

CALIFORNIA GUARANTEED HEALTH CARE FOR ALL ACT

Assemblymember Ash Kalra



SUMMARY

Today's U.S. health care system is a complex, fragmented multi-payer system that still leaves wide gaps in coverage and poses significant issues of affordability. Despite health care spending in the United States far exceeding other high-income, industrialized countries that offer a publicly financed single-payer system, we consistently report worse health outcomes and disparities among vulnerable populations.

The Guaranteed Health Care for All Act sets in motion a single-payer health care coverage system in California, called CalCare, for all residents, regardless of citizenship status. By streamlining payments and lowering per-capita health care spending, CalCare guarantees quality health care, including long-term care without creating barriers to care or out-of-pocket costs.

By affirming health care as a right to all Californians and establishing a payment system that eliminates waste and aligns reimbursements with the actual cost of care, we can make significant progress on financing and acquiring state and federal approvals.

HEALTH SYSTEM STATUS QUO

According to a recent 2023 Health Policy Survey, nearly two-thirds of Californians report being worried about unexpected medical bills and out-of-pocket health care costs.¹ The average cost of family premiums for job-based health insurance climbed 7% to nearly \$24,000/year in 2024², creating an unsustainable burden on workers and employers. Even health plans offered through Covered California will increase by an average of nearly 10%, the highest since 2018.

Even with the planned expansion of Medi-Cal, an estimated 2.6 million Californians will remain uninsured³ and millions more with coverage often delay or forgo necessary medications or health care services due to cost. Even for workers with employer-based coverage, many are unable to afford the high cost of health care due to economic constraints, or may lose their health coverage if there is an economic downturn resulting in layoffs.

Health care spending in the United States costs far more per person than any other country in the world.⁴ Over the past two decades, medical inflation

has been 1.5 times greater than general inflation⁵ and household health spending has grown twice as fast as wages.⁶

People in the United States use significantly fewer health care services than people in other industrialized countries⁷ — including physician visits and hospital admissions — yet spending is greater due to higher prices. Despite higher spending, Americans have worse health outcomes, including shorter life expectancy and greater prevalence of chronic conditions.⁸

Another challenge with our health care system is the pervasiveness in health disparities. California is a diverse state — racially, ethnically, economically, and geographically — and vulnerable populations face greater health risks and have less access to safety net programs.

California's population aged 60 years and over is expected to grow more than three times as fast as the total population,⁹ which will place additional strain on health care services. As more aging adults enter Medicare, there will be a need to improve access and lower costs by pooling state and federal funds.

CALIFORNIA'S GUARANTEED HEALTH CARE FOR ALL (CALCARE)

CalCare will bring California closer to achieving health care justice by establishing a comprehensive framework of governance, eligibility and enrollment, benefits, delivery of care, and health care cost controls and program standards for a single-payer system. The Covid-19 pandemic has exposed how grossly flawed and inequitable our multi-payer health system is and how critical it is for all Californians to be guaranteed access to health care.

By passing the California Guaranteed Health Care for All Act, the state can position itself to seek consolidated federal waivers from the U.S. Department of Health and Human Services. These waivers would make it easier for California to consolidate health care dollars, provide flexibility, expand benefits, and eliminate cost-sharing.

Upon being authorized and financed, CalCare will establish a comprehensive universal single-payer

continued on next page »

Join the Nurses' Campaign to Win CalCare!



**California
Nurses
Association**

health care coverage program and a health care cost control system. CalCare will be set up as an independent public entity governed by a nine-member executive board with expertise in health care policy and delivery.

The CalCare Board's composition shall reflect California's diversity and will be free of any conflicts of interest. The Board shall convene a Public Advisory Committee to advise on all matters of policy and make informed recommendations.

CalCare provides a seamless transition for people with existing treatment or who want to keep their care team. CalCare also includes health care workforce recruitment and retention provisions that are linked to global budgets, special projects, and other programs.

CALCARE MISSION AND DUTIES

CalCare will be charged with overseeing the state's single-payer system, and will ensure the following »

» Comprehensive Benefits and Freedom of Choice

Californians will have access to comprehensive health care coverage, including all primary and preventive care, hospital and outpatient services, prescription drugs, dental, vision, audiology, reproductive health services (including abortion, contraception, assisted reproductive technology, maternity care, and newborn care), comprehensive gender affirming health care, long-term services and supports, mental health and substance abuse treatment, laboratory and diagnostic services, ambulatory services, and more. Patients will have freedom to choose doctors, hospitals, and other providers they wish to see, without worrying about whether a provider is "in-network."

» No Premiums, Copays, or Deductibles

Californians would receive health care services and other defined benefits without paying any premiums or deductibles. Upon receiving care, patients would not be charged any copays or other out-of-pocket costs.

» Addressing Health Care Disparities

CalCare would remove barriers to care and create a special projects budget to fund the construction, renovation, or staffing of health care facilities in rural or underserved communities.

» Long-Term Services and Supports for People with Disabilities and Seniors

Long-term services and supports for daily living will be fully covered for medically determinable conditions, whether physical, mental or due to age.

» Reducing Health Care Spending and Improving Care

CalCare would move the state to a simplified health care payment system that will free health care providers from devoting time to billing and instead focus on patient care. The new system would establish reasonable payment methodologies for providers that are aligned with the actual costs of care rather than driven by profits. CalCare would have strong transparency requirements for health care professionals and institutional providers to monitor and prevent upcoding, inappropriate treatment, and other gaming of provider payment systems. CalCare would negotiate bulk drug prices for all Californians and take other measures to lower the costs of prescription drugs.

» Global Budgets for Institutional Providers

CalCare would negotiate fair global budgets to hospitals and other institutional providers to help contain exorbitant costs by aligning health care payments with the actual cost of care and eliminating the waste present in the system today. Institutional providers may submit appeals to the global budget to address justifiable or unforeseen circumstances.

ENDNOTES

- 1 California Health Care Foundation and NORC, *California Health Policy Survey* (Sept 30-Nov 1, 2022).
- 2 KFF, *2023 Employer Health Benefits Survey*.
- 3 UC Berkeley Labor Center. California's Uninsured in 2024: Medi-Cal expands to all low-income adults, but half a million undocumented Californians lack affordable coverage options. March 22, 2023. <https://laborcenter.berkeley.edu/californias-uninsured-in-2024/>.
- 4 OECD Health at a Glance 2023 Country Note. Health system resources. Key Indicators.
- 5 E. Wager et al., "How does medical inflation compare to inflation in the rest of the economy?" Kaiser Family Foundation (Nov. 2022).
- 6 M. Rae, R. Copeland, and C. Cox, "Tracking the rise in premium contributions and cost-sharing for families with large employer coverage." Kaiser Family Foundation, Aug. 2019.
- 7 Health at a Glance 2023: OECD Indicators — number of doctor consultations per person, hospital discharges, and average length of stay in hospital.
- 8 "U.S. Health Care from a Global Perspective, 2022: Accelerating Spending, Worsening Outcomes," The Commonwealth Fund, Jan. 2023.
- 9 California Department of Aging website, "Facts About California's Elderly." https://aging.ca.gov/Data_and_Reports

Join the Nurses' Campaign to Win CalCare!



**California
Nurses
Association**