



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Councilmember Carrasco

SUBJECT: ASSEMBLY BILL 1400:
GUARANTEED HEALTHCARE
FOR ALL

DATE: April 8, 2021

APPROVED:

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RECOMMENDATION

1. Adopt a position of support for AB 1400 (Kalra, Alex Lee, & Santiago) on guaranteed Health Care for All.
2. Recommend this item be agendaized for the April 27th City Council Meeting so that the City's Legislative Representative can advocate the City's support for AB 1400

BACKGROUND

Assemblymember Ash Kalra (D-San José) and joint authors, Assemblymember Alex Lee (D-San José) and Miguel Santiago (D-Los Angeles), introduced Assembly Bill (AB) 1400 to the State Assembly.

AB-1400, Guaranteed Health Care for All Act, would create the California Guaranteed Health Care for All program, or CalCare, to provide comprehensive universal single-payer health care coverage and a health care cost control system for the benefit of all residents of the state.

The bill, among other things, would provide that CalCare cover a wide range of medical benefits and other services and would incorporate the health care benefits and standards of other existing federal and state provisions, including the federal Children's Health Insurance Program, Medi-Cal, ancillary health care or social services covered by regional centers for persons with developmental disabilities, Knox-Keene, and the federal Medicare program.

The bill would require the board to seek all necessary waivers, approvals, and agreements to allow various existing federal health care payments to be paid to CalCare, which would then assume responsibility for all benefits and services previously paid for with those funds.

Here are the Seven Principles of CalCare:

- **UNIVERSAL COVERAGE:** Everybody in, nobody out. Everybody, regardless of race, sex, gender, country of origin, disability status, immigration status, marital status, age, and income, gets the care they need regardless of ability to pay.
- **A SINGLE PUBLIC PROGRAM:** A single payer, publicly funded through progressive taxation, to cover all necessary care in California, eliminating billions in bloat and waste and saving people thousands on their health care costs.
- **FULLY COMPREHENSIVE BENEFITS:** Includes medical, dental, hearing, vision, mental health, prescription drugs, long term care, and more. All decisions about care would be made between you and your doctors and nurses, not insurance companies.
- **FREEDOM TO CHOOSE YOUR CARE PROVIDER:** Under CalCare, there would be no more “in network” or “out of network.” You would have the freedom to choose any doctor or hospital you’d like.
- **FREE AT THE POINT OF SERVICE:** No more copays, premiums, or deductibles. You arrive at the doctor’s office, show them your CalCare card, and get the care you need. It’s that simple!
- **JUST TRANSITION:** Funding and programs to protect and support any displaced workers in the insurance industry.
- **PATIENT CARE BASED ON PATIENT NEED:** No more financial incentives to avoid providing necessary care, including “value-based” payment models for providers.

California Guaranteed Health Care For All (CalCare) is the solution to our broken health care system. It will guarantee health care as a human right in the state of California by providing comprehensive, high quality health care to all.

DISCUSSION:

Despite important gains made from the Affordable Care Act, including increased access to Medicaid and other reforms, we entered the pandemic with 30 million Americans without health insurance and 40 million under-insured, numbers that worsened because of COVID-19.

According to a Harvard study, 45,000 die each year due to inadequate health care.

The United States spends nearly twice as much per capita on health care as other comparable countries but ranks only 35th in the world by global health standards such as average life expectancy, infant mortality, maternal mortality and death from preventable diseases.

The COVID-19 pandemic has exposed how grossly flawed and inequitable our multi-payer health system is and how critical it is for all Californians to be guaranteed access to health care. Especially for our most vulnerable residents in San José. I represent zip codes hardest hit by COVID-19. East San José has suffered the most cases and deaths than any other part of our city. Additionally, California’s growing senior population only further necessitates the need for more comprehensive health care and long-term care supports.

AB 1400 will bring California closer to achieving a single-payer health care system by setting in place a comprehensive framework of governance, eligibility, and enrollment, benefits, delivery of care, and health care cost controls and program standards.

Moreover, the CalCare program would be a truly transformative change to California's health care system. In addition to guaranteeing health care to all Californians, it would save families and businesses thousands in annual health care costs by cutting out the bloat, waste, and inefficiencies of our fragmented, for-profit insurance system.

CONCLUSION:

As we move into recovery, small businesses, which keep our communities thriving but have suffered so much during the pandemic, struggle to provide health care for their employees. As the pandemic ravaged on, our small businesses shut their doors or, unfortunately, closed down. Their unemployed staff lost their health insurance during the worst healthcare crisis in over 100 years, thus highlighting the problem of employer-based health care.

Also, the never-ending rising costs of city employee health care adds challenges to our already strapped San José City budget. Costing the City well over \$102,000,000 per year according to 2019/2020 adopted budget, as well as programs to deal with the human cost to San José residents of poor health, increased poverty, and bankruptcy.

The COVID-19 Pandemic has caused an unprecedented and lasting budget crisis. If nothing changes, the City will be forced to slash the Housing, Library, and Parks and Recreation budgets. The implementation of CalCare would improve the health of our workers and community and rescue the San José budget and prevent any cuts to vital services.

Again, upon being authorized and financed, CalCare will ensure that all Californians, regardless of employment, income, immigration status, race, gender, or any other considerations, can get the health care they need, free at the point of service. CalCare also includes long-term services and supports for people with disabilities and the elderly, a health care cost control system, and ways to address health care disparities.

For the complete text of AB 1400 visit:

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB1400

The bill has not been assigned or heard by any legislative committee.

SUPPORTERS/OPPONENTS:

Supporters

State Assemblymembers:

Kalra, Lee, Santiago, Chiu, Ting, Carrillo, Friedman, Kamlager, McCarty, Nazarian, Luz Rivas, and Wicks

State Senators:

Cortese, Gonzalez, McGuire, Wiener, Becker, Laird, and Wieckowski

Cities of San Francisco, Oakland, Berkeley, Emeryville, Santa Barbara

Congressman Ro Khanna

CA Nurses Association

Physicians for a National Health Program - California

California Alliance for Retired Americans

Indivisible CA Statestrong

Democratic Parties of Santa Clara County, Los Angeles County, and Sacramento County,

UNITE HERE California Locals

UPTE-CWA Local 9119

Santa Clara County Single Payer Health Care Coalition

South Bay Progressive Alliance

Santa Clara County Board of Education Trustee: Peter Ortiz

Gilroy City Councilmember Rebeca Armendariz

Oak Grove School Trustee: Beija Gonzalez and Carla Hernandez

CA Democratic Party Region 7 District Delegates

San José-Evergreen Community College Board of Trustees: Omar Torres, Karen Martinez, and Maria Fuentes

Movimiento Democratic Club

Housing Commissioners: Victoria Partida and Ruben Navarro

Silicon Valley Young Democrats

Dr. Scott Myers-Lipton

Community Leader Bob Jung

Community Leader Brenda Zendejas

Community Leader Nick Cortez

Community Leader Peggy Elwell

Community Leader Richard Hobbs

Community Leader Veronica Amador

Community Leader Salem Ajluni

Community Leader Vicki Mueller Olvera

Opponents:

None on file