



California Makes Move Toward Single Payer Healthcare

Humorist P.J. O'Rourke once said, "If you think health care is expensive now, just wait until it's free." California residents may soon learn this the hard way if lawmakers are successful in implementing a plan that would provide healthcare coverage to every Californian.

This week, Democrats on the California Health Committee panel of the State Senate voted to advance the measure, SB 562, which ultimately creates a single-payer healthcare system as it would guarantee health coverage without any out-of-pocket expenses for California residents. This would include non-citizens, such as illegal immigrants. If passed, the bill would impact everyone, including those on Medicare and private insurance.



Furthermore, private insurers would be prohibited from providing the same services, thereby eliminating them from the marketplace. A state agency would be created to set prices and contract with healthcare providers and would assume the responsibility of paying the expenses.

Lawmakers argue that the measure would be funded by the money typically allocated for healthcare, such as Medicare and Medicaid funding, federal public health funds, and ObamaCare subsidies. As this would not be enough to cover the costs, however, significant tax increases would be required on both businesses and residents.

State Senator Ricardo Lara (D-Bell Gardens), co-author of the bill, indicates that a financial analysis will be completed this month before the bill is heard by the Appropriations Committee.

Opponents of the measure argue that it is unaffordable and would serve to worsen the state of healthcare by increasing patients' wait times to see doctors.

"California can't afford a single-payer health care system," said Charles Bacchi, president and CEO of the California Association of Health Plans. "It's going to reduce the quality of care. We think it will restrict access to care, and it will be incredibly disruptive to all the Californians who currently get health care coverage through their employer."

In fact, the *Los Angeles Times* reports that when State Senator Lara visited Canada to learn more about public healthcare, his Canadian hosts admitted that Canadians had to endure long wait times to see specialists, a point which did not seem to deter him.

The costs associated with the measure prompted the California Chamber of Commerce to call it a "jobs killer."

Even in Vermont, whose very own Senator Bernie Sanders has been an outspoken proponent of a single-



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payer healthcare system, efforts to implement a system were abandoned after cost estimates were significantly higher than anticipated.

The Cato Institute reports that Vermont had hoped to establish “Green Mountain Care,” which would have been paid for through taxes. However, that would have required a 160-percent increase in state taxes by 2019, and an 11.5-percent state payroll tax for businesses, in addition to a federal payroll tax increase from 15.3 percent to 16.2 percent.

Furthermore, those tax increases would not have been enough to pay for the program, so the state would also have had to cut payments to doctors and hospitals, which would likely have driven doctors out of the state and overwhelmed local hospitals, all of which would have conspired to increase wait times and treatment delays.

And still, after all that, the governor’s office realized the plan would still be running in the red within four years.

In Colorado last year, voters rejected a similar measure at the polls after learning that it would have been funded by a 10-percent payroll tax. Unemployed Colorado residents would have been exempt from the tax while enjoying the benefits of the program.

But California intends to forge ahead, hoping to capitalize on the increased support for single-payer healthcare resulting from Senator Sanders’ presidential run. Yahoo News reports, “Supporters hope the time is right to persuade lawmakers in California, where Democrats like to push the boundaries of liberal public policy and are eager to stand up to the Republican president.”

In other words, Californians are the guinea pigs for the liberal agenda.

“It is time to say once and for all that health care is a right, not a privilege for those who can afford it,” said Senator Lara.

And apparently, many Californians are happy to be the guinea pigs. Hundreds of people rallied in support of the measure outside of the state Capitol, many from the California Nurses Association and California Labor Federation, powerful unions in the state.

The chance of the proposal actually becoming law is a long shot, as it requires support not only for the bill but for the tax increases required to fund it. According to Yahoo News, two thirds of the Assembly and Senate would have to approve those increases. Likewise, if passed, the Trump administration would then have to waive rules related to federal funding for Medicare and Medicaid.

Reports also indicate that even among some of California’s most liberal lawmakers, there remains some consternation over the implementation of a single-payer healthcare system.

At a recent San Francisco town hall event, even liberal U.S. Senator Dianne Feinstein told her constituents, “If single-payer healthcare is going to mean complete takeover by the government of all healthcare, I am not there.”

Feinstein’s loyalty is being called into question by her progressive supporters, however, as she recently received funding from a lobbying firm that represents health insurers, pharmaceutical companies, and the trade association for doctors, according to Raw Story.

But Feinstein’s actions are not exceptional. One significant flaw in the current healthcare system in the United States is the major collusion between government and the healthcare industry.

Meanwhile, in the quest for quality and affordable healthcare, many have ignored what



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constitutionalists have long understood: A free market healthcare system is the only viable and fair solution.

In fact, a study last year by researchers from the Stanford University School of Medicine and the National Bureau of Economic Research came to this very conclusion. Eliminating government controls and consolidation of physician services would increase competition in the marketplace, and those researchers found that the greater the competition in any practice area, the more affordable the healthcare becomes.

Government policies have only served to increase healthcare costs. There are free-market solutions to the healthcare and health-insurance crisis in the United States. The New American has elaborated on these solutions [here](#): They include modifying tax laws to permit tax-free health savings accounts, reducing medical care costs by eliminating Certificate of Need laws, and increasing transparency in insurance payments, allowing more foreign doctors into the United States, and removing the American Medical Association's role in certifying medical programs.



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