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# Single-Payer Health Care in California: Goals and Challenges

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# Single-Payer Is One Approach to Achieving the Goals of Health System Change

Possible Goals	Single-Payer	Multi-Payer
Provide universal coverage	✓	✓
Reduce wasteful spending and constrain cost growth	✓	✓
Improve quality of care	✓	✓
Improve health outcomes	✓	✓
Eliminate or significantly reduce premiums and cost-sharing	✓	Reductions are more likely than full elimination
Eliminate the profit motive from the health system	✓	Possible, but not likely with multiple payers in the US context



# The Single-Payer Financing Approach Would Encounter Challenges

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- **Financing challenges:**
  - More than \$100 billion in new state revenues would be needed. Tax increases would have to win legislative/voter approval as well as provide sufficient ongoing revenues to keep up with projected health care spending.
- **State constitutional challenges:**
  - Prop. 4 of 1979 and Prop. 98 of 1988 restrict policymakers' ability to raise revenues and prioritize expenditures.
- **Implementation challenges:**
  - A single-payer system could not be implemented with the flip of a switch. What challenges would likely arise, and how could they be addressed?



# Further Analysis of the Single-Payer Approach Is Needed

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- **A comprehensive transition plan and a realistic revenue plan should be created** before state lawmakers or the voters are asked to approve a single-payer proposal.
- **These transition and financing plans should assume the gradual phase-in of a single-payer system**, in light of the many uncertainties associated with transforming a sector that comprises one-seventh of the state's economy.
- **California's new Secure Choice retirement savings program offers a useful, real-time example.**
  - The implementing legislation for Secure Choice was enacted in 2016. The program is being phased in over several years.





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