

COUNTY OF MENDOCINO Board of Supervisors

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April 17, 2024

The Honorable Mia Bonta Chair, Assembly Health Committee 1021 N Street, Suite 390 Sacramento, 95814

Re: AB 2200 (Kalra), California Guaranteed Health Care for All Act (CalCare) - SUPPORT

Dear Assemblymember Bonta,

Mendocino County supports AB 2200 (Kalra), which would begin the process of creating a universal single-payer healthcare system for every California resident.

The escalating cost of health care is not only unsustainable but also places a heavy burden on the state economy and working families. Every dollar spent on health coverage is a dollar taken from a family's budget, a worker's paycheck, or a consumer's savings. The reality is that millions of insured Californians are still unable to afford care due to rising copays, deductibles, and out-of-pocket costs. The average cost of family premiums for job-based health insurance rose by 7% to nearly \$24,000 annually in 2023, creating an unbearable burden on workers and employers. Health plans offered through Covered California are set to increase by nearly 10% in 2024, the highest since 2018. Even for Californians with employer-based coverage, many are unable to afford the high cost of health care or risk losing their coverage in an economic downturn.

Adopting a single-payer system is a path forward to ensure everyone in California receives the health care they need with a single standard of excellent care. CalCare would improve and expand upon Medicare and Medi-Cal by consolidating existing healthcare programs into a single, streamlined health system to cover everyone living in California and provide comprehensive benefits to all. CalCare will be free at the point of service and eliminate gatekeeper obstacles to care created by middleman insurers like prior authorization, lifetime or annual limits, and in-network restrictions.

While CalCare would only go into effect once fully funded, AB 2200 will set in motion a single-payer healthcare system that would help protect California from future deficits through the implementation of a more fiscally efficient and effective system of care. CalCare promises to reduce inefficiencies in the current, fragmented insurance system by cutting unnecessary administrative expenses associated with insurance and by reining in skyrocketing prices for hospital services, doctor visits, and prescription

THE BOARD OF SUPERVISORS

GLENN MCGOURTY First District MAUREEN MULHEREN Second District JOHN HASCHAK Third District DAN GJERDE Fourth District drugs. This efficiency and effectiveness are not just theoretical but are backed by careful planning and research, instilling confidence in the proposed system.

CalCare would also save money for our state overall. The Healthy California for All Commission found that under a single-payer model, with no cost-sharing for patients and long-term care for all, California would save between \$32 billion and \$213 billion over ten years compared to our current system. The Commission also estimated that today, it costs California hospitals, doctors, and other providers \$85 billion each year in insurance-related administrative costs alone, and it estimated that, under a single-payer model, California would pay about \$42 billion less in administrative costs each year. Under CalCare, these savings would be redirected to patients to provide comprehensive benefits and expand coverage to all Californians.

By passing AB 2200, California can also position itself to seek consolidated federal waivers from the U.S. Department of Health and Human Services. These waivers will make it easier for California to consolidate healthcare dollars, expand benefits, and eliminate cost-sharing. As analyzed by the Healthy California for All Commission, enacting the policy legislation of single-payer health care is the first necessary step that must be completed in the process put forth by the federal government to apply for waivers. AB 2200 provides the required statutory foundation and sets California on the path necessary to have in-depth financing discussions.

AB 2200 is the first step to transforming our current healthcare model into an efficient, equitable, and comprehensive system. For these reasons, Mendocino County urges you to vote "YES" on AB 2200 (Kalra) before you in Committee.

Sincerely,

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Maureen Mulheren, Chair Mendocino County Board of Supervisors

CC: The Honorable Jim Wood, 2nd District Members, Assembly Health Committee Office of Assemblymember Ash Kalra