



SB 562 Financial Study Update

Senate Appropriations Committee Fiscal Report:

A fiscal report was released by the staff of the Senate Appropriations Committee on Monday May, 22nd that identified a cost of providing healthcare to California's residents. However a study coming out soon by UMass Amherst economist, Robert Pollin, will include additional information that will demonstrate the enormous cost savings from a single payer system.

The preliminary Senate Appropriations Committee financial report concludes \$400 billion is the estimated cost to provide access to health care for every California resident, including current uninsured as well as under insured families and individuals. However, UCLA study revealed that Californians currently pay 70% (\$260.9 billion) of a projected \$367.5 billion spent on all health care in the state. So the public is paying for the vast majority of our healthcare, we're just not getting our money's worth.

Notes on the Hypothetical 15% payroll tax:

- This is not the official proposal for financing, it's a hypothetical proposal offered as an example.
- Does not incorporate the savings the report itself suggests, indicating the necessary percentage would be much lower.
- If a payroll tax is used in the final financing, contributions could be shared between employers and workers or paid in full when unions and workers can negotiate those terms.

UMass Study on Financing Coming Soon

- Completed UMass financial study is being finalized now and will be available soon.
- As with all single payer systems, will demonstrate that the state will save money.
- Consolidating of federal and state dollars will contribute to cost savings, as well as a not-for-profit infrastructure to manage program.
- Earlier studies have found that California would save billions over a decade alone, and the UMass study is expected to reveal similar savings.

Report will still demonstrate that consumers will:

- Pay less for healthcare than with for-profit insurance, the ACA and AHCA
- Eliminates insurers from the examination room allowing providers to prioritize care, not what the insurance company will cover.
- Provides more healthcare services than in the vast majority of current insurance plans.
- Eliminates insurance premiums, deductibles with minimum to no co-pays.