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Senator Wiener Announces New Legislation To Seek Federal Waivers for A System Of Guaranteed Healthcare

SACRAMENTO – Senator Scott Wiener (D-San Francisco) introduced SB 770, legislation directing the California Health and Human Services Agency (HHS) to pursue discussions with the federal government to establish a unified healthcare financing system and establishing a clear timeline for the completion of several milestones leading to required federal waivers. SB 770 furthers the recommendations of Governor Newsom's <u>Healthy California For All</u> <u>Commission</u>, which was convened in 2019 to map pathways for the state to move toward "a health care delivery system for California that provides coverage and access through a unified financing system, including, but not limited to a single payer financing system."

"In the wake of COVID-19's devastation, and as costs for working people have skyrocketed, the need to provide affordable healthcare to all Californians has never been greater," **said Senator Wiener.** "This bill takes tangible steps on a concrete timeline toward achieving universal and more affordable healthcare in California, by directing state agencies to determine how to secure our full share of federal funding for the new system envisioned by the Healthy California for All Commission. Once California's Secretary of Health and Human Services has gathered the information necessary for the Legislature to make informed decisions, it will be responsible to bring them to the Legislature for action.

"This approach retains flexibility for the Administration and Legislature to decide how the system will ultimately be structured and allows for engagement with stakeholder groups every step of the way. We must move the process along in order to avoid the hundreds of billions of dollars in healthcare costs projected by the Governor's Commission if we fail to act."

California has led the nation in progress toward universal health coverage in recent years. In 2021, Governor Newsom <u>signed</u> legislation expanding Medi-Cal coverage to adults 50 years and older regardless of immigration status.

However, serious inequalities remain. In 2022, approximately <u>9 percent</u> of Californians were projected to be uninsured, a figure that includes the portion of undocumented Californians who have restricted-scope Medi-Cal and are not eligible for comprehensive medical services. Those with private insurance also report better health status than those with public coverage, though other factors likely contribute to the disparity, and poor health is a significant barrier to many people accessing private healthcare.

The Healthy California For All Commission was established by Senate Bill (SB) 104 (Chapter 67, Statutes of 2019), and <u>convened</u> by Governor Newsom in December 2019. It issued its final report in April of 2022. The <u>report</u> found that "unified financing" would avert 4,000 deaths per year and save California \$158 billion in public healthcare spending by 2031 and that, in total, the state's residents would incur an additional \$500 billion in inflationary medical costs over the next decade unless unified public healthcare financing is implemented.

The report summarizes the characteristics of the new "unified financing" system as:

- 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.

SB 770 establishes tangible steps on a concrete timeline toward creating this unified healthcare financing system by:

- Directing the Secretary of the California Health and Human Services (HHS) Agency to pursue waiver discussions with the federal Center for Medicare and Medicaid Services (CMS) to facilitate the creation of a unified healthcare financing system;
- Requiring the Secretary to establish a Waiver Development Workgroup of diverse healthcare system stakeholders appointed by the Governor, Speaker of the Assembly, and President Pro Tempore of the Senate;
- Requiring the Secretary to provide quarterly reports to the chairs of the Assembly and Senate Health Committees on the status and outcomes of waiver discussions with the federal government and the progress of the workgroup;
- Requiring the Secretary to submit a complete set of recommendations regarding the elements to be included in a formal waiver application, as specified, by no later than June 1, 2024

SB 770 is sponsored by the Healthy California Now Coalition.

"The cost of doing nothing to reform our healthcare system is far too great," **said Michael Lighty, president of Healthy California Now.** "SB 770 is what we need right now to jumpstart a reform process that will save thousands of lives and free up billions of dollars for the residents of California."

"I want to practice medicine in a system where everyone can afford to get the care they need," said **Dr. Maziar Shirazi, co-chair of the Bay Area Chapter of Physicians for a National Health Progra.** "SB 770 will help us lay the foundation for this goal. The bill creates space for the brightest minds in healthcare to come together and put in the work needed to build a system that provides better care at lower costs to Californians."

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