs, etc.) who endorse SB 810 and who have been working hard to make California the 2nd state in the nation to enact single-payer.

Single-payer advocates affiliated with the Campaign for a Healthy California include the American Medical Student Association, Consumer Federation of California, League of Women Voters of California, Progressive Caucus of the California Democratic Party, Amnesty International USA, California National Organization of Women, Courage Campaign, California Teachers Association, California Federation of Teachers, and California Faculty Association.

The bill's champions expect that Governor Jerry Brown would happily follow in the footsteps of Vermont's Governor Peter Shumlin and sign a single-payer bill. (The passage last spring of a publicly-run health insurance system made Vermont the first state in the U.S. to take this bold step.) If Sacramento fails to pass SB 810 this year because one Democratic senator voted No (Calderon) and four Democrats abstained (Padilla, Wright, Vargas, and Rubio), there will be a lot of very disappointed people in this state.

There will also continue to be 7 million Californians without insurance. Even after the federal Affordable Healthcare Act kicks in, 3 million Californians will remain uninsured, says Sen. Leno. Despite the fuss the country went through over health insurance reform, so-called 'Obamacare' would only manage to cover four out of five at best. And it is predicted that many who will still be unable to afford health insurance will choose to pay the fine instead. We will still have a tiered health care system. And we will stay pay more for less.

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Rod Wright (Los Angeles area)?(916) 651-4025?(310) 412-0393

Juan Vargas (San Diego area)?Sac: (916) 651-4040?Dist: (619) 409-7690

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