

California Passes Bill, Getting One Step Closer to a Single-Payer System

November 1, 2023

Quick Facts

- Prior California state law established the Healthy California for All Commission with the purpose of developing a plan for a healthcare delivery system in California that provides coverage and access through a unified healthcare financing system for all Californians, including, among other options, a single-payer financing system.
- **[S.B. 770 – Unified Healthcare Financing](#)**, sponsored by Senators Scott Wiener (D) and Mike McGuire (D) was chaptered on October 7, 2023.
- S.B. 770 establishes a process for financing a single-payer system in California.
- S.B. 770 does not eliminate private health coverage in California.

Background

The bill directs the Secretary of the California Health and Human Services Agency (CA HHS) to research, develop, and pursue discussions of a waiver framework in consultation with the federal government. The objective is a unified healthcare financing system that incorporates specific features, including a comprehensive package of medical, behavioral health, pharmaceutical, dental, and vision benefits, without cost-sharing for essential services and treatments.

This bill requires the Secretary to engage stakeholders including consumers, patients, healthcare professionals, labor unions, government agencies, and philanthropic organizations in developing the waiver framework. The bill requires the Secretary to provide an interim report to specified committees of the Legislature and proposed statutory language to the chairs of those committees authorizing the development and submission of applications to the federal government for waivers necessary to implement a unified healthcare financing system by January 1, 2025.

Further, the bill requires the Secretary to complete the waiver framework by June 1, 2025, hold a 45-day public comment period and produce a report on the finalized waiver framework by November 1, 2025.

Why Do We Care?

S.B. 770 is the first step toward single-payer healthcare, which would not only eliminate Medicare and Medi-Cal but would eliminate all private health coverage (including employer-sponsored coverage) and would force every Californian into this new health system with no ability to opt out. A California single-payer system is projected to cost the state over \$500 billion a year, requiring large tax increases on individuals, employers, and small businesses.

It is important to note that at this time, private health plans, Medicare and Medi-Cal remain in place. S.B. 770 is a bill aimed at financing a single-payer system, it does not eliminate private health coverage at this time.

What's Next?

Even in the unlikely event that the federal government grants the waivers, California would still need to find an additional \$300 billion per year to finance the rest of a single-payer system.

The National Association of Benefits and Insurance Professionals (NABIP), and its California statewide chapter, California Agents and Health Insurance Professionals (CAHIP), are actively monitoring this bill and engaged in the implementation of S.B. 770. While the Biden administration has been amicable to new uses of 1332 innovation waivers – such as their approval of Washington state's plan to use Medicaid dollars to address homelessness – it currently remains unclear whether the Biden administration will be amicable to the entirety of what California is requesting, which would directly contradict the federal government's stated goal of protecting the Affordable Care Act (ACA), Medicare and Medicaid programs.

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