

# FREQUENTLY ASKED QUESTIONS

## **What would SB 770 do?**

The bill would direct the California Health and Human Services Agency to pursue direct discussions with the federal government to determine the scope of federal waivers required to transition to a unified healthcare financing system. At the same time, the bill sets forth a transparent process by which stakeholders can provide input into the details of the new system that would provide better care at lower costs.

## **What are the characteristics of Unified Financing as defined by Gov. Newsom's Commission?**

- All California residents will be entitled to receive a standard package of health care services;
- This package could include Long Term Care Support and Services, which would relieve huge and growing burdens that are falling on millions of families;
- Entitlement will not vary by age, employment status, disability status, income, immigration status, or other characteristics; and
- Distinctions among Medicare, Medi-Cal, employer-sponsored insurance, and individual market coverage will be eliminated within the system of unified financing.

## **Why is it important to pass SB 770 into law?**

California is facing a worsening healthcare affordability and access crisis. For decades, the cost of health coverage has increased much faster than the overall rate of inflation. Too many working families can't afford to use the health coverage they have and many still lack access to quality, culturally competent care.

It's incumbent on the legislature to act, and SB 770 would guarantee immediate action toward guaranteeing all Californians better healthcare at lower costs.

### **Is the healthcare reform envisioned by SB 770 too costly?**

No. Gov. Newsom's Commission found that transitioning to unified healthcare financing as envisioned by SB 770 would avert 4,000 deaths per year and by 2031, save \$158 billion in public healthcare spending — savings that could be used to eliminate healthcare premiums and copays as well as possibly extending long-term care coverage to all Californians.

### **How has SB 770 been amended?**

In discussions over the final version of SB 770, we made significant improvements in what will be presented to the Legislature by the Secretary of California Health and Human Services Agency, including language authorizing a federal waiver application, and detailing the elements of the program being proposed. We retained key provisions, and in some cases broadened their applicability.

Based on feedback from CHHS regarding a realistic timeline, and the expanded requirements for the reports to the Legislature, the timeline has been extended. The first report is now due January 1, 2025, which will include the statutory waiver authorization language. The draft report about the waiver framework will be presented June 1, 2025, to the legislature and for public comment. The final report will be delivered November 1, 2025, referencing the public comments, and setting forth the specific elements to be included in a formal waiver application.

Rather than establishing the waiver development work group, Cal HHS will collect stakeholder input throughout the process of discussions with the federal government and for the reports to the Legislature from the same constituencies that had been included in the work group.

### **Does SB 770 duplicate the work of the Healthy California for All Commission?**

No. SB 770 builds on the findings of Governor Newsom's Healthy California for All Commission by establishing clear next steps, including engaging with the federal Center for Medicare and Medicaid Services, detailing key health system design issues, applying a timeline, drafting statutory language for a waiver application, and ensuring legislative oversight along with stakeholder engagement and public comment.

### **Can discussions on federal waivers start before a policy bill is passed into law?**

Yes. The California Health and Human Service Agency routinely engages in exploratory discussions with Center for Medicare and Medicaid Services regarding potential waivers, many of which it has negotiated in the past and must periodically renegotiate.

**Would the passage of SB 770 harm the prospects for a single-payer policy bill in 2024?**

No. Passing SB 770 would not prevent any legislator from also voting for a single-payer policy bill; it would only guarantee that California starts taking immediate steps toward critical healthcare reform. If a single-payer policy bill is voted into law in 2024, SB 770 would have advanced reform efforts by providing a clear understanding of the necessary waivers required for unified healthcare financing, which could include a single-payer system.