History of Health Reform in California
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Speaker Identification and Disclosures

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Presentation Goals

- Understand terms and concepts
- Recognize the rationale for a single payer financing approach
- Review the history of single payer legislative and ballot measures in California
- Reflect on the implications of this history for moving forward to achieve unified financing and universal coverage
Definition of Terms

- Single Payer system
- “Unified financing”
Problems Persist, Despite Progressive Actions Implemented in California and its Counties
Single Payer: An Evidence-Based Policy

- **Coverage**
  - Access, health outcomes, health security

- **Costs**
  - Efficiency
  - Payment regulation
  - Global budgeting

- **Equity**
  - In coverage and care
  - In financing
Administrative Savings

- Total health administration spending per capita, 2017 (in US $)
  - United States: $2,497
  - Canada: $593

- Projected national savings in 2017 if US administrative costs were reduced to Canadian levels
  - $605 billion

Systematic Review
Single Payer Net Cost Year 1

State-Based Single Payer Efforts

Canadian Single-Payer Model

- Called Medicare, but is structured as a provincial-federal model similar to US Medicaid
- Provinces administer tax-financed single payer public plans, with federal cost-sharing under terms of 1966 Medical Care Act
- Saskatchewan first province to implement single payer plan for hospital care in 1947

Source: Erin C. Fuse Brown, Elizabeth Y. McCuskey. Health Affairs Blog July 2019
The Long But Distinguished Road in California for Single Payer

- 1918: Governor Hiram Johnson sponsored ballot initiative for a public universal health insurance program; defeated 73% to 27%

- Single payer bills introduced into CA Legislature but not passed:
  - 1939: AB2172 sponsored by Governor Culbert Olson
  - 1940s: AB800 sponsored by Governor Earl Warren
  - 1971: AB2860 authored by John Burton and Willie Brown
  - 1972: SB770 authored by George Moscone
  - 1990 and 1992: SB2868 and SB308 authored by Nicholas Petris
1994: Proposition 186

- Grass roots movement qualified a single payer initiative
- Outspent by more than 4 to 1 by insurance company-financed No on 186 campaign
- Defeated 73% to 27%
- 1994 was not a vintage year for progressive politics
  - Implosion of Clinton health reform plan
  - Gingrich Revolution and mid-term election
2003-2008: SB921 and SB840

- Single payer bills introduced
- General approach to tax financing mentioned but not specific tax rates
- SB840 twice passed by the CA Legislature; in 2006, only single dissenting Democratic vote in each chamber
- Twice vetoed by Governor
2017: SB562

- Single payer bill introduced
- Passed out of the Senate
- Held in Assembly
  - Bill did not include specific financing provisions
- California Assembly Select Committee on Universal Coverage and Health Delivery Systems appointed
  - Report delivered in 2018 on paths to universal coverage, including single-payer and more incremental options
So What About Vermont?

- 2011: Single payer bill Act 48 sponsored by Governor Peter Shumlin to establish Green Mountain Care passes state legislature and enacted into law
- 2014: Governor Shumlin withdraws the plan citing “the limitations of state-based financing, the limitations of federal law, the limitations of our tax capacity, and the sensitivity of our economy.”
Which Brings Us to 2018-2020

- Nov 2018: Election of Governor Gavin Newsom
- Jan 7, 2019: Governor sends letter to President Trump and Congressional leaders:
  
  “I ask that you amend federal law to enable States to apply for and receive Transformational Cost and Universal Coverage Waivers, empowering California to truly innovate and to begin transformative reforms that provide the path to a single-payer health care system.”

- November, 2019: HR5010 State Based Universal Care Act introduced in House of Representatives
- Dec 2019: Appointment of Healthy California for All Commission
Recap of the Road that Brought Us to Where We Are Today

- A country, Canada, serving as an example of state-equivalent jurisdictions administering single payer programs with federal support
- A century of legislative and ballot initiative efforts to enact a state-based single payer program in California
- Unsurprisingly fierce opposition from certain sectors of the health care industry (e.g., insurance corps, pharma)
- Hesitation sometimes among liberal Democratic elected officials when it comes time to specify taxation and implementation details (see Vermont, above…)

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Moving Forward on Next Phase of Journey: Some Considerations

- **Policy decisions**: how to most effectively implement a program
  - Financing
  - Program design (benefits, provider payment, integrated health systems, etc.); see California Health Care Foundation *Key Questions When Considering a State-Based Single-Payer System in California*, 2017.
  - Federal waivers and limits of what can be done without them

- **Political decisions**: or, What I learned from watching Democratic Party presidential candidates debate Medicare for All
  - Taxes
  - Role, if any, of private health plans
  - Power and influence
Transformative, Disruptive Change or Incrementalism

“You can’t jump over a chasm in 2 steps.”

– Quentin Young, MD, champion for civil rights and single payer health care