

SB 810

Summary

**(full 98 pages available on City Council Agenda at
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Item 8-2B**

AMENDED IN SENATE MAY 10, 2011

SENATE BILL

No. 810

Introduced by Senator Leno

(Coauthors: Senators Alquist, Corbett, DeSaulnier, Evans, Hancock, Lieu, Lowenthal, Pavley, and Yee)

(Coauthors: Assembly Members Allen, Ammiano, Beall, Block, Blumenfield, Bonilla, Brownley, Cedillo, Chesbro, Eng, Fong, Furutani, Gordon, Huffman, Bonnie Lowenthal, Ma, Monning, Skinner, Williams, and Yamada)

February 18, 2011

An act to add Division 114 (commencing with Section 140000) to the Health and Safety Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

SB 810, as amended, Leno. Single-payer health care coverage.

Existing law does not provide a system of universal health care coverage for California residents. Existing law provides for the creation of various programs to provide health care services to persons who have limited incomes and meet various eligibility requirements. These programs include the Healthy Families Program administered by the Managed Risk Medical Insurance Board, and the Medi-Cal program administered by the State Department of Health Care Services. Existing law provides for the regulation of health care service plans by the Department of Managed Health Care and health insurers by the Department of Insurance. Existing law establishes the California Health Benefit Exchange to facilitate the purchase of qualified health plans through the Exchange by qualified individuals and small employers by January 1, 2014.

This bill would establish the California Healthcare System to be administered by the newly created California Healthcare Agency under the control of a Healthcare Commissioner appointed by the Governor and subject to confirmation by the Senate. The bill would make all California residents eligible for specified health care benefits under the California Healthcare System, which would, on a single-payer basis, negotiate for or set fees for health care services provided through the system and pay claims for those services. The bill would require the commissioner to seek all necessary waivers, exemptions, agreements, or legislation to allow various existing federal, state, and local health care payments to be paid to the California Healthcare System, which would then assume responsibility for all benefits and services previously paid for with those funds.

The bill would create the Healthcare Policy Board to establish policy on medical issues and various other matters relating to the system. The bill would create the Office of Patient Advocacy within the agency to represent the interests of health care consumers relative to the system. The bill would create within the agency the Office of Health Planning to plan for the health care needs of the population, and the Office of Health Care Quality, headed by a chief medical officer, to support the delivery of high quality care and promote provider and patient satisfaction. The bill would create the Office of Inspector General for the California Healthcare System within the Attorney General's office, which would have various oversight powers. The bill would prohibit health care service plan contracts or health insurance policies from being issued for services covered by the California Healthcare System, subject to appropriation by the Legislature, and would authorize the collection of penalty moneys for deposit into the fund. The bill would create the Healthcare Fund and the Payments Board to administer the finances of the California Healthcare System. The bill would create the California Healthcare Premium Commission (Premium Commission) to determine the cost of the California Healthcare System and to develop a premium structure for the system that complies with specified standards. The bill would require the Premium Commission to recommend a premium structure to the Governor and the Legislature on or before January 1, 2014, and to make a draft recommendation to the Governor, the Legislature, and the public 90 days before submitting its final premium structure recommendation. The bill would specify that only its provisions relating to the Premium Commission would become operative on January 1, 2012, with its remaining provisions

becoming operative on *the earlier of* the date the Secretary of California Health and Human Services notifies the Legislature, as specified, that sufficient funding exists to implement the California Healthcare System ~~or~~ *and* the date the secretary receives the necessary federal waiver under the federal Patient Protection and Affordable Care Act, ~~whichever is later.~~

The bill would extend the application of certain insurance fraud laws to providers of services and products under the system, thereby imposing a state-mandated local program by revising the definition of a crime. The bill would enact other related provisions relative to budgeting, regional entities, federal preemption, subrogation, collective bargaining agreements, compensation of health care providers, conflict of interest, patient grievances, and independent medical review.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Division 114 (commencing with Section 140000)
2 is added to the Health and Safety Code, to read:

3
4 DIVISION 114. CALIFORNIA UNIVERSAL HEALTHCARE
5 ACT

6
7 CHAPTER 1. GENERAL PROVISIONS
8

9 140000. There is hereby established in state government the
10 California Healthcare System, which shall be administered by the
11 California Healthcare Agency, an independent agency under the
12 control of the Healthcare Commissioner.

13 140000.6. No health care service plan contract or health
14 insurance policy, except for the California Healthcare System plan,
15 may be sold in California for services provided by the system.

16 140001. This division shall be known and may be cited as the
17 California Universal Healthcare Act.