

RESOLUTION 12-04-06

DIGEST

Health Insurance: Universal Health Insurance

Recommends that CDCBA support SB840 (Kuehl), to establish a California Health Insurance System for all residents.

RESOLUTIONS COMMITTEE RECOMMENDATION

APPROVE IN PRINCIPLE

History:

No similar resolutions found.

Reasons:

This resolution recommends that CDCBA support SB 840 (Kuehl) to establish a California Health Insurance System for all residents. This resolution should be approved in principle because universal health care for Californians is good public policy and economic research concludes that a universal health care system would be a financial benefit, not a financial drain, for the State.

The Bill would add Division 112, commencing with §140000, to the California Health and Safety Code, relating to health care coverage. Currently, half of the personal bankruptcies in the United States are the result of uninsured medical expenses. Universal health care would lessen the incredible burden on the State as well as relieve costs of bankruptcy litigation on businesses/creditors and, by extension, consumers who absorb the costs associated with bankruptcy losses.

The bill has passed through the Senate, and has been referred to the Assembly Rules Committee. There is sufficient economic research to justify the claim that a single payer health insurance system, as proposed in the resolution, would provide substantial benefits to the residents of California at no cost to the State while providing savings to California consumers, businesses and state and local governments.

The Resolutions Committee approves this resolution based on the status of the pending legislation as of June, 2006, and requests the author provide copies of SB 840 for examination at the time of the meeting of the Conference.

TEXT OF RESOLUTION

RESOLVED, that the Conference of Delegates of California Bar Associations recommends that Senate Bill 840 be supported to add Division 112 to the California Health and Safety Code.

PROPONENT: Bar Association of San Francisco

STATEMENT OF REASONS

Existing Law: There is no system of universal health care coverage for California residents. Various programs provide health care services to persons who have limited incomes. Existing law provides for the regulation of health care service plans and of health insurers.

This Resolution: Would establish a California Health Insurance System to be administered by the newly created California Health Insurance Agency under the control of an elected Health Insurance Commissioner. All California residents would be eligible for specified health care benefits under the California Health Insurance System, which would, on a single-payer basis, negotiate for or set fees for health care services and pay claims. The health care system would be operational within 2 years of enactment. The act would require the commissioner to seek all necessary waivers, exemptions, agreements, or legislation to allow various existing federal, state, and local health care payments to be paid to the California Health Insurance System, which would then assume responsibility for all benefits and services previously paid for with those funds. The bill has passed the Senate and is pending in the Assembly.

The Problem: More than six million Californians lacked health insurance coverage in 2004; more than 10 million Californians have no coverage for prescription drugs and the number of uninsured Californians is rising. Health care spending has been growing uncontrollably. Linkage of health insurance to employment adversely affects employer-employee relations, job growth, mobility, the competitiveness of products produced in California, and business investment. Half of the personal bankruptcies in the United States are the result of uninsured medical expenses. Severe health access disparities exist by region, ethnicity, income, and gender. More than 80 percent of all Medi-Cal and uninsured patient visits to emergency facilities are for conditions that could have been treated in a non-emergency setting. Health care providers and consumers express significant dissatisfaction with the current health care systems. Uncompensated hospital care totaled over \$1 billion in 2000. The burden for providing uncompensated care falls disproportionately on 12 percent of the hospitals in California. Increasing numbers of patients and a decline in the number of emergency rooms have made multiple hour waits for emergency care the norm, and ambulance diversion is increasingly common. These developments pose significant dangers for both insured and uninsured Californians.

Two recent studies by Lewin Inc., indicate that under a single payer health insurance system, California could afford to cover all California residents at no new cost to the state while providing savings to California consumers, businesses, and state and local governments. According to these and other studies, by simplifying administration, achieving bulk purchase discounts on pharmaceuticals, and reducing the use of emergency facilities for primary care, improvements in care quality, California could afford to provide billions of dollars for direct health care and improved quality and access.

Senate Bill 840 can be found at http://www.leginfo.ca.gov/pub/bill/sen/sb_0801-0850/sb_840_bill_20050712_amended_asm.pdf.

In accordance with CDCBA rules, BASF timely offers this resolution for consideration. Consistent with traditional CDCBA practice, the Proponent reserves the right to timely withdraw

or amend the resolution.

IMPACT STATEMENT

This resolution will not affect any other statute, law or rule.

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