



LEAGUE OF WOMEN VOTERS® OF CALIFORNIA

January 11, 2012

The Honorable Christine Kehoe
Chair, Committee on Appropriations
California State Senate
P.O. Box 942849
Sacramento, CA 94248-0001

Re: SB 810 (Leno)—Support

Dear Senator Kehoe:

The League of Women Voters of California is pleased to support SB 810 (Leno), a bill to establish a single payer health care plan for California. All California state residents will be eligible for comprehensive health care benefits when the California Universal Healthcare System, administered by the California Universal Healthcare Agency, is created.

The League believes that every Californian should have access to a basic level of quality care provided within a system that controls health care costs. SB 810 is a win-win proposal that will afford security to every California resident. Eligibility is based on residency, not employment or income. No one will ever lose coverage because of unaffordable insurance premiums, changing or losing a job, going to or graduating from college, or pre-existing conditions.

SB 810 provides for the efficient delivery of health care. Consolidating the functions of many insurance companies into one comprehensive health care plan will eliminate waste, saving the state, employers and consumers billions of dollars each year. A Boston University study showed that half of every dollar spent on health care is squandered on clinical and administrative waste, insurance company profits and overpriced pharmaceuticals.

SB 810 will alleviate the burden of inflationary health care costs for California employers. The high cost of health care makes businesses less competitive, and unsustainable costs are forcing employers, government and families to cut coverage. Canada, France, Germany, Italy, Japan and the United Kingdom provide universal health coverage and spend less than half of what the United States spends per person on health care, while achieving superior health outcomes and greater patient satisfaction.

Medicare, a proven national single payer system, spends significantly less to provide health care to eligible seniors throughout the United States than the private sector pays for equivalent care. It is estimated that at least seven percent of health care expenditures in the private sector are for administrative costs such as

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marketing and billing, while this portion is much lower (less than two percent) in the Medicare program, which is operated by the federal government.

Health care expenses rise with age, and as the baby boomers are now in their middle years, some say that caring for this growing population has raised costs. This trend will continue as the baby boomers will begin qualifying for Medicare in 2011 as many of the costs are shifted to the public sector. However, according to the Kaiser Family Foundation, experts agree that aging of the population contributes minimally to the high growth rate of health care spending.

SB 810 will stabilize the growth in health care spending by linking increases to growth in state gross domestic product and population, employment rates, and other relevant demographic indicators. It includes cost controls and an emphasis on preventative and primary care. Repeated studies of single payer health care systems have demonstrated that significant savings will result from SB 810. California businesses and the state will greatly benefit because, by spending less for health care, they will have an opportunity to save on costs, increase profits, rein in state budget expenditures and increase state revenues.

The passage of federal health care reform legislation has greatly increased the importance of California's advocacy for universal health care. The League of Women Voters of California supports SB 810, and we will continue to work actively at the grassroots level to educate the public on the merits of this bill. We urge your committee to pass SB 810.

Sincerely,

A handwritten signature in black ink, appearing to read "Jennifer A. Waggoner". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Jennifer A. Waggoner
President

cc: Senator Mark Leno