

Assembly Bill 2200

California Guaranteed Health Care for All Act (CalCare)

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SUMMARY

Today's U.S. health care system is a complex, fragmented, multi-payer system that leaves wide gaps of coverage and poses major issues of affordability. Despite health care spending in the U.S. far exceeding other high-income, industrialized countries that offer a publicly financed single-payer system, we consistently report worse health outcomes and disparities among vulnerable populations.

AB 2200 sets in motion a single-payer health care coverage system in California, called CalCare, for all residents, regardless of citizenship status. By streamlining payments and lowering per-capita health care spending, CalCare guarantees quality health care and long-term care and eliminates barriers to care and out-of-pocket costs.

By affirming health care as a right to all Californians and focusing on a single-payer policy that eliminates waste and aligns reimbursements with the actual cost of care, we can make significant progress on acquiring state and federal approvals.

HEALTH SYSTEM STATUS QUO

According to a recent 2023 Health Policy Survey, nearly **two-thirds** of Californians report being worried about unexpected medical bills and out-of-pocket health care costs¹. The average cost of family premiums for job-based health insurance climbed 7% to nearly \$24,000/year in 2024², creating an unsustainable burden on workers and employers. Even health plans offered through Covered California will increase an average of nearly 10%, the highest since 2018.

¹ California Health Care Foundation and NORC, [California Health Policy Survey](#) (Sept 30-Nov 1, 2022).

² KFF, [2023 Employer Health Benefits Survey](#).

Even with the planned Medi-Cal expansion, an estimated 2.6 million Californians will remain uninsured³ and millions more with coverage will be forced to delay or forgo necessary medications or health care services due to cost.

Health care spending in the United States far outpaces other industrialized countries.⁴ While Americans use significantly fewer health care services⁵ – including physician visits and hospital admissions – spending is greater due to higher prices. Despite higher spending, Americans have worse health outcomes, including shorter life expectancy and greater prevalence of chronic conditions.⁶

Another challenge with our health care system is the pervasiveness of health disparities. California is a diverse state – racially, ethnically, economically, and geographically – and vulnerable populations face greater health risks and less access to safety net programs.

California's growing population aged 60 years and over is expected to grow more than three times as fast as the total population⁷, which will place additional strain on health care services. As more aging adults enter Medicare, CalCare can improve access and lower costs by pooling state and federal funds.

³ UC Berkeley Labor Center, [California's Uninsured in 2024](#), March 2023.

⁴ OECD, [Health at a Glance 2023: OECD Indicators](#), November 2023 – health expenditure in relation to GDP and per capita.

⁵ [Health at a Glance 2023: OECD Indicators](#) – number of doctor consultations per person, hospital discharges, and average length of stay in hospital.

⁶ The Commonwealth Fund, [U.S. Health Care from a Global Perspective, 2022: Accelerating Spending, Worsening Outcomes](#), January 2023.

⁷ California Department of Aging, [Facts About California's Elderly](#).

CALIFORNIA GUARANTEED HEALTH CARE FOR ALL (CALCARE)

The COVID-19 pandemic has exposed how grossly flawed and inequitable our multi-payer health system is and how critical it is for all Californians to be guaranteed access to health care. AB 2200 is the policy framework that will bring California closer to achieving a single-payer system by setting in place a comprehensive framework of governance, eligibility and enrollment, delivery of care, health care cost controls, and a just transition towards greater benefits and access to care.

By passing the California Guaranteed Health Care for All Act, the state positions itself to seek consolidated federal waivers. These waivers would make it easier for California to consolidate health care dollars, provide flexibility, expand benefits, and eliminate cost-sharing.

Upon being authorized and financed, CalCare will establish a comprehensive universal single-payer health care coverage program and a health care cost control system. CalCare will be an independent public entity governed by a nine-member executive board with expertise in health care policy and delivery.

AB 2200 provides a seamless transition for people with existing treatment or who want to keep their preferred care team. CalCare also includes health care workforce recruitment and retention provisions that are linked to global budgets, special projects, and other programs.

THE CALCARE MISSION AND DUTIES

CalCare will be charged with overseeing the state's single-payer system, and will ensure the following:

Comprehensive Benefits and Freedom of Choice
Californians will have access to comprehensive health care coverage, including all primary and preventive care, hospital and outpatient services, prescription drugs, dental, vision, audiology, reproductive health services, maternity and newborn care, gender-affirming care, long-term services and supports, mental health and substance abuse

treatment, laboratory and diagnostic services, ambulatory services, and more. Patients will have freedom to choose doctors, hospitals, and other providers they wish to see, without worrying about whether a provider is “in-network.”

No Premiums, Copays, or Deductibles

Californians would receive health care services and other defined benefits without paying any premiums or deductibles. Upon receiving care, patients would not be charged any copays or other out-of-pocket costs.

Addressing Health Care Disparities

CalCare would establish an Office of Health Equity to coordinate efforts to remove barriers to care and create a special projects budget to fund the construction, renovation, and staffing of health care facilities in rural or underserved communities.

Long-Term Services and Supports for People with Disabilities and Seniors

Long-term services and supports for daily living will be fully covered for medically determinable conditions, whether physical, mental, or due to age.

Reducing Health Care Costs and Improving Care

CalCare would move the state to a simplified health care payment system that will free health care providers from devoting time to billing and instead focus on patient care. The new system would establish reasonable payment methodologies for providers that are aligned with the actual costs of care rather than driven by profits. Health care professionals and institutional providers would be prohibited from over utilizing services. CalCare would negotiate bulk drug prices for all Californians and take other measures to lower the costs of prescription drugs.

Global Budgets for Institutional Providers

CalCare would negotiate fair, adequate global budgets to hospitals and other institutional providers to help contain exorbitant costs by aligning health care payments with the actual cost of care and eliminating the waste present in the system today. Institutional providers may submit appeals to the global budget to address justifiable or unforeseen circumstances.