

Date: November 16, 2006
Initiative No. 06-0035

The Attorney General of California has prepared the following title and summary of the chief purpose and points of the proposed measure:

SINGLE-PAYER HEALTH CARE COVERAGE. INITIATIVE STATUTE. Establishes state agency to administer new California Health Insurance System. Provides California residents single-payer comprehensive health care coverage, including prescription drugs. Funded by premiums imposed on income-earners and employers, based on specified criteria, and existing federal, state and local health care funds. Phases out private health care plans/insurance policies for services provided by the System. Commences only after adoption of premium structure by Legislature and Governor and a determination that there will be sufficient funding. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: One-time increase in state spending in the low millions of dollars to establish a Premium Commission. If the measure is enacted and future actions were taken to fully implement a single-payer health care system, state revenues and spending could increase by roughly \$155 billion annually. Revenues to the system could be greater or lesser than its costs, depending on various factors. Unknown but potentially significant increase or decrease in the costs to state and local governments of purchasing health coverage for public employees. Unknown reduction in state insurance premium tax and corporate income tax revenues of potentially several hundred million dollars annually. (06-0035.)