

# NO ON SB 562

SB 562 (Lara and Atkins) - OPPOSE

State-Run Single-Payer Health Care

SB 562 would establish a state-run single-payer health care system. All Californians will lose their current health plans, to be replaced by government run health care, with benefits yet to be determined, to be serviced by a government-run entity populated with political appointees yet to be identified, to include provisions yet to be named - all paid for by a doubling of your annual tax bill.

SB 562 forces California businesses and individuals to hand over at least \$107 Billion in new state taxes per year to pay for a government run health care system. Economic analyses estimate it will take \$400 Billion annually, more than double the annual state budget, to set up and operate single payer as set out in SB 562. At a time when California has recovered somewhat from the Great Recession, and residents were just mandated to pay \$69 billion in higher taxes for long-neglected education, water and transportation infrastructure repairs and upgrades, SB 562 will harm residents with a limitless price tag and no guarantee of better health care for anyone.

## HERE IS WHY

- ❖ Single-payer mandates a government-run monopoly on all health care services in California. It eliminates all private insurance, Medicare, Medi-Cal, Long Term Care, Covered California, and the valuable advocacy services of insurance professionals and advisors.
- ❖ By eliminating employer-paid health coverage, single-payer shifts health care costs to employees.
- ❖ Single-payer will increase taxes for businesses and individuals by at least \$107 Billion annually.
- ❖ A single-payer system like that laid out in SB 562 makes California less attractive to doctors and health care providers. Our best providers would leave the state, and new providers would have no incentive to practice in California.
- ❖ Single-payer puts an estimated 540,000 of Californian's workforce on the unemployment line.
- ❖ By giving Californians the highest state taxes in America and making California a less attractive place to do business, business will likely leave the state.
- ❖ While single-payer plans offer all citizens some kind of medical insurance, they cannot guarantee access to medical care.
- ❖ While SB 562 proponents claim "You can keep your doctor", the reality is that providers cannot be forced to participate in single payer.
- ❖ SB 562 as drafted has no realistic mechanism to control health care costs, fraud or abuse of medical services, as a result health care costs will skyrocket.
- ❖ Single-payer ultimately controls costs by rationing health care. Citizens in countries with single-payer models often wait months to see a doctor or specialist or to receive much-needed medical treatment.
- ❖ Single-payer means zero choices for consumers, discourages creativity, efficiency, quality, innovation and advancements in medical care.
- ❖ In government-run health care systems there is never enough money to provide timely care or the latest technology. That's because health care funds have to compete with other claims on government funds, such as education, welfare, water and transportation infrastructure.
- ❖ There is no guarantee that proponents will be successful in obtaining \$225 Billion in federal waivers, if they do not, more taxes will be needed from all Californians to meet that \$225 Billion shortfall in funding.
- ❖ There are at least three separate issues that need voter approval to address state constitutional barriers. These include Prop 98 Education Funding mandates, the Gann Budget Limit and Prop 30 from 2012 that guarantees certain funding to counties.

Single-payer initiatives have failed in every state, including Vermont and Colorado, due to the multi-billion dollar price tag. Most Californians want the legislature to focus on positive changes to reduce the cost of health care and to provide for a competitive health insurance marketplace in a public/private partnership.