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May 19, 2017

The Honorable Ricardo Lara
California State Senate
State Capitol, Room 5050
Sacramento, CA 95814

RE: SB 562 (Lara) - The Healthy California Act - Support
As Amended April 17, 2017

Dear Senator Lara:

The Consumer Federation of California (CFC) writes in strong support of your legislation, SB 562, the Healthy California Act. When enacted, the Health California Act will guarantee that every resident of California will receive comprehensive healthcare services - essentially, Medicare for All. Individuals will have free choice of licensed health professionals and services.

Covered benefits will include services to keep people healthy—mentally and physically— as well as those services that diagnose and treat diseases. In addition to emergency services, surgeries, and hospital stays, services such as home healthcare, day care and hospice are covered. Vision and dental care are also included. The Healthy California Act has been crafted to provide a single high standard of safe, therapeutic care for all California residents in a manner that is financially sustainable. A payroll and income premium, which is higher for upper income earners, would replace insurance company premiums, co-pays and deductibles—likely resulting in significant out-of-pocket net savings. The Act:

- Allows the choice of any provider.
- Eliminates surprise bills and out-of-pocket costs for covered services.
- Eliminates co-pays for Medicare Part B.
- Lowers prescription drug costs.
- Facilitates regional planning to reduce overlap and duplication of expensive equipment and facilities.
- Will negotiate provider rates, which will replace and improve upon Medi-Cal rates, to ensure access, cost control and high-value services.
- Incorporates advances from the Affordable Care Act will be folded into the new system.
- Will realize immense cost-savings from reduced bureaucracy.
- Requires stakeholder input. Diverse participants including ordinary citizens and representatives of labor and business, as well as various health care professionals and health policy experts, will advise and help design the Healthy California program.

Californians, as individuals, employers, and taxpayers have experienced a rise in the cost of health care and health care coverage in recent years, including rising premiums, deductibles, and copays, as well as restricted provider networks and high out-of-network charges. Businesses have also experienced increases in the costs of health care benefits for their employees, and many employers are shifting a larger share of the cost of coverage to their employees or dropping coverage entirely.

SB 562 would create a universal single-payer health care coverage program and a health care cost control system for the benefit of all Californians by eliminating out-of-control co-pays and high deductibles, and reducing insurance company waste and duplication.

Thank you for your leadership on this important issue.

Sincerely,

A handwritten signature in black ink that reads "Richard Holober". The signature is written in a cursive, flowing style.

Richard Holober
Executive Director

Cc: Members, California State Senate