

**SINGLE
PAYER**

Single-Payer In California Is Not The Answer

Lawmakers recently introduced a bill to establish a government-run, single-payer health care system in California.

The bill, SB 562, would call for a universal single-payer health care coverage program that would double the size of California's already bloated budget.

**CALIFORNIA
TOO EXPENSIVE**

**\$400 Billion
Price-Tag:**

**Double the
State's Current
Budget**



**MAJOR
TAX HIKES**

SINGLE-PAYER

**FISCAL
SHORTFALLS**

VERMONT

**ESTIMATES
\$5.17 Billion**

**COLORADO
VOTER DEFEATED BY**

78%

But past experiences in California and other states have shown that single-payer is not only unworkable but also detrimental. Here's why:

**MASSIVE
DISRUPTIONS**

90% of Californians are currently insured and would face huge disruptions.

56% of Californians receive employer-sponsored coverage and would experience incredible disruption like losing doctors and enduring more restricted access.

**THREATENS
QUALITY OF
CARE**

**LONGER
Waits**

**LIMITED
Specialists**

**PROHIBITIVELY
EXPENSIVE**

The Senate Appropriations Committee Fiscal Analysis of SB 562 revealed a

**\$400
BILLION**

price tag that is double the state's entire annual budget and could require a new

**15% PAYROLL
TAX**

**INCREASES COSTS FOR
ALL CALIFORNIANS**

The Senate analysis projects a conservative 10% rise in costs, but the reality is likely much higher.



**Government-run care
LEADS TO:**

- ▶ **Inability to Negotiate**
- ▶ **Overall Cost Inflation**
- ▶ **No Incentive to Control Costs**

SB 562 doesn't address affordability and would provide zero relief from skyrocketing drug prices.

For more information, please go to www.calhealthplans.org

California
Association of
Health Plans

June 2017

SINGLE-PAYER IS UNWORKABLE IN CALIFORNIA

Hardworking Californians can't afford a single-payer health care system.

The Senate Appropriations Committee says SB 562 could require a new:

15%
PAYROLL TAX

THIS WOULD DEVASTATE CALIFORNIA WORKERS

who pay a median income tax rate of 8% and can't afford a massive 15% payroll tax increase on top of the income taxes they already pay.

Single-payer would require:

- ▶ 3 voter-approved constitutional amendments
- ▶ \$200 billion of existing funding that is currently subject to "enormous uncertainty"
- ▶ \$200 billion of new funding

SINGLE-PAYER FAILS IN VERMONT

In deciding to shelve a single-payer plan in 2014, former Vermont Gov. Shumlin stated that the costs of his proposed reform would be too great:

"The taxes required to replace health care premiums with a publicly financed plan that would best serve Vermont are, in a word, enormous."

A report by the Vermont Governor's office in 2014 found:

"We estimate that the total cost of the single-payer plan would be **\$4.34 billion** in 2017, with another **\$187 million** paid out-of-pocket."

\$5.17 Billion

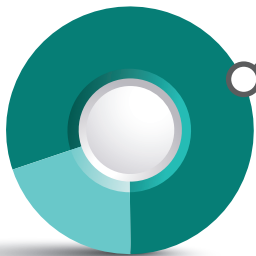
Total cost of the program in 2021

Impact on Employers:

"Overall, as modeled, Vermont's single-payer program would increase Vermont employers' health care spending by \$109 million.

The economic shock and transition issues were too great for us to recommend that Vermont proceed with public financing."

SINGLE-PAYER FAILS IN COLORADO



21% YES vs. 78% NO

Colorado Voters Overwhelmingly Reject 2016 Single-Payer Proposal

The Non-Partisan Colorado Health Institute Found Severe Flaws & High Costs:

- ▶ System would create a **\$253 million deficit** in its first year, and an **\$8 billion deficit** going forward.
- ▶ Require a **10 percent tax** on payroll and other income.
- ▶ **\$25 billion** in new taxes in 2019, the proposed first year of the program.

Our collective energy should be dedicated to ensuring critical federal funding for our current health care system is maintained and the marketplace is stable. A Government-Run, chronically underfunded Single Payer health plan in California won't solve the biggest problem facing our health care system during these uncertain times – affordability.