



Center for Policy Analysis

Equitable Quality Universal Affordable Health Care (EQUAL)

STATEMENT BY
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Implementation of Federal Health Care Reform
Joint Hearing of the
Senate Health Committee and Assembly Health Committee
State Capitol, Room 4203
May 12, 2010 1:30 – 4:50 p.m.

The new Affordable Health Care Act will improve access to and quality of health care, and creates policy space to go further. Its passage could reinvigorate a progressive agenda that advances social and economic equality and solidarity.

The state should pursue opportunities that will offer particular benefits for the future of single payer proposals.

1. Constraining insurance-related costs. The Secretary of the U.S. Department of Health and Human Services has requested comments on how to design regulations establishing medical loss ratios and insurance premiums generally. Federal legislation would strengthen federal and state authority over insurance rates. These should be supported.

2. Constraining the major drivers of health care costs: The use and prices of new technologies. A single payer system would offer mechanisms for limiting the major drivers of increased health care spending, including public decisions regarding coverage and prices of new technologies, and global budgets for each institution and for the system as a whole. This will require groups of providers to determine the most cost-effective and equitable way to allocate resources. These decisions will pose challenges. Many of the measures in the new law regarding quality and outcomes will offer important information to future single payer administrators.

3. Obtaining federal waivers for state single payer systems. The new law provides a streamlined application process for states to seek waivers to coordinate payments and benefits with a raft of federal health programs. It would automatically transfer to the state federal subsidies that would have been paid for health exchange products. However, it does not provide any new federal authority to coordinate with Medicare, Medicaid, and other health programs. It also failed to amend ERISA, which limits states' ability to finance health care. Finally, it is possible that the law as written could enforce the establishment of state health insurance exchanges, delaying implementation of single payer until 2017. As noted in the attached memo's, the HHS Secretary must promulgate regulations on these issues by September, 2010. The state should comment favorably to advance its interest in these matters.

Please see EQUAL memo's on these issues, submitted for the record.

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