New bill would pressure Newsom to speed up work on single-payer health care

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March 21, 2023 | Updated: March 21, 2023 9:28 a.m.

Gov. Gavin Newsom has said for years that he supports creating a government-run health system in California. A new bill would pressure
Gov. Gavin Newsom would face new deadlines on his administration's work to revamp the state's health care system under a bill unveiled Tuesday in the state Legislature.

Newsom, a Democrat, has said for years that he supports creating a government-run health system in California, including while campaigning for governor, but since taking office has not endorsed specific legislation to do so.

Early last year, when Newsom was asked if he supported a bill to create a universal, government-run health care system in California, he dodged the question, saying he was waiting for a report from a state commission studying the issue. That report came out last April, and endorsed a vast overhaul of California's health system.

Transitioning the state from a system where private health insurance companies control much of the market to one run by the state would be a huge undertaking, one that would require permission from the federal government in the form of a waiver. On his first day in office, Newsom announced that he was pursuing such a waiver. More than four years later, California still does not have one.
A bill Sen. Scott Wiener, D-San Francisco, announced Tuesday would impose deadlines on the administration and give the Legislature a role in the process of securing a waiver. It doesn’t explicitly call for a single-payer health care system, and instead uses the term “unified financing,” which is the language endorsed by the report from the state commission.

Advocates of “single payer” generally endorse a system that is government-run, and where the state is the sole entity paying for health care. A “unified financing” system could take that form, according to the report, but could also include a role for private insurance companies that fiercely oppose a single-payer system that would put them out of business. The report does, however, call for distinctions between private insurance and government plans to be dissolved.

Wiener’s bill, SB770, would require Newsom’s health secretary to brief the Legislature on the status of its work to secure a federal waiver every few months, and to produce a formal report on the administration’s progress and plans by June 2024. It would also give legislative leaders power to appoint people to a group advising the administration’s work.

“It will really move the process forward,” Wiener said. “I think it will create a structured process and move this along more quickly.”

The bill is important because it provides a structure for the administration’s
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work toward remaking the state’s health system, said Michael Lighty, president of the advocacy group Healthy California Now, a coalition of organizations led by the National Union of Healthcare Workers that is sponsoring the bill. Lighty, whose organization supports single-payer health care, said the deadlines could help speed up the administration’s work.

He commended the Newsom administration for the steps it has taken so far, including committing staff to work with the Biden administration on getting a waiver.

“From an advocate’s point of view, you can always hope for a quicker pace, but frankly, it’s complicated,” he said. “We believe (SB)770 can put some definitive timelines on it.”

Last year, legislative staff estimated a bill to create a single-payer system would cost over $350 billion, more than the current $300 billion state budget. That would require hefty tax increases, though supporters say that such a system would reduce costs for consumers overall.

Any major changes to the health care system will be a very difficult political lift. Two past bills that aimed to create a single-payer system died amid staunch opposition, including from insurance companies and hospitals that argued such a change would cause a massive disruption in the health care system.

Newsom endorsed the first of those efforts, SB562, in 2017 and called on lawmakers to advance the legislation.

“I’m tired of politicians saying they support single payer but that it’s too soon, too expensive or someone else’s problem,” Newsom, then lieutenant governor, tweeted that year.

On similar bills introduced since he became governor, he has been silent.

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