Of the many possible approaches to increasing health insurance coverage among the populace, is a single-payer plan the most preferable?

The California Legislature indicated it is moving in that direction by its recent passage of an amended bill to introduce a universal, single-payer health care system in California.\(^1\) While the Senate must vote on the changes made by the Assembly, the bill is expected to pass readily and arrive on Governor Schwarzenegger’s desk, where it faces a likely veto.\(^2\)

The bill, S.B. 840, takes another pass at dealing with the related problems of decreased access to employer-sponsored health insurance, increased public insurance rolls, rising numbers of uninsured individuals, and health care costs that have consistently outstripped general inflation for years. It would establish a comprehensive system of health care in California for all its residents.\(^3\) The statute makes no express provision for distinguishing among residents based on immigration status, instead basing eligibility only on physical presence in the state with the intent to remain there indefinitely.\(^4\) While health care providers would need to verify a patient’s eligibility for coverage in most cases, eligibility would be presumed where a person is unconscious, comatose, mentally unstable, or otherwise incapable of establishing eligibility when s/he presents for treatment, or if s/he is a minor (and presumably is unaccompanied by a parent or guardian).\(^5\)

The bill would cover “all medical care determined to be appropriate by the consumer’s health care professional,” including but not limited to inpatient and outpatient health care facility and provider services, diagnostic and laboratory services, durable medical equipment, and prescription drugs as limited by a formulary.\(^6\) Services often not covered, or covered only with significant limitations, by employment-based insurance,

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\(^3\) S.B. 840, § 140400.

\(^4\) Id. This makes sense from both economical and ethical perspectives. Undocumented immigrants pay taxes, yet have far less access to health coverage than citizens. See generally, e.g., Dana P. Goldman et al., Legal Status and Health Insurance Among Immigrants, 24 HEALTH AFFAIRS 1640 (2005); M.L. Berk et al., Health Care Use Among Undocumented Latino Immigrants, 19 HEALTH AFFAIRS 51 (2000). At the same time, they have health care needs just like everyone else. If they are included among those covered, then messy issues with documentation, such as those present in the new federal rules requiring evidence of citizenship to qualify for Medicaid coverage, are avoided. At the same time, undocumented immigrants can receive the medical care they need, and health care providers can be compensated for their work and expenses.

\(^5\) S.B. 840, §§ 140406 – 140408.

\(^6\) S.B. 840, § 140501.
such as rehabilitative care, adult day care, substance abuse treatment, chiropractic care and acupuncture, would be covered by California’s plan.\textsuperscript{7} Individuals would be able to choose their own providers, and all health care providers licensed or accredited in the state would be eligible to participate in the plan.\textsuperscript{8} In practice, this allows free choice of a primary care provider and, for women, an obstetrician/gynecologist.\textsuperscript{9} Specialist care, however, is covered only upon referral by one’s primary care provider, thus in practice potentially limiting one’s choices.\textsuperscript{10}

Rationing would of course come into play. The bill prohibits restricting specialist referrals solely on the basis of financial considerations; however, such considerations may be (and undoubtedly would be) taken into account where relevant.\textsuperscript{11} Complaints about the delay, denial, or modification of care would first be addressed through an informal but binding review process by the chief medical officer and then, if the chief medical officer approves it, more formally through the independent medical review system.\textsuperscript{12} Other grievances would be handled through a patient advocacy system.\textsuperscript{13}

The Lewin Group, a respected consulting firm that provides health economics analyses at the request of governmental, nonprofit and private organizations,\textsuperscript{14} analyzed the likely financial impact of an earlier version of the bill, S.B. 921.\textsuperscript{15} It found that the bill, if enacted in 2006, would save $8 billion in health care costs in its first year alone while providing coverage to all California residents.\textsuperscript{16} This would be due largely to “the savings from administrative simplification and bulk purchasing of drugs and medical durables,” which “would be greater than the increases in utilization of health services resulting from expanded access under the program.”\textsuperscript{17}

Despite the detailed economic analysis and presumptions employed by the Lewin Group, S.B. 840 did not provide any financing mechanism. As such, it was not, so to speak, the “real deal,” but instead likely represents a further step along what has been a lengthy route toward instituting a single-payer system of health insurance in California.\textsuperscript{18} Perhaps the next pass will yield an even greater success for proponents of universal health care. With the federal government largely abstaining from productive leadership

\textsuperscript{7} Id.
\textsuperscript{8} S.B. 840, §§ 140500, 140600(a).
\textsuperscript{9} S.B. 840, § 140600(f)(1)(A) & (B).
\textsuperscript{10} S.B. 840, § 140601.
\textsuperscript{11} S.B. 840, § 140601(b)(3); see also S.B. 840, §§ 140203(c) & 140204(a) for further cost control measures authorized by the bill.
\textsuperscript{12} S.B. 840, §§ 140610, 140612.
\textsuperscript{13} S.B. 840, § 140608.
\textsuperscript{14} Here, Health Care for All requested the analysis. Health Care for All is an organization with branches throughout the country dedicated to instituting universal health coverage. See Health Care for All, About Us Statewide, available at \url{http://www.healthcareforall.org/statewide.html} (last viewed Sept. 1, 2006).
\textsuperscript{15} See Health Care for All, A Background History of S B 840, available at \url{http://www.healthcareforall.org/wp_background_history.html} (last viewed Sept. 1, 2006).
\textsuperscript{17} Id.
\textsuperscript{18} See, e.g., Health Care for All, supra note 15. Thanks to Patricia Gray for flagging this issue.
on the issue of increasing coverage at present, state efforts – most recently in California and Massachusetts, with other states following – seem now to be the ones to watch.